EY global survey

VAT/GST electronic filing and data extraction

EY

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Welcome

Welcome to our latest EY global survey on managing indirect taxes – *VAT/GST electronic filing and data extraction*

VAT/GST compliance and reporting is clearly one of the areas where technology can help to improve indirect tax management. How are tax administrations responding to the digital challenge? Where do VAT/GST payers have more obligations, and where do they have more opportunities? Tax administrations are also turning to technology to help them improve administration and collect and analyze taxpayer data. In the digital age, VAT/GST payers' obligations are increasing as tax administrations look to collect more taxpayer data electronically. But advances in technology can also ease the burden and allow taxpayers to meet their VAT/GST obligations more easily and at lower cost.

This report provides a snapshot of the VAT/GST electronic data collection, invoicing and archiving rules in 86 countries, based on information provided by our Indirect Tax network. We carried out this survey to accompany our thought leadership report *Managing indirect tax data: gaining insight and control in the digital age*,[1] which is published separately.

In conducting our survey, we found that VAT/GST payers face a wide range of reporting obligations around the world. The frequency of reports and type of VAT/GST data collected varies greatly from country to country. The lack of harmonization and the mounting demands for accurate information about transactions can challenge even the most effective accounting systems and can make it difficult to centralize and standardize processes. At the same time, businesses are increasingly able to adopt electronic solutions that allow them to issue their tax invoices and to store large amounts of data efficiently, cost-effectively and securely.

I hope you find this survey report and our related thought leadership useful for your business. Please be aware that this is a fast-moving area of legislation in which many countries are adopting new rules, and specific guidance should be sought related to each jurisdiction. If you would like to discuss our findings and how they may apply to your operations, please contact me or one of the EY Indirect Tax professionals listed in the Contacts section.

Philip Robinson
Global Director – Indirect Tax
+ 41 58 286 3197
philip.robinson@ch.ey.com

1 *Managing indirect tax data: gaining insight and control in the digital age*, EY, 2014 (available at www.ey.com/indirecttaxdata).

To accompany this survey report

Managing indirect tax data: gaining insight and control in the digital age

Our latest thought leadership report explores how businesses can use technology to manage indirect tax data more effectively to meet their obligations, reduce risks and seize opportunities.

Contents

Summary of survey findings

VAT/GST payers face a range of reporting obligations and statutory provisions related to invoicing and document storage around the world, which can challenge even the most effective accounting systems. The details requested by tax administrations and the frequency of reports vary greatly between countries, which can add to the compliance burden for multinational companies and can make it difficult to centralize and standardize processes.

In September 2013, we conducted a global survey of EY Indirect Tax professionals in 86 countries[2] and asked them about the information collected from VAT/GST payers by their local tax administrations, how the information is collected, how long it must be retained, how it may be stored and whether tax administrations extract data from VAT/GST payers' systems for tax audits. The results are summarized below. Details of the survey questions and responses may be found on pages 8–45 of this report.

VAT/GST returns

E-filing and electronic payments can help to improve efficiency and reduce processing time and costs for tax administrations and VAT/GST payers alike; therefore, it seems likely that more countries will adopt these measures in the future.

- VAT/GST payers currently file periodic VAT returns electronically (use e-filing) in 66 countries.
- VAT/GST payers can currently pay VAT/GST balances electronically in 75 countries.

2 Albania; Argentina; Armenia; Aruba; Australia; Austria; Belgium; Bonaire, Sint Eustatius and Saba (BES Islands); Brazil; Bulgaria; Canada; Chile; China; Croatia; Curaçao; Cyprus; Czech Republic; Denmark; Dominican Republic; Ecuador; El Salvador; Equatorial Guinea; Estonia; Fiji; Finland; France; FYR of Macedonia; Georgia; Germany; Ghana; Greece; Guam; Hungary; Iceland; India; Ireland; Isle of Man; Israel; Italy; Japan; Jordan; Kazakhstan; Kenya; Latvia; Lebanon; Lithuania; Luxembourg; Malawi; Malaysia; Malta; Mexico; Moldova; Mozambique; Namibia; the Netherlands; New Zealand; Norway; Pakistan; Panama; Paraguay; Peru; Philippines; Poland; Portugal; Puerto Rico; Romania; Russia; Singapore; Sint Maarten; Slovak Republic; Slovenia; South Africa; Spain; Sri Lanka; Suriname; Sweden; Switzerland; Thailand; Trinidad and Tobago; Turkey; UK; Uruguay; Venezuela; Vietnam; Zambia; and Zimbabwe.

Other VAT/GST reports

Periodic VAT returns are not the only reports that must be filed by VAT/GST payers in many countries. Additional reporting requirements can add greatly to the VAT/GST compliance burden.

- Annual VAT/GST returns are requested in 38 countries in addition to their periodic filings; 25 of the 38 countries that request annual returns use e-filing.
- European Union (EU) businesses engaged in intra-EU trade must also submit statistical reports (e.g., sales lists and Intrastat). All 28 Member States allow these reports to be submitted electronically.
- Roughly half the countries surveyed (44 out of 86) require VAT/GST payers to submit additional reports to the tax administration other than periodic filings (e.g., lists of customers and suppliers).
- In addition, in 37 countries VAT/GST payers may submit additional information about their activities electronically to the tax administration.

Transactional information

- In 23 countries VAT/GST payers must provide information about their individual transactions to the tax administration.
- In 16 countries VAT/GST payers must submit individual tax invoices to the tax administration.

VAT/GST payers often find these requirements onerous as they can delay operations and increase processing costs for individual transactions. Although these requirements are not widespread and most countries do not request this information, where they do exist, their impact can be significant, especially for companies with large trade volumes.

Tax audits

Tax administrations are increasing their use of software tools to detect indirect tax errors and weaknesses in taxpayers' ERP systems and controls. The survey indicates that data analysis in some form is widespread, with 69 countries reporting that the tax administration uses data extracted electronically from taxpayers' systems to carry out VAT/GST audits. This trend also seems likely to increase with the growing availability of data analytic software and the focus on VAT/GST compliance by tax administrations.

VAT/GST registration formalities

In many countries, businesses would like to be able to register as VAT/GST payers and deal with registration formalities (such as changes in their details) online. Currently, less than half of the countries surveyed allow businesses to deal with VAT/GST registration matters electronically.

- Thirty-six countries allow electronic registration.
- Thirty-eight countries allow VAT/GST payers to notify changes in their details electronically.
- Twenty-three countries allow VAT/GST payers to deregister electronically.

As government departments and businesses increasingly use the internet to carry out a wide range of tasks, it seems likely that more countries will allow electronic VAT/GST registration/deregistration in the future.

