

NETHERLANDS DOMESTIC REVERSE CHARGE

NEW AUTHORITY GUIDE

THOMSON REUTERS TAX RESEARCH
SEPTEMBER 2017 CONTENT UPDATE #1

Introduction

The authority of Netherlands Domestic Reverse Charge has been added to ONESOURCE Determination, including rates, catch-all rules and cross-border logic. It has been created in accordance with the Dutch VAT Act to account for Domestic Reverse Charge on the sale of some of the specific products listed in Articles 24ba and 24bb of the Dutch VAT Implementation Regulations.

The reverse charge for the specific products will be driven by the establishment of the buyer in the ship from location. Therefore, in order to trigger the Domestic Reverse Charge authority, it is necessary to set the establishment of the buyer in the ship from location to "Yes".

PART I – UPDATES TO DETERMINATION

Zone

The authority of Netherlands Domestic Reverse Charge has been attached to the country-level zone of Netherlands.

ZONE NAME	PARENT ZONE	ZONE LEVEL	3-CHAR CODE	DEFAULT PRODUCT GROUP
Netherlands	European Union	Country	NLD	Harmonized

Registration Mask

The following registration mask was added.

REGISTRATION MASK
^NL\d{9}B\d{2}\$ ^EU

Authority Options

NAME	CONDITION	VALUE	START DATE
AT - Ancillary Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Chain transaction Transport	None	Either	01/01/1901
CL - Customer Location Reverse Charge	Not Applicable	Not Applicable	01/01/1901
CR - Registration Required	Domestic Transaction	Registration Required	01/01/1901
Domestic Establishment Only	None	No	01/01/1901
DS - Default Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
ER - Establishment Required	None	Yes	01/01/1901
ES - Electronic Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Filling Group Goods	None	Yes	01/01/1901

NAME	CONDITION	VALUE	START DATE
GS - Goods Reverse Charge	Domestic Transaction	Registration Required	01/01/1901
Intra-Company tax free sale - Goods	None	Yes	01/01/1901
PP - Physical Performance Reverse Charge	Not Applicable	Not Applicable	01/01/1901
PRL - Parent Registration Lookup	None	Yes	01/01/1901
SI - Supplied and Installed Reverse Charge	Not Applicable	Not Applicable	01/01/1901
Turn Off Authority	None	Yes	01/01/1901
Triangulation Simplification	None	Not Established in Ship To	01/01/1901
TS - Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901
UE - Used and Enjoyed	Not Applicable	Not Applicable	01/01/1901
WG - Work on Goods Reverse Charge	Not Applicable	Not Applicable	01/01/1901

Rate Updates

The following rates have been added in the authority of Netherlands Domestic Reverse Charge.

RATE CODE	RATE DESCRIPTION	RATE	START DATE
NL	Not Liable	0%	01/01/2017
RR	Reduced Rate	6%	01/01/2017

RATE CODE	RATE DESCRIPTION	RATE	START DATE
SR	Standard Rate	21%	01/01/2017
ZR	Zero Rate	0%	01/01/2017

Catch-all Rules

The following catch-all rules have been added in the authority of Netherlands Domestic Reverse Charge.

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000	None	Acquisition	No Tax	01/01/2017
5001	None	Import	No Tax	01/01/2017
5002	None	Zero Rate Export	No Tax	01/01/2017
5003	None	Zero Rate	No Tax	01/01/2017
5004	None	European Community Dispatch	No Tax	01/01/2017
5005	None	Triangulation	No Tax	01/01/2017
5006	None	EC Sales List Services	No Tax	01/01/2017
5007	None	Taxable Export	No Tax	01/01/2017
5008	None	Distance Sale	No Tax	01/01/2017
5009	None	Intra-EU Reverse Charge	No Tax	01/01/2017
5010	None	Intra-Company	No Tax	01/01/2017

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5011	None	VAT Groups	No Tax	01/01/2017
10000	None	Any	No Tax	01/01/2017

Also, a new no tax rule with an authority rule qualifier has been added in the authority of Netherlands to prevent the system returning two tax blocks when the rules contained in the authority of Netherlands Domestic Reverse Charge are applied.

