Deloitte.

URL: http://mobile.deloitte-tax-news.de/german-tax-legal-news/bmf-issues-new-guidance-on-conditions-for-refund-of-incorrectly-charged-vat.html

22.10.2015

German Tax and Legal News

BMF issues new guidance on conditions for refund of incorrectly charged VAT

BMF clarifies that refund of incorrectly charged VAT by the tax authorities requires the repayment of the amount to the recipient

On 7 October 2015, Germany's Federal Ministry of Finance (BMF) issued a circular clarifying that where a VAT invoice is corrected because VAT has been charged incorrectly, the supplier must refund the excess VAT to the customer in order to have the amended invoice be considered by the tax authorities.

The BMF relied on a 2008 decision of the High Finance Court (V R 56/06), in which the court held that where a supplier and a customer agree to a partial or full reimbursement of VAT charged on an invoice, the taxable base will be reduced in the period of the repayment by the amount of VAT refunded to the customer.

If the supplier is not obliged to refund the VAT overpaid to the customer following to an invoice correction (e.g. where the parties have agreed on a total invoice amount that includes VAT), the supplier may reduce its VAT liability without having to reimburse the customer.

www.deloitte-tax-news.de

Diese Mandanteninformation enthält ausschließlich allgemeine Informationen, die nicht geeignet sind, den besonderen Umständen eines Einzelfalles gerecht zu werden. Sie hat nicht den Sinn, Grundlage für wirtschaftliche oder sonstige Entscheidungen jedweder Art zu sein. Sie stellt keine Beratung, Auskunft oder ein rechtsverbindliches Angebot dar und ist auch nicht geeignet, eine persönliche Beratung zu ersetzen. Sollte jemand Entscheidungen jedweder Art auf Inhalte dieser Mandanteninformation oder Teile davon stützen, handelt dieser ausschließlich auf eigenes Risiko. Deloitte GmbH übernimmt keinerlei Garantie oder Gewährleistung noch haftet sie in irgendeiner anderen Weise für den Inhalt dieser Mandanteninformation. Aus diesem Grunde empfehlen wir stets, eine persönliche Beratung einzuholen.

This client information exclusively contains general information not suitable for addressing the particular circumstances of any individual case. Its purpose is not to be used as a basis for commercial decisions or decisions of any other kind. This client information does neither constitute any advice nor any legally binding information or offer and shall not be deemed suitable for substituting personal advice under any circumstances. Should you base decisions of any kind on the contents of this client information or extracts therefrom, you act solely at your own risk. Deloitte GmbH will not assume any guarantee nor warranty and will not be liable in any other form for the content of this client information. Therefore, we always recommend to obtain personal advice.