

Dutch article 23 VAT deferral licence

Import of goods into the Netherlands

The importation of goods from outside the EU into the Netherlands is in principle a taxable event for Dutch VAT purposes irrespective of whether these goods are imported by a taxable person, a private person, a non-taxable person, or an exempt person. As a result, Dutch VAT is payable, as a general rule, at the time of importation and needs to be paid to the customs normally.

VAT deferral licence

The Netherlands have implemented a unique system based on article 23 of the Dutch VAT Act (i.e. so-called article 23 licence). This licence enables importers to avoid immediate payment of VAT upon importation of goods. Based on this system the VAT liability is shifted to the periodic VAT return. This means that import VAT needs to be declared in this periodic VAT return, but on the other hand can be deducted in the same return as well (assuming there is entitlement to a full VAT deduction). As a result, there is no actual payment of VAT upon import and thus a cash-flow and interest advantage. The VAT deferral licence can only be applied by taxable persons, exempt persons and non-taxable legal persons, i.e. not by private persons.

Conditions VAT deferral licence

In general the following conditions should be fulfilled for the application of the VAT deferral licence:

- the applicant must be resident or have a permanent establishment or a fiscal representative in the Netherlands;
- the applicant must import goods on a regular basis; and
- the applicant must keep clear administrative records of the imported goods.

Please note that for the import of private cars and delivery trucks different conditions do apply.

Written application

The application for the VAT deferral licence should amongst others state the following information:

- Tax/VAT identification number applicant/importer of the goods;
- Name of the applicant/importer of the goods;
- Type of goods that are going to be imported into the Netherlands;
- Quantity of the goods;
- How often there will be import of goods (on annual basis);
- Value of the goods to be imported (on annual basis);
- From which non-EU country the goods will be imported.

The Dutch tax authorities are required to deal with the application within 8 weeks.

We can arrange on a short term the article 23 deferral for you.