The rule added to the authority of Netherlands is the following.

RULE ORDER	RATE CODE	TAX TYPE	TAX TREATMENT	START DATE
5000.0001	None	Any	No Tax	01/01/2017

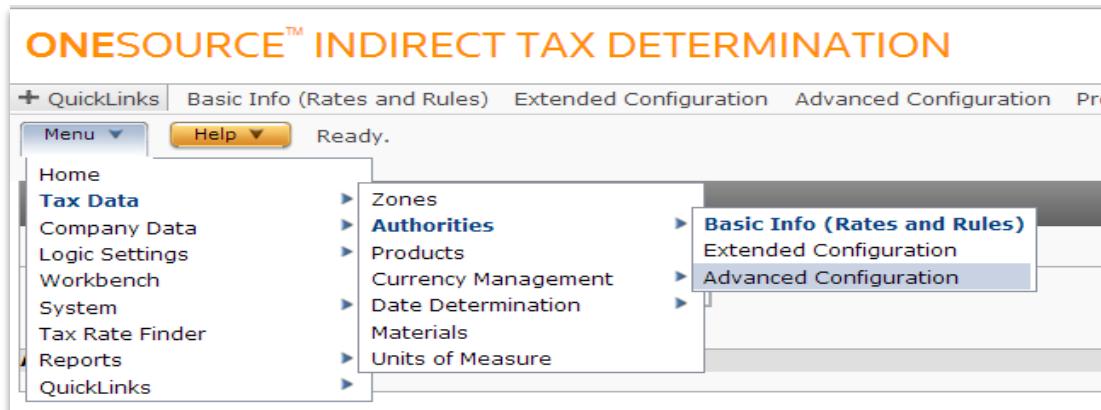
The authority rule qualifier added to the above-mentioned rule is the following.

CONDITION EXPRESSION	OPERATOR	VALUE	START DATE
Netherlands Domestic Reverse Charge	NOT_APPLIED_TAX_TYPE	S	01/01/2017

PART II – USING THE AUTHORITIES

Turning On the authority

The Netherlands Domestic Reverse Charge authority is turned off by default. To turn it on, access the Advanced Configuration section.



Search for the respective authority and select it.

Authority Name	Product Group
Search Results	
.. Netherlands	Harmonized
.. Netherlands Domestic Reverse Charge	Harmonized
.. Netherlands Excl	Harmonized
.. Netherlands Free Port	Harmonized
.. Netherlands Private Copy Levy	Harmonized

Select the Options tab and then click the Actions button and select Add from the drop-down menu. Select the name of the option “Turn Off Authority” and set the condition to None, the value to No and the start date of 01/01/1901.

Name	Condition	Value	Start Date	End Date
Turn Off Authority	- None -	No	01/01/1901	31

Name	Condition	Value	Start Date	End Date
AT - Ancillary Transport Services Reverse Charge	Not Applicable	Not Applicable	01/01/1901	31
Chain Transaction Transport	- None -	Either	01/01/1901	31
CL - Customer Location Reverse Charge	Not Applicable	Not Applicable	01/01/1901	31

PART III – TAX RESULT EXAMPLES

Test 1: Shipment of goods subject to Domestic Reverse Charge from Netherlands to Netherlands – Purchase

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Ship From	Netherlands
Ship To	Netherlands
Seller Registration	NL123456789B21
Buyer Registration	NL123456789B22
Buyer Establishment in Ship From	Yes

Scenario 2017 September Update - Netherlands DRC goods domestic transaction:

View Results: 1 ▾	Gross Amount: 50000.00	Eff%: 0%	Type	Dir	Fee	Rate	Tax	Amt	TT	IT
Zone	Authority	Invoice Desc								
Country: NETHERLANDS	Netherlands Domestic Reverse Charge	Domestic Reverse Charge 2012.85423 - Electronic integrated circuits (Art. 24ba Implementation VATA)	RC	O		21%	10500.00			
Country: NETHERLANDS	Netherlands Domestic Reverse Charge	Domestic Reverse Charge 2012.85423 - Electronic integrated circuits (Art. 24ba Implementation VATA)	RC	I		21%	10500.00			
0.00 EUR										
Authority Messages:										
Authority	RuleOrder	Message								
Netherlands Domestic Reverse Charge	6697.3881	EUBG16: btw verlegd - § 24ba en § 24bb Uitvoeringsbesluit omzetbelasting 1968								
Netherlands Domestic Reverse Charge	6697.3881	EUBG25: btw verlegd - § 24ba en § 24bb Uitvoeringsbesluit omzetbelasting 1968								