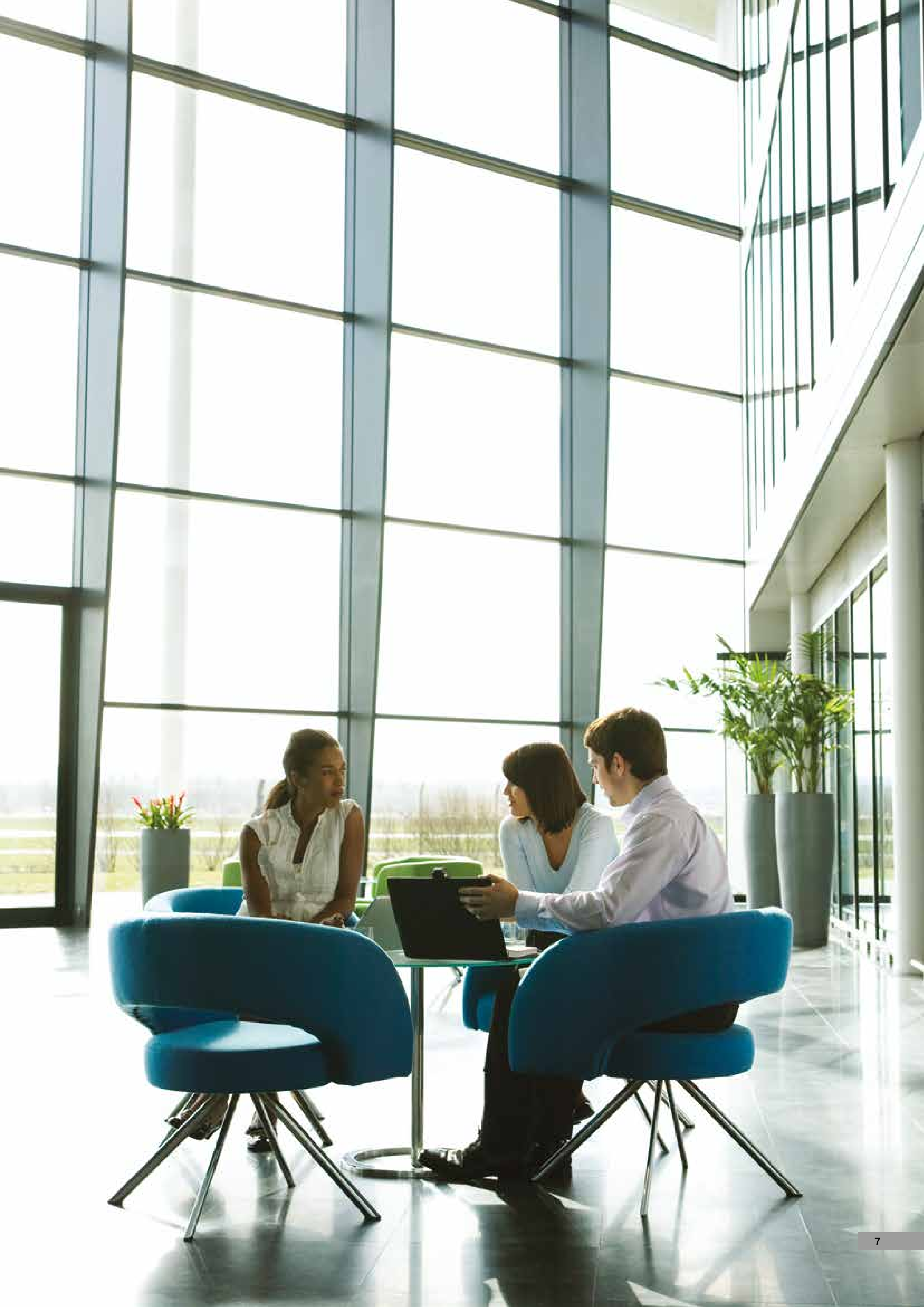
Electronic invoicing and archiving

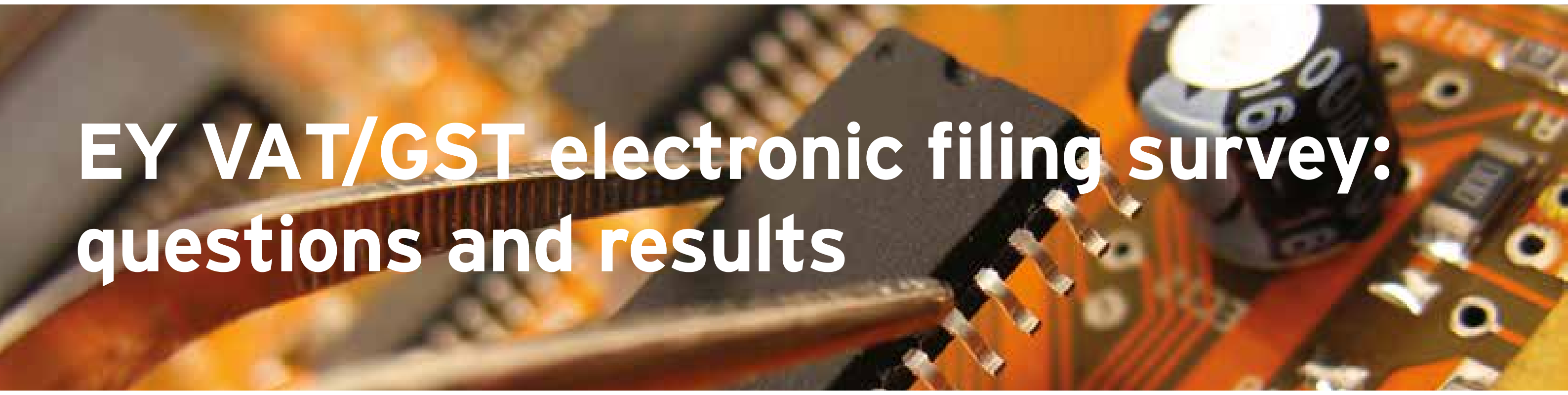
More and more commercial documents are being shared and stored electronically with the increased use of the internet, mobile phone applications and cloud computing. Most tax administrations support electronic invoicing and archiving, and more seem likely to do so in the future. Currently, the rules for electronic invoicing and archiving vary between countries, and not all have kept pace with advances in technology.

These factors can make it difficult for VAT/GST payers to adopt efficient and cost-effective business process. For example, many multinational companies struggle to centralize document production and storage and to apply standardized policies across jurisdictions. Also, many VAT/GST payers choose to retain records for longer than the statutory minimum period, as they may need their original documents and ledgers for possible future tax audits and disputes.

It seems likely that more tax administrations will allow electronic invoicing and archiving in the future, including offshore storage of documents, as these practices spread commercially and administrations become more comfortable with the reliability and security of electronic data. It is also to be hoped that more countries will harmonize rules and align their policies for data retention.

- Electronic invoicing is currently permitted for VAT/GST invoices in 72 countries surveyed.
- Document retention periods vary greatly between countries, with most countries (72 out of 86) expecting VAT/GST payers to retain information for five years or longer. In 26 of these countries, documents may need to be retained for10 years or longer.
- Electronic storage can ease the burden of needing to retain large amounts of VAT/GST documents for extended periods. Only four countries surveyed do not allow VAT/GST payers to store tax data electronically (although in 25 countries, VAT/GST payers must obtain specific permission to use electronic storage).
- Centralized storage of VAT/GST records (e.g., in a data warehouse) is permitted in 61 countries (although VAT/GST payers must request specific permission to use offshore storage in 20 countries).





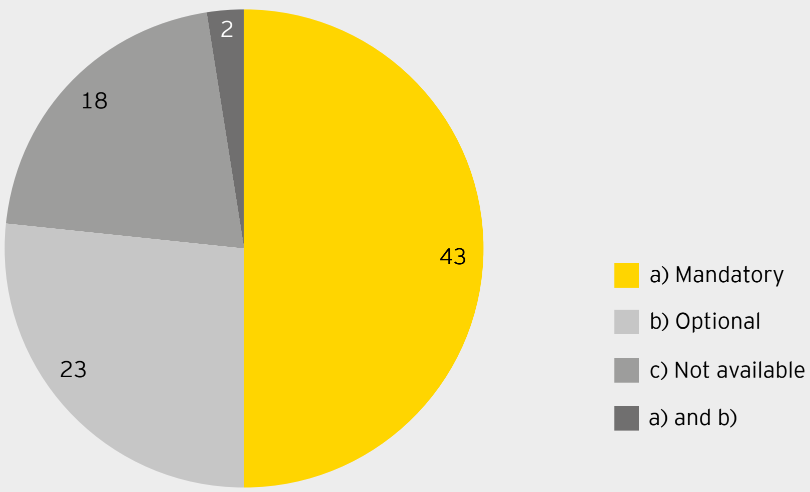
EY VAT/GST electronic filing survey: questions and results

Question 1:
Is electronic filing of periodic VAT/GST returns mandatory or optional?

a) Mandatory
b) Optional
c) Not available

This question related to how periodic VAT/GST returns are submitted by large taxpayers. In most cases, these returns are submitted monthly. Most of the countries surveyed allow or require taxpayers to submit their periodic VAT/GST returns electronically (see Figure 1). Electronic filing is compulsory for large taxpayers in 43 countries, optional in 23, and optional and compulsory in 2 countries depending on the circumstances; only 18 countries do not offer this facility. Electronic filing of periodic returns is available in all 28 EU Member States,[3] apart from Italy (where taxpayers do not submit periodic returns). Details of individual country responses to this question are outlined in Figure 2.

Figure 1: Electronic filing of periodic VAT/GST returns (Question 1)



Source: EY

3 Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden and UK.

Figure 2: Country breakdown of electronic VAT/GST returns (Question 1)

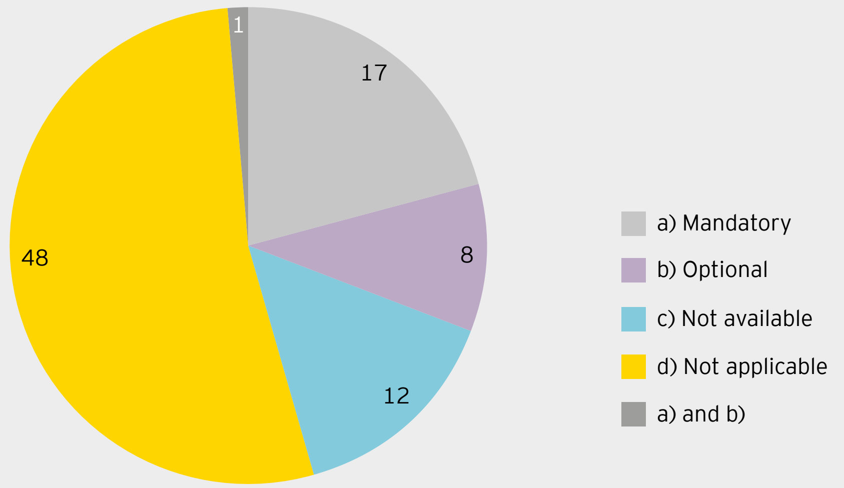
Countries where it is mandatory	Countries where it is optional	Countries where it is mandatory or optional depending on circumstances	Countries where it is not available
Albania	Bonaire, Sint Eustatius and Saba (BES)	Canada	Aruba
Argentina	Bulgaria	Slovakia	Equatorial Guinea
Armenia	Chile		Fiji
Australia	China		Ghana
Austria	Curaçao		Italy
Belgium	Cyprus		Jordan
Brazil	Czech Republic		Lebanon
Croatia	Finland		Malawi
Denmark	Guam		Malaysia
Dominican Republic	Hungary		Mozambique
Ecuador	Isle of Man		Namibia
El Salvador	Japan		Sint Maarten
Estonia	Kenya		Sri Lanka
France	Kazakhstan		Suriname
FYR Macedonia	Lithuania		Switzerland
Georgia	Malta		Trinidad and Tobago
Germany	Paraguay		Zambia
Greece	Poland		Zimbabwe
Iceland	Romania		
India	Russia		
Ireland	Sweden		
Israel	Thailand		
Latvia	Vietnam		
Luxembourg			
Mexico			
Moldova			
The Netherlands			
New Zealand			
Norway			
Pakistan			
Panama			
Peru			
Philippines			
Portugal			
Puerto Rico			
Singapore			
Slovenia			
South Africa			
Spain			
Turkey			
UK			
Uruguay			
Venezuela			

