

New VAT rules came into effect in all EU countries on 1 January 2010. The most significant changes relate to:

1. The rules for determining the place where a service is supplied and which country can therefore tax these services.
2. The refund of foreign (EU) VAT incurred during cross border transactions within the EU.
3. Reporting obligations and listings.

Place of VAT taxation (services supplied to a VAT-taxable person)

	Until 31st December 2009	From 1st January 2010
Main rule	Taxation in the country where the supplier is established	Taxation in the country where the customer is established, under the reverse charge rule
Exceptions	Until 31st December 2009	From 1st January 2010
Services related to real estate (including services of estate agents and holiday accommodations)	Taxation in the country where the real estate is located	Taxation in the country where the real estate is located
Passenger transport services	Taxation in EU1* proportional to the distance covered in EU1*	Taxation in EU1* proportional to the distance covered in EU1*
Services and ancillary services relating to cultural, educational events etc., including the services of the organizers	Until 31st December 2010 Taxation in the country where the services are physically carried out	From 1st January 2011 Taxation in the country where the customer is established ¹
Restaurant and catering services	Taxation in the country where the services are physically carried out	Taxation in the country where the services are physically carried out
Short-term hiring of means of transport (no more than 30 days)	Taxation in the country where the supplier is established and the means of transport are used (the same or another EU member state)	Taxation in the country where the means of transport are actually put at disposal of the customer
Restaurant and catering services physically carried out on board ships, aircraft or trains during the section of a passenger transport operation effected within the EU	Taxation in the country where the restaurant and catering services are physically carried out	Taxation in the country where point of departure is located.

¹ As an exception, services carried out for fairs and exhibitions from the 1st January 2011 will be taxable in the country where the events take place.

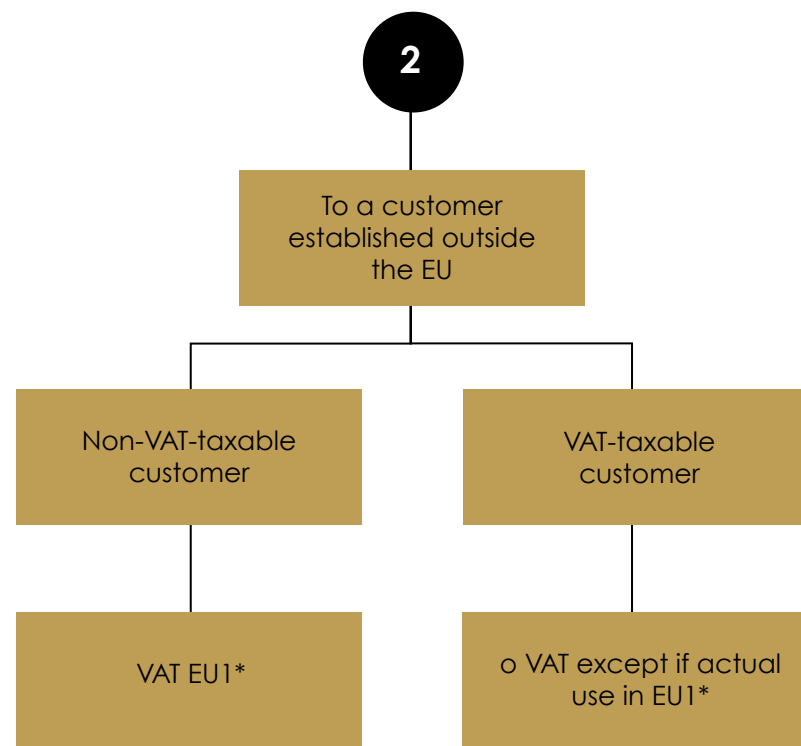
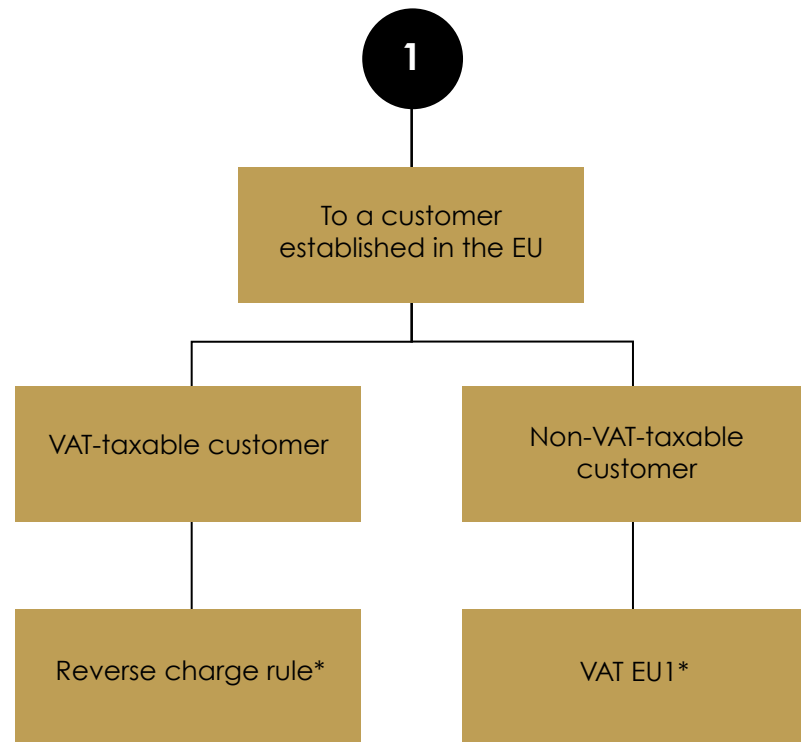
*Any EU country.

