

# PKF info sheet



## Documentary evidence of intra-Community supply (Entry Certificate)

In order to apply the zero VAT rate to an intra-Community supply of goods, certain requirements have to be met. In particular, proof has to be provided that the supplying company, or the purchaser, has transported or dispatched the goods to another EU Member State. In principle, any permissible documents and means of evidence may be provided as proof. However, the German tax authorities impose very exacting standards on the documentary evidence requirement and will often refuse to grant a tax exemption in cases of even the slightest ambiguity. It is, therefore, advisable to provide the proof in the format specified in Section 17 of the German VAT Implementing Ordinance (*Umsatzsteuer-Durchführungsverordnung*, “UStDV”).

### Duplicate sales invoice / VATIN

According to Section 17 of the “UStDV”, companies should keep a copy of the sales invoice for the purpose of providing documentary evidence. The sales invoice should contain the VAT identification number (VATIN) of the supplying company and the correct VATIN, on the date of supply, of the actual purchaser. Soon after the delivery of the goods, the supplying company is expected to check whether or not the VATIN that was provided for that particular supply of goods is valid and has indeed been assigned to the purchaser (qualified confirmation of validity procedure; e. g., online at [evatr.bff-online.de/eVatR/](http://evatr.bff-online.de/eVatR/)). The sales invoice has to contain a reference to the tax exemption for the supply of the goods (cf. also the PKF Info Sheet “Completeness of Invoices” under [www.pkf-fasselt.de/Publikationen/PKF-Merkblaetter-6740](http://www.pkf-fasselt.de/Publikationen/PKF-Merkblaetter-6740)).

### Entry Certificate

Furthermore, companies should obtain a document that confirms the arrival of the goods elsewhere in the Community (entry certificate) and it should have the following contents:

- name and address of the customer;
- quantity of the goods supplied and their standard commercial description;
- place where and month in which the goods were received elsewhere in the Community if the supplying company transported or commissioned the dispatch of the goods, or if the customer commissioned their dispatch; alternatively, the place where and the month in which the transport of the goods ended elsewhere in the Community if the customer transported the goods;
- date of issue of the entry certificate, as well as
- the signature of the customer, or of his/her agent.

**Please note:** If the signature is provided by an agent, or a representative then, in case of doubt, the tax authorities will request documentary evidence of the appointment of the agent or of the authority to represent.

### Alternatives if goods are dispatched

If an independent carrier (e. g. forwarding agent) is appointed to transport the goods the following alternatives to an entry certificate may be considered:

#### Dispatch document

Documentary evidence may in particular be provided, in the form of a legally valid consignment note, – this has to have been signed by the commissioner of the carrier (in CMR field 22) and the recipient should also have provided a signature as confirmation of receipt of the goods (in CMR field 24) – a bill of lading or duplicates of these.

**Please note:** If an agent or a representative of the recipient provides a signature then the note to the entry certificate applies accordingly.

#### Carrier confirmation

A Carrier confirmation has to include the following information:

- name and address of the company commissioned with the dispatch as well as the date of issue,
- name and address of the supplying company as well as of the commissioner of the dispatch;
- quantity of the goods supplied and their standard commercial description;
- recipient of the goods supplied and the destination elsewhere in the Community;
- month in which the transportation of the goods ended elsewhere in the Community;
- guarantee by the company commissioned with the transport that the information in the receipt was provided on the basis of business documents that can be verified within Community territory, as well as
- the signature of the company commissioned with the transport.

#### Tracking and tracing protocol / receipt voucher from the postal operator

If, for example, a courier service is used to make the delivery, then the written or electronic order that was placed with the

company commissioned with the transport, in conjunction with the tracking and tracing protocol, may be provided as proof. The protocol has to provide evidence of seamless transport right up to delivery to the recipient.

**Please note:** When dispatching one or more items whose overall value does not exceed € 500, a written or electronic order and proof of payment of the consideration for the supply of goods are regarded as satisfactory documentary evidence by the tax authorities.

If it is not possible to provide such proof for mail items, then a voucher from a postal operator confirming the receipt of the mail item that was addressed to the customer, in conjunction with proof of payment, would satisfy the documentary evidence requirement.

#### Carrier assurance

If the customer commissions the forwarding agent then, in order to satisfy the alternative proof requirement, proof of payment out of the customer's bank account of the consideration for the supply of the goods has to be provided, as well as a guarantee from the forwarding agent, issued at the start of the transport, with the following information:

- name and address of the company commissioned with the transport as well as the date of issue; name and address of the supplying company as well as of the commissioner of the dispatch;
- quantity of the goods supplied and their standard commercial description;
- recipient of the goods supplied and the destination elsewhere in the Community;
- guarantee from the company commissioned with the transport that it will transport the goods to the destination elsewhere in the Community, as well as the signature of the company commissioned with the transport.

**Please note:** If there is reasonable doubt as to whether or not the goods actually arrived elsewhere in the Community then additional proof will have to be produced.

### Alternatives in special cases

If the goods are **transported under the Community Transit procedure**, then confirmation of the intra-Community supply from the transit office of departure, which is issued after proof of the completion of the transit procedure has

been entered, will be valid as documentary evidence, insofar as this indicates that there has been a delivery elsewhere in the Community. When **goods that are liable for excise duty are transported** under suspension of payment of excise duties and the EMCS procedure is used, then proof may be provided in the form of the EMCS notice of receipt that has been validated by the competent authority in the other Member State. By contrast, if goods that are liable for excise duty and have been released for free circulation are transported then the third copy of the simplified accompanying document may be used as proof. In the case of the **supply of vehicles**, which are **transported by the customer** and which require an approval for use on public roads, then the documentary evidence may be provided in the form of proof that the vehicle is registered in the name of the purchaser (i. e. the customer of the supplying company) in the Member State of the destination of the supply.

## General Rules

In the case of the supply of a new vehicle, the documentary evidence has to contain the identification number of the vehicle. Furthermore, the following is in principle applicable to the documentary evidence requirement (with the exception of the carrier's assurance and the alternatives in special cases): the documentary evidence may be submitted in any format – in English and French, too – as long as the required information is included. The documentary evidence may also consist of several documents and may be

issued as a summary confirmation of transactions for up to one calendar quarter. Furthermore, electronic transmission (e. g. via e-mail with a PDF attachment) of the documentary evidence is permitted. In this case, the signature either of the customer on the entry certificate, or that of the agency that has been commissioned with the transport on the carrier confirmation are not required, insofar as it can be discerned that the electronic transmission is within the scope of authority of these persons.

**Please note:** For VAT purposes the tax administration considers it sufficient if concepts of evidence which were transmitted electronically are kept in a printed version. Provided that the transmission took place via e-mail, the e-mail itself should be filed as well. The generally accepted accounting principles and the basic principles to the access to data and for the testability of digital documents remain applicable.

The tax authorities give further rules pertaining to the entry certificate and the alternative proofs (including simplification rules) in Sections 6 a.2. up to 6 a.5. of the VAT application decree. In cases of handling and processing of the goods prior to the transportation, additional information has to be provided (cf. Section 17b of the "UStDV").

**Please note: Samples** of an entry certificate (also in English and French), a carrier confirmation, as well as a carrier assurance are included in the VAT application decree (*Umsatzsteuer-Anwendungserlass*) as appendices 1 to 5 to Sections 6 a.4. and 6 a.5.

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