Question 2:
Is electronic filing of annual VAT/GST returns mandatory or optional?

a) Mandatory
b) Optional
c) Not available
d) Not applicable (no annual return)

This question related to how annual VAT/GST returns are submitted by large taxpayers. In 48 of the 86 countries surveyed, there is no annual VAT return. In the 38 countries that do require taxpayers to submit an annual return, most allow or require taxpayers to submit their annual VAT/GST returns electronically (see Figure 3); electronic filing is compulsory for large taxpayers in 17 countries, optional in 8, and optional and compulsory in 1 country depending on the circumstances. Only 12 countries do not offer electronic filing for annual returns. Some countries, such as Macedonia, allow electronic filing for some returns but not for all submissions. Annual returns are required or optional in only 10 EU Member States; however, all Member States that require annual reports allow electronic filing. Details of individual country responses to this question are outlined in Figure 4.

Figure 3: Electronic filing for annual VAT/GST returns (Question 2)



Source: EY

Figure 4: Country breakdown of electronic filing for annual VAT/GST returns (Question 2)

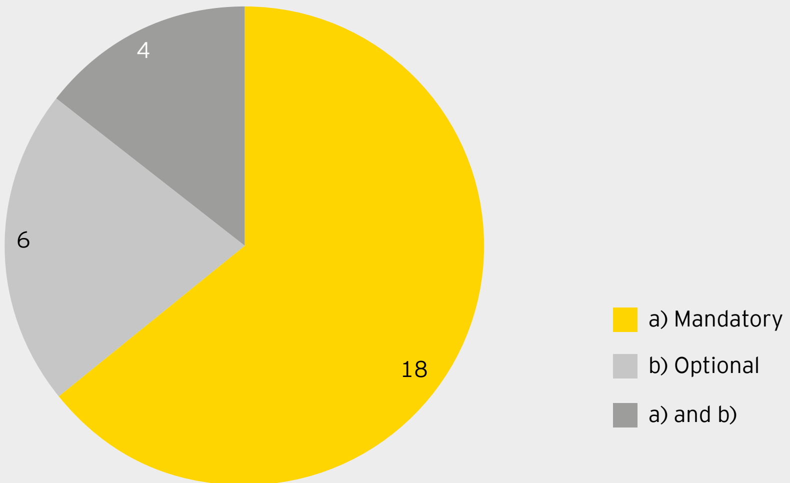
Countries where it is mandatory	Countries where it is optional	Countries where it is mandatory or optional depending on circumstances	Countries where it is not available	Countries where it is not applicable	
Argentina	Australia	Canada	Equatorial Guinea	Albania	Malta
Austria	BES		FYR Macedonia	Armenia	Malaysia
Croatia	Curaçao		Ghana	Aruba	Moldova
Germany	Finland		Guam	Belgium	New Zealand
Greece	Isle of Man		Malawi	Brazil	Norway
Iceland	Japan		Mexico	Bulgaria	Panama
India	Lithuania		Mozambique	Chile	Paraguay
Ireland	Uruguay		Namibia	China	Peru
Italy			Sint Maarten	Cyprus	Poland
Latvia			Suriname	Czech Republic	Romania
Luxembourg			Zambia	Denmark	Russia
The Netherlands			Zimbabwe	Dominican Republic	Singapore
Pakistan				Ecuador	Slovakia
Philippines				El Salvador	Slovenia
Portugal				Estonia	South Africa
Puerto Rico				Fiji	Sri Lanka
Spain				France	Sweden
				Georgia	Switzerland
				Hungary	Thailand
				Israel	Trinidad and Tobago
				Jordan	Turkey
				Kenya	UK
				Kazakhstan	Venezuela
				Lebanon	Vietnam

Question 3:
Is electronic filing of EU reports mandatory or optional?

a) Mandatory
b) Optional
c) Not available

This question pertains to monthly reports related to intra-EU trade (e.g., Intrastat and sales listing reports) that are exclusively required for taxpayers active in the 28 EU Member States. All Member States allow or require taxpayers to submit their Intrastat returns electronically (see Figure 5). Electronic filing is compulsory in 18 Member States, optional in 6, and optional and compulsory in 4 countries depending on the circumstances. Generally, countries that impose e-filing for periodic returns also impose it for Intrastat, but this is not the case in all countries (e.g., Estonia uses compulsory monthly e-filing, but e-filing for Intrastat is optional). Details of individual country responses to this question are outlined in Figure 6.

Figure 5: Electronic filing of EU reports (Question 3)



Source: EY

Figure 6: Country breakdown of electronic filing of EU reports (Question 3)

Countries where it is mandatory	Countries where it is optional	Countries where it is mandatory or optional depending on circumstances
Austria	Estonia	Luxembourg
Belgium	Finland	Malta
Bulgaria	Lithuania	Slovenia
Croatia	Poland	UK
Cyprus	Romania	
Czech Republic	Sweden	
Denmark		
France		
Germany		
Greece		
Hungary		
Ireland		
Italy		
Latvia		
The Netherlands		
Portugal		
Slovakia		
Spain		

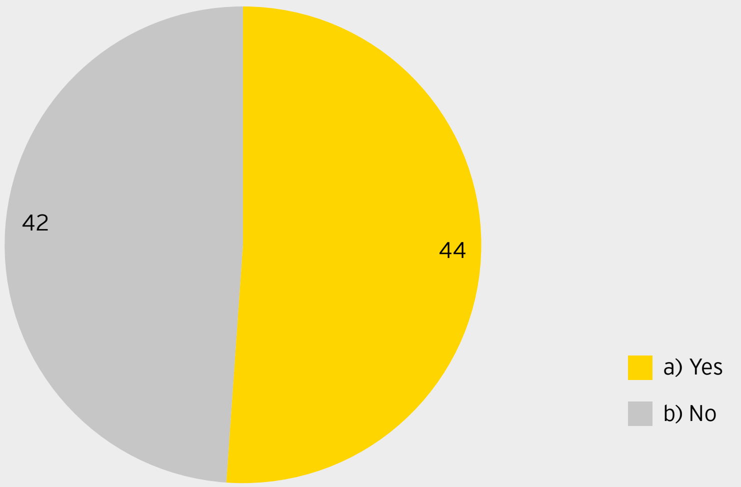
Question 4:
Are taxpayers required to submit any additional returns (e.g., annual statement, list of suppliers)?

a) Yes

b) No

This question asked whether the tax administration requires VAT/GST taxpayers to file additional VAT reports other than VAT/GST and Intrastat returns. For example, returns requesting details about taxpayers' transactions, customers or suppliers (see Figure 7). The 86 countries we surveyed are split almost exactly between those that do request additional information and those that do not. Thirteen of the 28 EU Member States require additional reports. Details of individual country responses to this question are outlined in Figure 8.

Figure 7: Additional VAT/GST report filings (Question 4)



Source: EY

Figure 9 outlines the type of information required by each country in these additional reports (Question 4a). The chart indicates a wide variation in the amount and type of detail requested by countries, which helps to illustrate why many multinational companies experience difficulties in using shared service centers (SSCs) to complete returns for multiple countries. Because of the wide range of information requested, it can be very difficult for companies to standardize processes both for collecting the information required and in formatting the way in which it must be supplied.

