



Documentation for EU trade

REV1 / 2022.10.06 / BWS-ROHO

Tightened documentation requirements for VAT exempt Intra-Community trade

Facts:

EU has decided to introduce harmonised rules governing VAT exempt Intra-Community trade. This appears from a new EU directive "Quick Fix directive", in which several variants are given on how business enterprises can provide evidence that their export or import has taken place. The Danish Parliament has on 28 November 2019 acceded to the tightened rules by adopting an amendment – L27 – to the Value Added Tax Act. If you sell/export and ship goods from Denmark to another EU country, it is up to you whether you will use the national rules and not the new EU rules of documentation.

The responsibility for correct documentation rests with buyer and seller, and Blue Water Shipping is not responsible in this respect.

The tightened documentation rules shall ensure that seller only has VAT exemption when the goods are actually moved across the borders.

The new rules will take effect as from 1 January 2020, but Danish sellers/exporters of goods from Denmark may choose not to use these rules.

Reason:

To put a stop to VAT evasion and to create uniform rules within the entire EU.

What does it mean for your company?

(See options above for not making use of the new rules):

If you are the seller (exporter) and freight payer, you may choose the simple solution as documentation:

- › Freight invoice
- › Bank document confirming payment of same or an insurance policy

If you are the buyer (importer) and freight payer, you may choose the same simple solution as the seller. However, you must be prepared for your supplier/seller asking you for a written statement, confirming that the goods have been delivered, as well as 2 (A) supporting documents or 1 (A) + 1 (B) supporting document. See documentation chart.

If you are the seller (exporter), but NOT the freight payer (EXW), you MUST make sure to receive a written statement from buyer, confirming that the goods have been delivered, as well as 2 (A) supporting documents or 1 (A) + 1 (B) supporting document. See documentation chart.

If you are the buyer (importer), but NOT the freight payer, you MUST be prepared for your supplier/seller asking you for a written statement confirming that the goods have been delivered.

The requirement to a "written statement" will appear from the below documentation chart. Other possibilities of documentation of VAT exempt trade will also appear from the chart.

Further information:

Below documentation chart

Law text (Danish): www.skat.dk

Documentation	Documentation requirements	Examples
A	Two separate, non-conflicting proofs issued by two different independent parties (independent of each other, of seller and of buyer) showing that the goods have been transported to another EU country.	<ul style="list-style-type: none"> › Freight invoice › Signed CMR freight bill › Accompanying document › Bill of lading › Airway bill
B	Concrete proof	<ul style="list-style-type: none"> › Insurance policy regarding transport of the goods › Bank document confirming payment of the transport of the goods › Official documents issued by a public authority, e.g. a notary, confirming that the goods have arrived in the member state of destination › Receipt, issued by stockist in the member state of destination, confirming that the goods are stored in this member state
Declaration	Written declaration from buyer, from which it appears that the goods have been transported by buyer or by third party on behalf of buyer.	Declaration to include: <ul style="list-style-type: none"> › Country to which the goods have been delivered › Date of issue › Buyer's name and address › Quantity and type of goods › Date and place of arrival of the goods › Identification of the person receiving the goods on behalf of buyer
Transport organiser	Requirements	Examples (see types of documentation in the below field)
Seller	A + A or A + B	Either: <ul style="list-style-type: none"> › Invoice from carrier (A) + bank document confirming payment of transport (B) or: › CMR freight bill (A) + invoice from carrier (A) or: › Invoice from carrier (A) + insurance policy regarding the transport (B) or: › Invoice from carrier (A) + official documents from notary or the like (B)
Buyer	A + A + declaration or A + B + declaration	Same as above + declaration