

## VAT Tour Operators

MARGIN SCHEME - VAT QUICK SCAN

April 1, 2016, was the fourth anniversary of the introduction of the new VAT Tour Operators Margin Scheme. This scheme introduced special rules for VAT levied on travel. Businesses have raised numerous questions about the practical effects of the scheme. Other than its name implies, the Tour Operators Margin Scheme does not only apply to travel agents. Are you certain you meet the legal obligations of the Tour Operators Margin Scheme? Meijburg & Co's VAT quick scan will enable you to identify the opportunities and threats!

**Background**

The Tour Operators Margin Scheme was intended to make calculating and remitting VAT easier for businesses. However, the terms 'travel' and 'travel agency' are broadly defined. This means that you may fall under the Tour Operators Margin Scheme, even if you are not, strictly speaking, a travel agency.

**The scheme also affects tour operators, bus**

companies, cruise ship operators, bungalow parks, airlines, conference organizers, trade fairs, musicals, educational trips and company outings, and also companies that second employees abroad.

**What is the VAT quick scan?**

The VAT quick scan enables us to assess to what extent the Tour Operators Margin Scheme applies to your business and whether the VAT position of your company or institution is optimal. We also analyze whether your VAT administration and VAT returns will withstand the scrutiny of an audit conducted by the Dutch tax authorities.

Meijburg & Co's VAT quick scan is an easy and efficient way for your business to find out whether there are risks involved in meeting your VAT obligations. It also identifies opportunities for optimizing your VAT-position.

**What does the VAT quick scan offer?**

- A quick and efficient inventory of the main opportunities and risks;
- A review based on a checklist and/or brief interview;
- A brief and concise report of the findings;
- A turnaround time of 1-2 weeks;
- You are informed of the costs in advance.

**Advantages of the VAT quick scan:**

- Opportunities and 'threats' are properly identified, so that you can optimize your VAT position.
- The quick scan can be used as a point of reference for the audit of the annual financial statements: is your company 'in control' of VAT?

**Questions that the VAT quick scan can address are:**

- Does the Tour Operators Margin Scheme affect your company?
- On which costs can you recover input VAT?
- What are the invoicing requirements?
- How should the profit margin on your sales be calculated?
- What are the consequences of a negative profit margin?
- How should you process prepayments?
- How is VAT levied on travel to destinations outside the European Union?
- Is it possible to influence the application of the Tour Operators Margin Scheme?

### **Why choose Meijburg & Co?**

Meijburg & Co understands the travel industry. We have extensive experience with issues arising as a result of the application of the Tour Operators Margin Scheme. We combine our thorough tax knowledge in this field with an efficient and practical approach that makes use of our international Travel, Leisure, and Tourism network and our knowledge of the market. All this enables us to offer you unique solutions to domestic and cross-border tax matters.

### **Contact**

If you are interested in learning more about the VAT quick scan, please contact one of the advisors listed below or your personal contact at Meijburg & Co.

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