Figure 8: Country breakdown of additional VAT/GST report filings (Question 4)

Countries where taxpayers are required to submit additional returns	Countries where taxpayers are not required to submit additional returns
Argentina Armenia Belgium BES Brazil Curaçao Czech Republic Dominican Republic Ecuador El Salvador Estonia Fiji France Greece Hungary Iceland India Israel Italy Jordan Kenya Kazakhstan Latvia Lebanon Malaysia Mexico Moldova Mozambique Pakistan Paraguay Philippines Portugal Romania Slovakia Slovenia South Africa Spain Sint Maarten Turkey Uruguay Venezuela Vietnam Zambia Zimbabwe	Albania Aruba Australia Austria Bulgaria Canada Chile China Croatia Cyprus Denmark Equatorial Guinea Finland FYR Macedonia Georgia Germany Ghana Guam Ireland Isle of Man Japan Lithuania Luxembourg Malawi Malta Namibia The Netherlands New Zealand Norway Panama Peru Poland Puerto Rico Russia Singapore Sri Lanka Suriname Sweden Switzerland Thailand Trinidad and Tobago UK

Figure 9: Summary of additional returns VAT/GST taxpayers are required to submit (Question 4a)

Country	Outline of additional VAT/GST returns taxpayers are required to submit (e.g., annual statement, list of suppliers)
Argentina	Turnover tax: an annual return must be filed in which an allocation coefficient is calculated (which will be utilized to allocate revenues as the taxable base among the different jurisdictions).
Armenia	A statement of tax invoices received and issued and a statement of used hard copies of tax invoices are required quarterly.
Belgium	A listing of supplies made to Belgian taxable persons in Belgium during the previous year must be filed annually, at the latest by 30 March of the year following the year when the supplies took place.
BES	A correction tax return (indicating the correct figures) should be filed to correct errors.
Brazil	Different regulations apply according to the taxpayer's location (state and municipality) and its activity; therefore, some returns apply only to specific taxpayers and situations. For instance, when a taxpayer has a positive balance of certain federal VAT taxes (such as IPI or PIS/COFINS), it may complete a PER/DCOMP return, which is used by the taxpayer to offset the balance against others types of Federal Taxes, such as corporate income tax.
Czech Republic	An overview of all local reverse-charge transactions (e.g., supplies involving gold, CO_2 allowances, construction services and scrap) should be submitted as an enclosure to the VAT return in the tax period when the transaction is performed.
Curaçao	A correction tax return (indicating the correct figures) should be filed to correct errors.
Dominican Republic	The following reports must be submitted: details of purchases (monthly), VAT withheld (monthly), VAT credited or advanced (monthly), detail of sales (annually) and annual statements (annually).
Ecuador	A monthly report of all sales and purchases is required.
El Salvador	The following reports must be submitted: Monthly: ▸ Withholding and Advanced Income Tax Payment returns (Form F-14) ▸ Withholdings and Collection of VAT (Form F-930) Annually: ▸ Municipal Tax return (Form F-1) ▸ Taxpayer Registry Form (Form F-210) ▸ Notification Address Update Summary (Form F-211) ▸ Withholding Summary (Form F-910) ▸ Dividend and Profit Distribution Summary and/or Shareholder List (Form F-915) ▸ Capital Gains or Losses Summary (Form F-944) ▸ Report of Related Party Operations (Form F-982) ▸ Report of Suppliers, Clients, Creditors and Debtors (Form F-987) ▸ Income Tax return (Form F-11)

Country	Outline of additional VAT/GST returns taxpayers are required to submit (e.g., annual statement, list of suppliers)
Fiji	An input schedule must be filed with the tax return.
France	A special claim has to be submitted to obtain the refund of VAT credits; the claim can be submitted monthly, quarterly or annually.
Greece	Pursuant to the provisions of the Transaction Tax Reporting Code, taxpayers are obliged to file lists containing information about transactions with customers and suppliers exceeding €300 (customer/supplier lists). These lists should be filed electronically by 25 June of the year following the year when the transactions took place.
Hungary	A domestic summary report may be required. Effective 1 January 2013, taxpayers have to complete summary reports at the invoice level of domestic sales and purchases of goods or services subject to VAT if the VAT amount of the invoices (single invoice or more invoices coming from one supplier) exceeds HUF2 million (approximately €7,000). The reports are to be filed with their VAT returns. Complex rules apply for credit notes, among other things. As the domestic summary report forms part of the VAT return, it should be filed with the same frequency as the VAT return.
Iceland	Annual statements.
India	The federal and state governments prescribe various statements and reconciliations that have to be submitted periodically. The frequency of submission depends on the legislation, which can be different for federal levies and also different for state levies from state to state.
Israel	All invoices above NIS16,000 (VAT input) need to be submitted with the return. Invoices issued to or received from a Palestinian company must be submitted as well.
Italy	Taxpayers are required to submit the following reports: ▶ The "Annual VAT Data Communication" (a summary of the transactions carried out during the previous year for statistical purposes) must be submitted by the end of February of the following year. ▶ The so-called "Spesometro" (a report of the total amount of transactions performed per clients and suppliers). It must be submitted by 12 November 2013 for FY 2012 and by 30 April for subsequent years. ▶ A notice communicating any transactions carried out with subjects resident in "blacklisted" countries (if any) must be submitted by the end of the month following the month or quarter when the transactions were carried out. ▶ All letters received from frequent exporter customers asking for the application of the VAT zero-rated regime must be submitted by the 16th day of the month following the month when the invoice applying the VAT zero-rated regime was issued.
Jordan	An imported services declaration must be submitted, if applicable.
Kazakhstan	The following information must be submitted: registers of received and issued VAT invoices, registers of VAT invoices issued to companies established in the Customs Union, information of VAT amounts claimed for refund, etc. This information should be reflected in attachments to the main VAT return and must be provided on a quarterly basis.

Country	Outline of additional VAT/GST returns taxpayers are required to submit (e.g., annual statement, list of suppliers)
Kenya	An input tax schedule and schedules to support zero-rated sales must be submitted monthly with the VAT return.
Latvia	In addition to EU sales lists (purchases and supplies), detailed information must be provided relating to all other supplies and purchases made (i.e., local and non-EU) as an annex to the VAT return. This must be submitted with the VAT return.
Lebanon	Lists of the 10 largest suppliers and 10 largest clients must be submitted with the quarterly VAT return.
Lithuania	Registers of sales and/or purchase invoices must be submitted (the data required includes invoice number, invoice date, name and the VAT number/company number of the supplier/customer, taxable amount, VAT amount and the total invoice value). This information must be submitted after a special request is received from the tax authorities until the taxpayer receives a separate withdrawal of the request by the tax authorities. The information must be submitted monthly.
Malaysia	An annual audit certificate must be submitted and signed by a public accountant (not in the employment of the sales tax licensee) in relation to records required to be kept.
Mexico	A VAT information return (DIOT) must be filed monthly, and a withholding VAT information return (DIM) must be filed annually.
Moldova	A list of the tax invoices received and a list of the tax invoices issued must be submitted monthly.
Mozambique	Annual statements and a statutory report must be submitted annually.
The Netherlands	A supplementary VAT return is required only to correct information supplied in earlier VAT returns.
Pakistan	A quarterly return is required from certain taxpayers (e.g., retailers).
Paraguay	Detailed information related to sales, purchases and withholding tax must be submitted.
Philippines	Summary lists of sales, purchases and importations are required.
Portugal	Taxable entities resident in Portugal must communicate to the Bank of Portugal all economic or financial transactions carried out outside of Portugal or foreign-exchange transactions for which the total annual amount of inputs and outputs exceed €100,000. This communication should be made monthly.
Romania	Taxpayers are required to submit an informative statement (Form 394) regarding local supplies/acquisitions of goods/services supplied to/from Romanian taxpayers. This report must be submitted monthly/quarterly. Annually, taxpayers that submit quarterly VAT returns and that have not made any intra-Community acquisitions of goods should submit a specific statement (Form 094).

Country	Outline of additional VAT/GST returns taxpayers are required to submit (e.g., annual statement, list of suppliers)
Sint Maarten	A correction tax return (indicating the correct figures) should be filed to correct any errors.
Slovakia	Effective 1 January 2014, VAT ledgers must be filed containing a complete list of output and input invoices with detailed information about the invoices (e.g., VAT numbers, a description of the services and goods supplied, the serial numbers of invoices, amounts net of tax and VAT amount).
Slovenia	If supplies subject to the domestic reverse charge have been made, a domestic reverse-charge report must be submitted for every VAT return period when such supplies were made. The tax authorities may also request additional information (e.g., books of invoices) at their discretion without starting a tax audit.
South Africa	The IT14SD (a supplementary return to the annual corporate tax return) is issued randomly to taxpayers. Taxpayers who receive the IT14SD must reconcile their VAT returns for a financial year to their turnover and cost of sales figures declared in their financial statements.
Spain	Taxpayers must submit the following additional returns: Forms 322 and 353 (for taxpayers applying for the Special VAT Group scheme) and Form 347 (an Annual Recapitulative Statement of transactions performed with third parties).
Suriname	There is no standard requirement or standard frequency for additional information.
Turkey	Taxpayers must declare all their sales and purchases valued at more than TRY5,000 on a monthly basis in the All Sales (BS) and All Purchases (BA) forms.
Uruguay	Taxpayers must submit returns detailing VAT charged on sales to taxpayers, VAT paid on local purchases, local VAT exempt purchases, importation VAT, withholding taxes and the related taxable amounts.
Venezuela	The VAT withholdings tax return must be submitted quarterly. Only Special Taxpayers are required to submit this return in accordance with the Special Taxpayers' Calendar.
Vietnam	The following additional returns are required: a list of invoices of goods and services sold, a list of invoices of goods and services purchased, a table of allocation of the creditable VAT amount of goods and services purchased in the month (if applicable), a list of VAT amounts already paid for turnover derived from extra-provincial mobile construction and the installation or the sale of goods (if applicable). This information is required monthly and/or quarterly (if applicable).
Zambia	A list of supplies on which VAT has been claimed and a list of invoices issued on which VAT is payable must be submitted monthly.
Zimbabwe	A schedule of suppliers, invoice numbers and amount of input tax claimed must be submitted.

Question 5:
Are taxpayers required to submit any transactional details to the tax authorities electronically?