	Until 31st December 2009	From 1st January 2010
Main rule	Taxation in the country where the supplier is established	Taxation in the country where the customer is established
Exceptions	Until 31st December 2009	From 1st January 2010
Services supplied by intermediaries	Taxation in the country where the underlying transaction is supplied	Taxation in the country where the underlying transaction is supplied
Services related to real estate, (including services of estate agents and holiday accommodations)	Taxation in the country where the real estate is located	Taxation in the country where the real estate is located
Transport of goods in the EU	Taxation in the place of departure of the transport	Taxation in the place of departure of the transport
Transport of goods in EU1* for delivery	Taxation in EU1* if the point of departure is in EU1*	Taxation in EU1* in proportion to the distance covered in EU1*
Passenger transport services	Taxation in EU1* proportional to the distance covered in EU1*	Taxation in EU1* proportional to the distance covered in EU1*r
Services and ancillary services relating to cultural, educational events etc., including the services of the organizers	Taxation in the country where the activities are physically carried out	Taxation in the country where the activities are physically carried out
Ancillary transport activities such as loading, unloading, handling and similar activities	Taxation in the country where the services are physically carried out	Taxation in the country where the services are physically carried out
Valuations of and work on movable tangible property	Taxation in the country where the services are physically carried out	Taxation in the country where the services are physically carried out
Hiring of means of transport	Taxation in the country where the supplier is established	Taxation in the country where the means of transport are actually put at disposal of the customer ²
Restaurant and catering services	Taxation in the country where the services are physically carried out	Taxation in the country where the services are physically carried out
Restaurant and catering services physically carried out on board ships, aircraft or trains during the section of a passenger transport operation within the EU	Taxation in the country where the services are physically carried out	Point of departure of the passenger transport operation
Immaterial services supplied to a customer established out of the EU	No taxation	No taxation
Electronically supplied services by a supplier established outside of the EU	Taxation in the country where the customer is established	Taxation in the country where the customer is established

² As an exception, from the 1st January 2013, the long-term hiring of means of transport will be taxable in the country where the customer is established. Moreover, specific rules will apply to the hiring of pleasure boats.

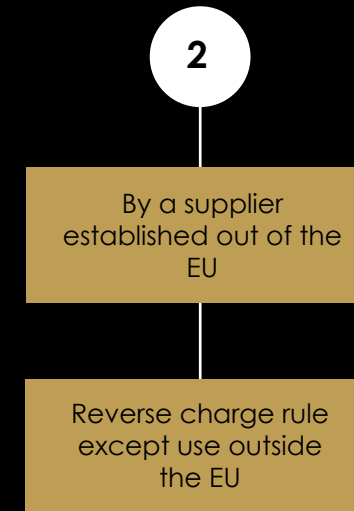
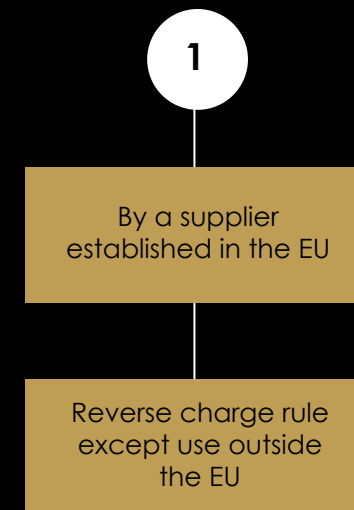
*Any EU country.

STANDARD SERVICES CHARGED BY YOUR COMPANY



*Except actual use outside the EU.
*Any EU country.

STANDARD SERVICES CHARGED BY YOUR COMPANY



Our VAT specialist can help businesses meet these new obligations and assist them in implementing the new rules in the most VAT efficient manner.