Test 2: Shipment of goods subject to Domestic Reverse Charge from Chile to Netherlands – Purchase

WORKBENCH ELEMENTS	VALUES
Company Role	Buyer
Transaction Type	Goods
Ship From	Chile
Ship To	Netherlands
Seller Registration	15.580.543-9
Buyer Registration	NL123456789B21

Scenario 2017 September Update - Netherlands DRC goods importation:

View Results: 1 ▾	Zone	Gross Amount: 50000.00	Eff%: 0%			
Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt
Country: NETHERLANDS	Netherlands	IM	O	21%	10500.00	
Country: NETHERLANDS	Netherlands	IM	I	21%	10500.00	0.00 EUR

Authority Messages:

Authority	RuleOrder	Message
Netherlands	10000	EUBG9: Import VAT in Ship To Location.
Netherlands	10000	EUBG10: Recovery of import input VAT in Ship To location.

Test 3: Shipment of goods subject to Domestic Reverse Charge from Netherlands to Netherlands – Sale

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Ship From	Netherlands
Ship To	Netherlands
Seller Registration	NL123456789B21
Buyer Registration	NL123456789B22
Buyer Establishment in Ship From	Yes

Scenario 2017 September Update - Netherlands DRC goods domestic transaction:

View Results: 1 ▾		Gross Amount: 50000.00	Eff%: 0%	Type Dir Fee Rate Tax TT IT									
Zone	Authority	Invoice Desc		NL	O	0%	0.00						
Country: NETHERLANDS	Netherlands Domestic Reverse Charge	Domestic Reverse Charge 2012.85423 - Electronic integrated circuits (Art. 24ba Implementation VATA)					0.00 EUR						
<input type="checkbox"/> Authority Messages:													
<table border="1"> <thead> <tr> <th>Authority</th> <th>RuleOrder</th> <th>Message</th> </tr> </thead> <tbody> <tr> <td>Netherlands Domestic Reverse Charge</td> <td>6697.3882</td> <td>EUSG14: btw verlegd - § 24ba en § 24bb Uitvoeringsbesluit omzetbelasting 1968</td> </tr> </tbody> </table>								Authority	RuleOrder	Message	Netherlands Domestic Reverse Charge	6697.3882	EUSG14: btw verlegd - § 24ba en § 24bb Uitvoeringsbesluit omzetbelasting 1968
Authority	RuleOrder	Message											
Netherlands Domestic Reverse Charge	6697.3882	EUSG14: btw verlegd - § 24ba en § 24bb Uitvoeringsbesluit omzetbelasting 1968											

Test 4: Shipment of goods subject to Domestic Reverse Charge from Netherlands to Chile – Export

WORKBENCH ELEMENTS	VALUES
Company Role	Seller
Transaction Type	Goods
Ship From	Netherlands
Ship To	Chile
Seller Registration	NL123456789B21
Buyer Registration	15.580.543-9

Scenario 2017 September Update - Netherlands DRC goods exportation:

View Results: 1 ▼	Gross Amount: 50000.00	Eff%: 0%							
Zone	Authority	Invoice Desc	Type	Dir	Fee	Rate	Tax Amt		
Country: NETHERLANDS	Netherlands	Zero Rated Export	ZE	O	0%	0.00	0.00 EUR		

Authority Messages:

Authority	RuleOrder	Message
Netherlands	5000.0002	EUSG6: Nultarief van toepassing art. 9, lid 2, b) Wet OBTabel II, onderdeel a, post 2

CONCLUSION

This guide explains changes made in ONESOURCE Indirect Tax Determination in connection with the authority of Netherlands Domestic Reverse Charge. Please contact Customer Support with any additional questions.