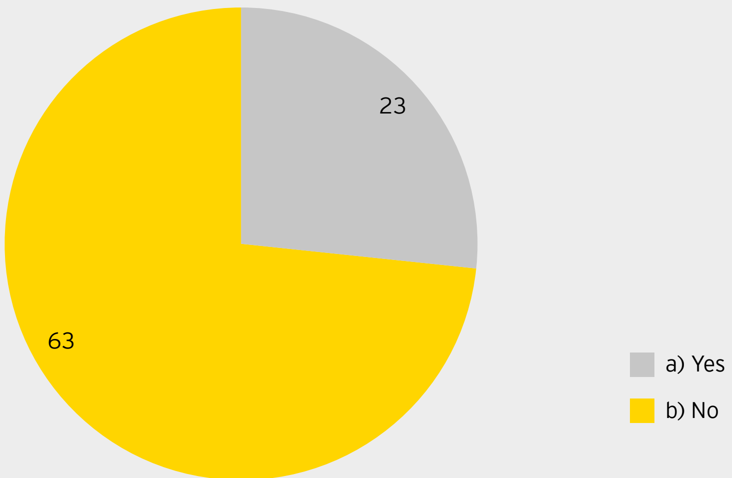
a) Yes

b) No

This question related to whether VAT/GST payers are required to submit details of individual transactions to the tax administration. Submission of transactional data may be required before a transaction is carried out (and carrying out the transaction may be dependent on authorization from the tax administration), when the transaction is performed (real-time reporting) or after the transaction has been carried out. The requirement to submit transactional reporting, where it exists, is generally used by tax administrations as an anti-fraud measure because it allows the tax administration to monitor transactions and the conduct of VAT/GST payers very closely.

Currently, only 23 of the 86 countries surveyed require taxpayers to submit data about transactions (see Figure 10); only 6 of the 28 EU Member States require details of transactions. Although most countries do not request transactional information, for taxpayers resident in the countries that do, these compliance obligations can be extremely onerous. In addition, where prior approval is needed from the tax administration before a transaction may be completed, the process can slow the pace of trade, and it can add to accounting and reporting obligations and processing costs generally (e.g., because the sales made to a single customer in a month cannot be consolidated into a single invoice). Details of countries that request transactional information are outlined in Figure 11.

Figure 10: Filings of transactional details (Question 5)



Source: EY

Figure 11: Country breakdown of countries that require transactional details to be submitted to the tax administration (Question 5)

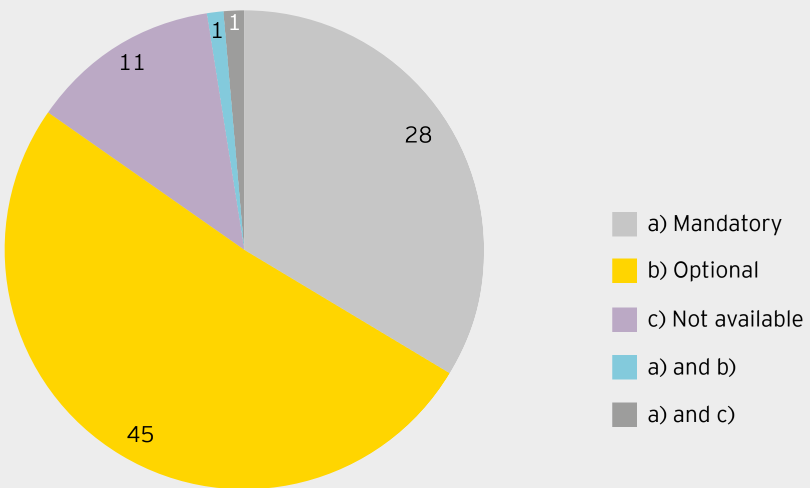
Countries where taxpayers are required to submit transactional data	Countries where taxpayers are not required to submit transactional data	
Albania	Armenia	Luxembourg
Argentina	Aruba	Malawi
Brazil	Australia	Malaysia
Bulgaria	Austria	Malta
China	Belgium	Mexico
Croatia	BES	Moldova
Dominican Republic	Canada	Mozambique
Ecuador	Chile	The Netherlands
El Salvador	Curaçao	New Zealand
FYR Macedonia	Cyprus	Norway
Georgia	Czech Republic	Panama
Hungary	Denmark	Philippines
Israel	Equatorial Guinea	Poland
Latvia	Estonia	Portugal
Namibia	Fiji	Puerto Rico
Pakistan	Finland	Romania
Paraguay	France	Russia
Peru	Germany	Singapore
Slovakia	Ghana	Sint Maarten
Slovenia	Greece	South Africa
Turkey	Guam	Spain
Venezuela	Iceland	Sri Lanka
Zambia	India	Suriname
	Ireland	Sweden
	Isle of Man	Switzerland
	Italy	Thailand
	Japan	Trinidad and Tobago
	Jordan	UK
	Kenya	Uruguay
	Kazakhstan	Vietnam
	Lebanon	Zimbabwe
	Lithuania	

Question 6:
Is electronic payment of VAT/GST balances mandatory or optional?

a) Mandatory
b) Optional
c) Not available

This question related to how periodic VAT/GST balance payments must be made by large taxpayers (i.e., the excess of output VAT/GST charged to customers after deducting input VAT on business purchases and expenses). Large businesses are defined as not eligible for any special regime or treatment available for small or medium-sized enterprises. In most countries, VAT/GST balance payments must or may be made electronically (see Figure 12); electronic payment is compulsory for large taxpayers in 29 countries, optional in 44, and optional and compulsory or optional and not permitted in 2 countries depending on the circumstances. Only 11 countries do not offer this facility. Electronic payment is available in all 28 EU Member States apart from Cyprus. Allowing VAT/GST payments to be made electronically is likely to be beneficial for tax administrations and VAT/GST payers by facilitating administration and speeding up payment transfer times. Details of individual country responses to this question are outlined in Figure 13.

Figure 12: Electronic VAT/GST payments (Question 6)



Source: EY

Figure 13: Country breakdown of electronic VAT/GST payments (Question 6)

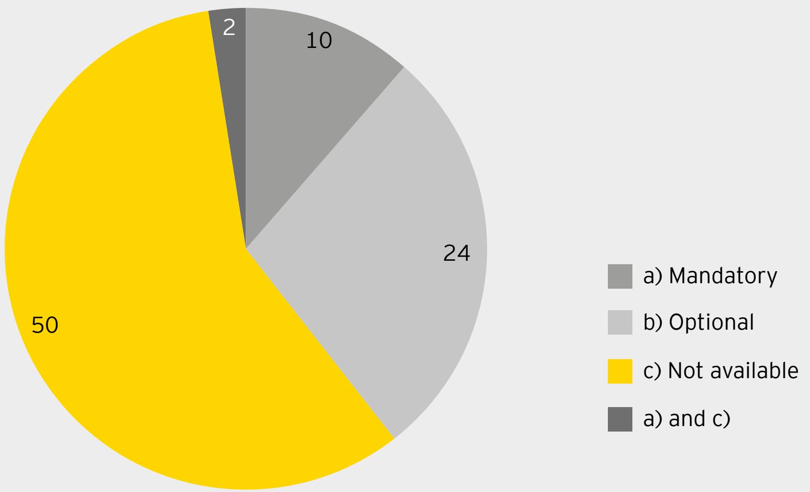
Countries where it is mandatory	Countries where it is optional		Countries where it is not available	Countries where it is mandatory or optional depending on circumstances	Countries where it is mandatory or not available depending on circumstances
Australia	Albania	Malta	Cyprus	Singapore	Philippines
Belgium	Argentina	Mexico	Fiji		
Bulgaria	Aruba	Moldova	Ghana		
Croatia	Armenia	Namibia	Lebanon		
Ecuador	Austria	The Netherlands	Malawi		
Estonia	BES	New Zealand	Malaysia		
Finland	Brazil	Panama	Mozambique		
France	Canada	Paraguay	Russia		
FYR Macedonia	Chile	Peru	Sri Lanka		
Georgia	China	Portugal	Trinidad and Tobago		
Germany	Curaçao	Romania	Zimbabwe		
Greece	Czech Republic	Sint Maarten			
Hungary	Denmark	South Africa			
Iceland	Dominican Republic	Spain			
India	El Salvador	Suriname			
Ireland	Equatorial Guinea	Sweden			
Italy	Guam	Switzerland			
Kenya	Isle of Man	Thailand			
Latvia	Israel	Turkey			
Lithuania	Japan	Uruguay			
Norway	Jordan	Venezuela			
Pakistan	Kazakhstan	Vietnam			
Poland	Luxembourg				
Puerto Rico					
Slovakia					
Slovenia					
United Kingdom					
Zambia					

Question 7:
Is electronic registration for VAT/GST mandatory or optional?

a) Mandatory
b) Optional
c) Not available

This question related to whether businesses that need to register as VAT/GST payers may do so electronically. Currently, more than half the countries surveyed (50 out of 86) do not offer electronic VAT/GST registration (see Figure 14). Electronic registration is compulsory for large taxpayers in 10 countries, optional in 24, and compulsory or not available in another 2 countries depending on the circumstances. In the EU, Slovenia is the only Member State where electronic registration is compulsory for all VAT payers. In Italy and Slovakia, electronic VAT registration is compulsory for some taxpayers (depending on the circumstances), electronic registration is available on an optional basis in 10 Member States, and it is not available in 15, including some countries (such as the Netherlands) that allow or require electronic filing for VAT returns. Electronic VAT/GST registration is useful for businesses, especially for nonresidents, in many of the countries where it has been adopted. Details of individual country responses to this question are outlined in Figure 15.

