



Accounts\_Tax\_Audit\_Business Consultancy

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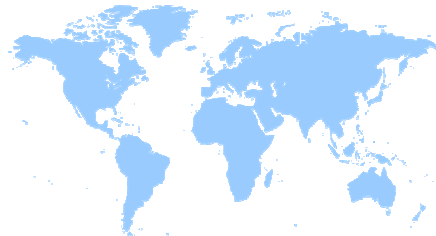
## **INTERNATIONAL TRANSACTIONS HOW CAN THE VAT AFFECT YOUR COMPANY?**

The encouraging spirit of the modern business and its expansion all over the world have entailed that international transactions and trade relations are more usual in our days. This situation brings with it a series of tax implications in foreign countries which should be known by companies. A lack of knowledge or a delay in registering with the relevant tax authorities can involve penalties and interests. VAT is one of these taxes that with good tax planning should not imply an added cost to the entities in question. VAT is a neutral tax for companies and it should not be an increased cost for products or services. The international launching of new products or the developing of new international markets requires a detailed fiscal study prior to putting the new business plan into practice. A foreign company which is going to act in these terms in Spain should take into account a number of considerations such as:

- ◆ The requirement to obtain a Spanish VAT number.
- ◆ How and when the VAT tax forms should be filed.
- ◆ The relevant invoicing procedures.
- ◆ When and how much VAT should be charged.
- ◆ How the Spanish VAT paid can be recuperated.
- ◆ What local VAT rule would be applicable
- ◆ Whether a reverse VAT systems can be applied.
- ◆ Which are the VAT requirements for event organizing entities?
- ◆ Importation and exportation.
- ◆ EU transactions.

A detailed analysis of each company situation will be necessary, to establish if a company is acting or not by means of a permanent establishment in Spain for VAT and corporation tax

Asec Group has a wide experience in this international field and can give you the benefit of its knowledge in this matter. Please contact our Tax expert Maria Lima by email ([mjlc@asec.es](mailto:mjlc@asec.es)) or telephone +34 902 995 993.



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