Figure 14: Electronic VAT/GST registration (Question 7)



Source: EY

Figure 15: Country breakdown of electronic VAT/GST registration (Question 7)

Countries where it is mandatory	Countries where it is optional	Countries where it is not available		Countries where it is mandatory or not available depending on circumstances
Australia	Armenia	Albania	Malawi	Italy
Ecuador	BES	Argentina	Moldova	Slovakia
India	Brazil	Aruba	Mozambique	
Kenya	Bulgaria	Austria	Namibia	
Mexico	Canada	Belgium	The Netherlands	
Pakistan	Chile	China	New Zealand	
Panama	Czech Republic	Croatia	Paraguay	
Slovenia	Denmark	Curaçao	Peru	
Switzerland	Dominican Republic	Cyprus	Philippines	
Venezuela	Estonia	El Salvador	Poland	
	Finland	Equatorial Guinea	Portugal	
	Ireland	Fiji	Romania	
	Israel	France	Russia	
	Japan	FYR Macedonia	Sint Maarten	
	Latvia	Georgia	South Africa	
	Lithuania	Germany	Spain	
	Malaysia	Ghana	Sri Lanka	
	Malta	Greece	Suriname	
	Norway	Guam	Sweden	
	Puerto Rico	Hungary	Trinidad and Tobago	
	Singapore	Iceland	Turkey	
	Thailand	Isle of Man	Uruguay	
	UK	Jordan	Zambia	
	Vietnam	Kazakhstan	Zimbabwe	
		Lebanon		
		Luxembourg		

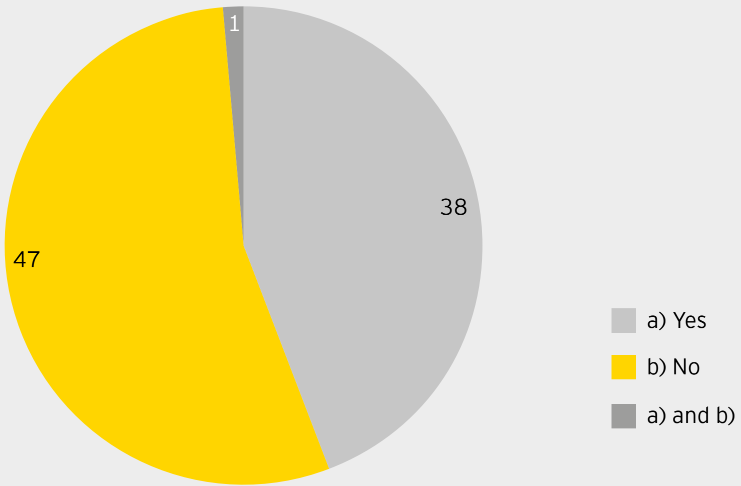
Question 8:
Can VAT/GST taxpayers notify changes to their registration details electronically (e.g., change of address, change of business activity)?

a) Yes

b) No

This question related to whether VAT/GST payers can notify the tax administration electronically about changes to their details after registration (e.g., a change of address or change of business activity). Currently, less than half the countries surveyed (38 out of 86) offer this facility (see Figure 16). In the EU, 14 Member States allow VAT payers to notify changes to their registration details electronically. Details of individual country responses to this question are outlined in Figure 17.

Figure 16: Electronic notification of changes to VAT/GST registration (Question 8)



Source: EY

Figure 17: Country breakdown of electronic notification of VAT/GST registration changes (Question 8)

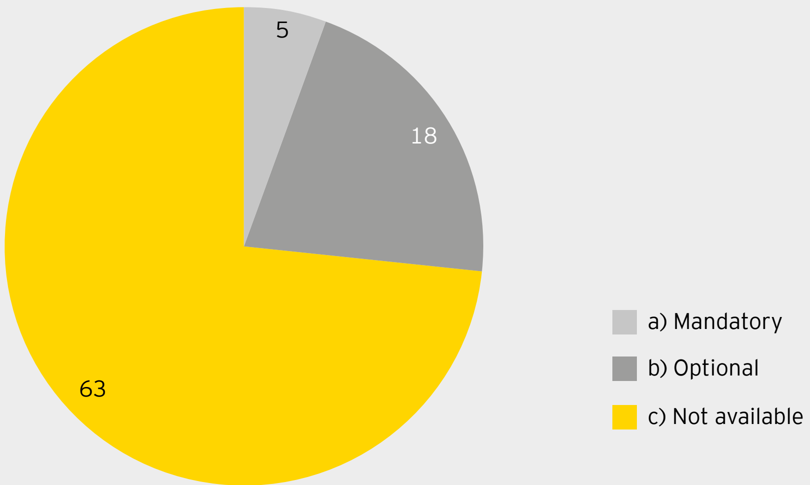
Countries where taxpayers can notify changes electronically		Countries where taxpayers cannot notify changes electronically		Countries where it depends on circumstances
Argentina	Pakistan	Albania	Jordan	Malaysia
Australia	Panama	Armenia	Kazakhstan	
Austria	Paraguay	Aruba	Lebanon	
BES	Peru	Belgium	Malawi	
Canada	Portugal	Brazil	Malta	
Chile	Puerto Rico	Bulgaria	Moldova	
Czech Republic	Singapore	China	Mozambique	
Denmark	Slovenia	Croatia	Namibia	
Dominican Republic	South Africa	Curaçao	The Netherlands	
Estonia	Spain	Cyprus	Philippines	
Finland	Suriname	Ecuador	Poland	
Hungary	Switzerland	El Salvador	Romania	
India	UK	Equatorial Guinea	Russia	
Israel	Venezuela	Fiji	Sint Maarten	
Italy	Vietnam	France	Slovakia	
Japan		FYR Macedonia	Sri Lanka	
Kenya		Georgia	Sweden	
Latvia		Germany	Thailand	
Lithuania		Ghana	Trinidad and Tobago	
Luxembourg		Greece	Turkey	
Mexico		Guam	Uruguay	
New Zealand		Iceland	Zambia	
Norway		Ireland	Zimbabwe	
		Isle of Man		

Question 9:
Is electronic deregistration for VAT/GST mandatory or optional?

a) Mandatory
b) Optional
c) Not available

This question related to whether businesses that need to deregister as VAT/GST payers (e.g., because of business cessation) may do so electronically. Currently, the majority of the countries surveyed (63 out of 86) do not offer electronic VAT/GST deregistration (see Figure 18). Electronic deregistration is compulsory for large taxpayers in just 5 countries and is optional in 18. Electronic deregistration is mandatory in just one EU Member State (Slovenia), and it is optional in 9 Member States, which equates to the position for electronic VAT registration (see Question 7) apart from Malta (which allows VAT payers to register electronically but does not allow subsequent VAT registration changes to be notified in this way). Details of individual country responses to this question are outlined in Figure 19.

Figure 18: Electronic VAT/GST deregistration (Question 9)



Source: EY

Figure 19: Country breakdown of electronic notification of VAT/GST deregistration (Question 9)

Countries where it is mandatory	Countries where it is optional	Countries where it is not available	
India	Argentina	Albania	Namibia
Mexico	Australia	Armenia	The Netherlands
Norway	BES	Aruba	Pakistan
Slovenia	Chile	Austria	Paraguay
Switzerland	Czech Republic	Belgium	Panama
	Denmark	Brazil	Ghana
	Estonia	Bulgaria	Greece
	Georgia	Canada	Guam
	Hungary	China	Iceland
	Italy	Croatia	Ireland
	Japan	Curaçao	Peru
	Latvia	Cyprus	Philippines
	Lithuania	Dominican Republic	Poland
	Malaysia	Ecuador	Portugal
	New Zealand	El Salvador	Puerto Rico
	Singapore	Equatorial Guinea	Romania
	Spain	Fiji	Russia
	UK	Finland	Sint Maarten
		France	Slovakia
		FYR Macedonia	South Africa
		Germany	Sri Lanka
		Isle of Man	Suriname
		Israel	Sweden
		Jordan	Thailand
		Kenya	Trinidad and Tobago
		Kazakhstan	Turkey
		Lebanon	Uruguay
		Luxembourg	Venezuela
		Malawi	Vietnam
		Malta	Zambia
		Moldova	Zimbabwe
		Mozambique	

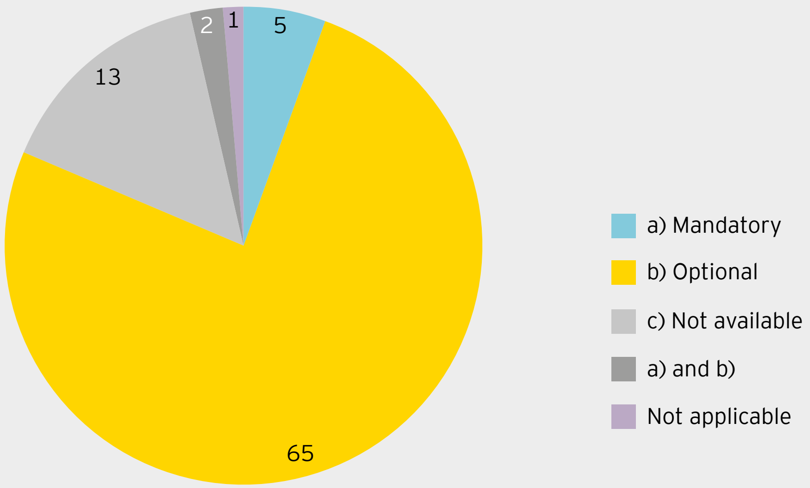
Question 10:
Are electronic invoices (for taxable supplies) mandatory or optional?

a) Mandatory
b) Optional
c) Not available

This question related to whether VAT/GST payers may issue electronic invoices for taxable supplies (see Figure 20). The majority of countries surveyed (72) allow electronic invoicing in these circumstances; e-invoicing is compulsory in 5 countries, optional in 65 countries, and mandatory and optional in 2 countries depending on the circumstances. All 28 EU Member States have permitted electronic invoicing since 1 January 2013, in accordance with the EU Invoicing Directive.[4]

Electronic invoicing can help to facilitate VAT/GST accounting and can allow VAT/GST payers the opportunity to standardize invoice templates and processes. The trend toward e-invoicing for VAT/GST seems likely to increase as more companies adopt it commercially; therefore, it is expected that even more countries will allow electronic invoicing for VAT/GST purposes in the future. However, the details required for tax invoices may still vary greatly between countries, which can make it difficult for VAT/GST payers to adopt the most-effective invoicing processes for multiple jurisdictions. Details of individual country responses to this question are outlined in Figure 21.

Figure 20: Electronic invoicing (Question 10)



Source: EY

4 Directive 2010/45/EU.

Figure 21: Country breakdown of electronic invoicing (Question 10)

Countries where it is mandatory	Countries where it is optional		Countries where it is not available	Countries where it is mandatory or optional depending on circumstances	Countries where it is not applicable
Austria	Armenia	Lebanon	Albania	Argentina	Japan
Brazil	Aruba	Lithuania	China	Uruguay	
Georgia	Australia	Luxembourg	Fiji		
Mexico	Belgium	Malawi	FYR Macedonia		
Turkey	BES	Malaysia	Kenya		
	Bulgaria	Malta	Kazakhstan		
	Canada	The Netherlands	Moldova		
	Chile	New Zealand	Mozambique		
	Croatia	Norway	Namibia		
	Curaçao	Pakistan	Panama		
	Cyprus	Peru	Paraguay		
	Czech Republic	Poland	Philippines		
	Denmark	Portugal	Zimbabwe		
	Dominican Republic	Puerto Rico			
	Ecuador	Romania			
	El Salvador	Russia			
	Equatorial Guinea	Singapore			
	Estonia	Sint Maarten			
	Finland	Slovakia			
	France	Slovenia			
	Germany	South Africa			
	Ghana	Spain			
	Greece	Sri Lanka			
	Guam	Suriname			
	Hungary	Sweden			
	Iceland	Switzerland			
	India	Thailand			
	Ireland	Trinidad and Tobago			
	Isle of Man	UK			
	Israel	Venezuela			
	Italy	Vietnam			
	Jordan	Zambia			
	Latvia				

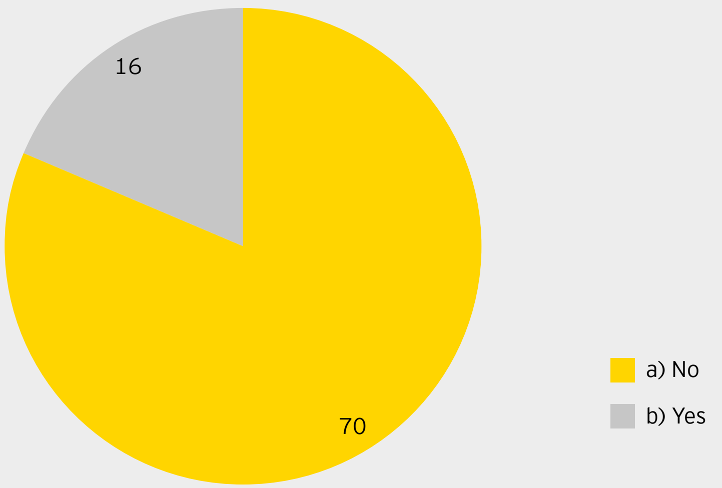
Question 11:
Are taxpayers required to submit invoices electronically to the tax administration?

a) Yes
b) No

This question related to whether VAT/GST payers must submit details of their invoices electronically to the tax administration (see Figure 22). This requirement is generally adopted as an antifraud measure. The requirement may be for submission before the invoice is issued (and issuing the invoice may depend on acceptance by the tax administration), as the invoice is issued (real-time reporting) or after an invoice has been issued. In some cases, the submission of invoices relates to all transactions, or it may relate to specific information requests.

The large majority of countries surveyed (70 out of 86) do not require VAT/GST payers to submit their invoices electronically to the tax administration, and only 16 countries currently require VAT/GST payers to do this. In the EU, only 5 of the 28 Member States require electronic submission of invoices to the tax administration. Although this compliance obligation is not widespread, in the countries where it does apply, VAT/GST taxpayers may find compliance onerous. In particular, where submission is required before the invoice is issued, doing so can slow down the speed of trading, and it can add to administrative costs. Details of individual country responses to this question are outlined in Figure 23.

Figure 22: Electronic invoice submission to the tax administration (Question 11)



Source: EY

Figure 23: Country breakdown of countries that require taxpayers to submit invoices electronically to the tax administration (Question 11)

Countries where taxpayers are not required to submit invoices electronically		Countries where taxpayers are required to submit invoices electronically
Albania	Lebanon	Argentina
Armenia	Lithuania	Brazil
Aruba	Luxembourg	China
Australia	Malawi	Dominican Republic
Austria	Malaysia	Ecuador
Belgium	Malta	El Salvador
BES	Mexico	Georgia
Bulgaria	Mozambique	Greece
Canada	Namibia	Hungary
Chile	The Netherlands	Moldova
Croatia	New Zealand	Pakistan
Curaçao	Norway	Peru
Cyprus	Panama	Portugal
Czech Republic	Paraguay	Spain
Denmark	Philippines	UK
Equatorial Guinea	Poland	Uruguay
Estonia	Puerto Rico	
Fiji	Romania	
Finland	Russia	
France	Singapore	
FYR Macedonia	Sint Maarten	
Germany	Slovakia	
Ghana	Slovenia	
Guam	South Africa	
Iceland	Sri Lanka	
India	Suriname	
Ireland	Sweden	
Isle of Man	Switzerland	
Israel	Thailand	
Italy	Trinidad and Tobago	
Japan	Turkey	
Jordan	Venezuela	
Kazakhstan	Vietnam	
Kenya	Zambia	
Latvia	Zimbabwe	

Question 12:
Are there any other requirements or opportunities to submit data electronically?

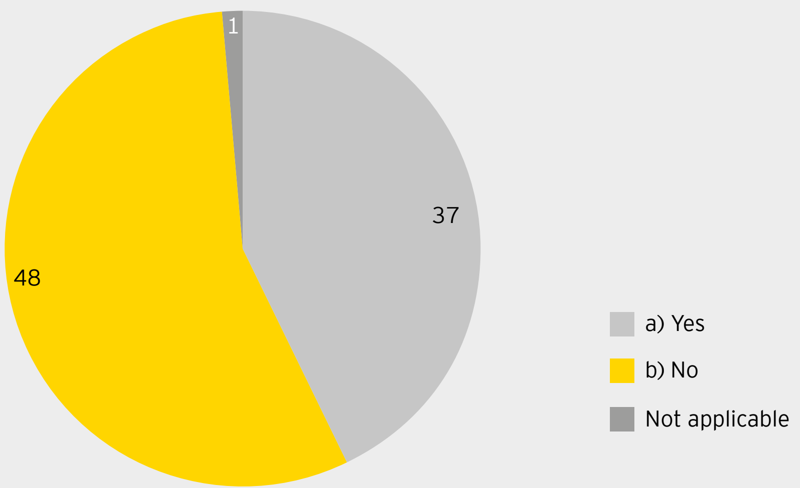
a) Yes

b) No

This question related to whether VAT/GST payers can or must submit additional information electronically to the tax administration (see Figure 24).

Less than half of the countries surveyed (37 out of 86) allow or require VAT/GST payers to submit additional information electronically to the tax administration. In the EU, 11 of the 28 Member States allow or require VAT payers to submit additional information to the tax administration electronically. Details of individual country responses to this question are outlined in Figure 25.

Figure 24: Electronic submission of other information (Question 12)



Source: EY

Figure 25: Country breakdown of electronic submission of other information to the tax administration (Question 12)

Countries where there are other requirements/ opportunities to submit data electronically	Countries where there are no other requirements/ opportunities to submit data electronically		Countries where this does not apply
Argentina	Albania	Isle of Man	Turkey
Armenia	Aruba	Israel	
Australia	Belgium	Italy	
Austria	BES	Japan	
Brazil	Bulgaria	Kenya	
Canada	Chile	Luxembourg	
Czech Republic	China	Malaysia	
France	Croatia	Malta	
Georgia	Curaçao	Moldova	
Germany	Cyprus	Mozambique	
Hungary	Denmark	Namibia	
Iceland	Dominican Republic	The Netherlands	
Jordan	Ecuador	Norway	
Kazakhstan	El Salvador	Pakistan	
Latvia	Equatorial Guinea	Panama	
Lebanon	Estonia	Poland	
Lithuania	Fiji	Puerto Rico	
Malawi	Finland	Romania	
Mexico	FYR Macedonia	Sint Maarten	
New Zealand	Ghana	Suriname	
Paraguay	Greece	Sweden	
Peru	Guam	Thailand	
Philippines	India	UK	
Portugal	Ireland	Zambia	
Russia			
Singapore			
Slovakia			
Slovenia			
South Africa			
Spain			
Sri Lanka			
Switzerland			
Trinidad and Tobago			
Uruguay			
Venezuela			
Vietnam			
Zimbabwe			

Question 13:
Do the tax authorities use electronic data extraction to perform tax audits?

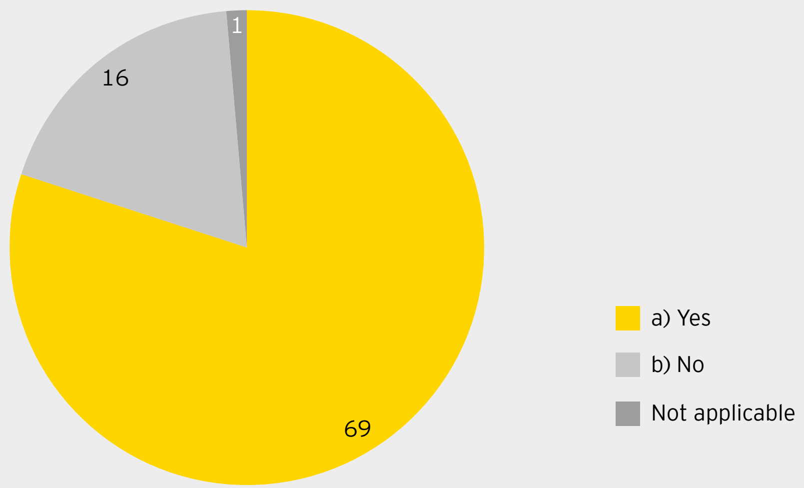
a) Yes

b) No

This question related to whether tax administrations use electronic data extraction to carry out VAT/GST audits (see Figure 26). A tax administration may request or extract data from a VAT/GST payer's system prior to or during the audit, or it may analyze data submitted by the VAT/GST payer (e.g., in a periodic VAT return or customer listing).

In 69 of the 86 countries surveyed, tax administrations use electronic data extraction to carry out VAT/GST audits. It seems likely that even more countries will use electronic data extraction in the future, given the wide availability of data analytic software, the increased use of risk-based audits and the increased focus by tax administrations generally on VAT/GST compliance. Details of individual country responses to this question are outlined in Figure 27.

Figure 26: Electronic data extraction by tax administrations (Question 13)



Source: EY

Figure 27: Country breakdown of electronic data extraction by tax administrations (Question 13)

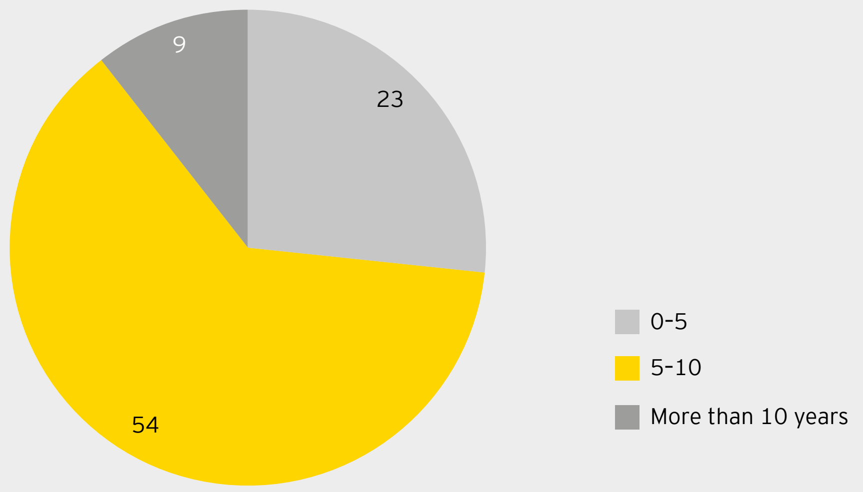
Countries where the tax authorities use electronic data extraction		Countries where the tax authorities do not use electronic data extraction	Countries where this does not apply
Argentina	Lithuania	Albania	Japan
Armenia	Luxembourg	BES	
Aruba	Malawi	Curaçao	
Australia	Malaysia	Cyprus	
Austria	Malta	Fiji	
Belgium	Mexico	Guam	
Brazil	Moldova	Iceland	
Bulgaria	Namibia	Isle of Man	
Canada	The Netherlands	Jordan	
Chile	New Zealand	Mozambique	
China	Norway	Romania	
Croatia	Pakistan	Sint Maarten	
Czech Republic	Panama	Suriname	
Denmark	Paraguay	Sweden	
Dominican Republic	Peru	Turkey	
Ecuador	Philippines	Zambia	
El Salvador	Poland		
Equatorial Guinea	Portugal		
Estonia	Puerto Rico		
Finland	Russia		
France	Singapore		
FYR Macedonia	Slovakia		
Georgia	Slovenia		
Germany	South Africa		
Ghana	Spain		
Greece	Sri Lanka		
Hungary	Switzerland		
India	Thailand		
Ireland	Trinidad and Tobago		
Israel	UK		
Italy	Uruguay		
Kazakhstan	Venezuela		
Kenya	Vietnam		
Latvia	Zimbabwe		
Lebanon			

Question 14:
How long are taxpayers required to store data for tax purposes?

a) 0-5 years
b) 5-10 years
c) More than 10 years

This question related to statutory retention periods for tax data (see Figure 28). Most countries (54 out of 86) require VAT/GST payers to retain data for between 5 and 10 years, 23 countries specify retention periods of up to 5 years, and 9 countries require records to be retained for longer than 10 years. Multinational companies operating in a number of jurisdictions may struggle to apply a range of document retention policies, but, given the volume of data that must be retained, it may not be practical to apply the longest data retention period as a default. Details of individual country responses to this question are outlined in Figure 29.

Figure 28: Retention of tax data (in years) (Question 14)



Source: EY

Figure 29: Country breakdown of retention of tax data (in years) (Question 14)

0-5 years	5-10 years	More than 10 years
Albania (5) Armenia (5) Australia (5) Brazil (5) Denmark (5) Equatorial Guinea (5) Estonia (5) Greece (5) Guam (3) Jordan (4) Kazakhstan (5) Namibia (5) Panama (5) Paraguay (5) Peru (4) Philippines (3) Poland (5) Russia (4) Singapore (5) South Africa (5) Spain (4) Sri Lanka (5) Turkey (5)	Argentina (statute of limitation period, generally 7 years but can be up to 10 years) Aruba (10) BES (7) Bulgaria (5 years after the expiry of the statute of limitation) Canada (6) Chile (6) China (10) Croatia (10) Curaçao (10) Cyprus (6) Czech Republic (10) Dominican Rep (10) Ecuador (7) El Salvador (10) Fiji (7) Finland (invoices, correspondence and receipts, 6 years; accounts and account books, 10 years) France (6) FYR Macedonia (10) Georgia (6) Germany (10) Ghana (6) Hungary (supporting documents – statute of limitations, 5 years; accounting documents, 8 years). Iceland (7) Ireland (6) Isle of Man (6) Israel (the later of 6 years from the date the of submission or 7 years from the year of assessment) Italy (5 years; corporate law, 10 years) Japan (7) Kenya (7) Latvia (VAT, 5 years; real estate, 10 years; accounting registers, 10 years; payroll taxes, 75 years) Lebanon (10) Lithuania (10) Luxembourg (10) Malawi (6) Malaysia (6) Mexico (statute of limitations is 5 years following the day on which a tax return is filed or should have been filed; can be extended to 10 years) Mozambique (10) The Netherlands (7 years; immovable property, 10 years) New Zealand (7)	Austria (7 years; immovable property, 22 years) Belgium (7 years; immovable property, 15 years) India (generally 5 to 12 years) Malta (6 years; Capital Goods Scheme, 11 to 26 years) Moldova (minimum of 4 years; tax documents have different archiving terms that could vary from 4 to 75 years) Slovakia (10 years; more for Capital Goods Scheme) Slovenia (10 years after the year to which the invoices relate; real estate, 20 years) Switzerland (generally 10 years; real estate, 26 years) Vietnam (legally, there is no limitation for storing data for tax purposes)

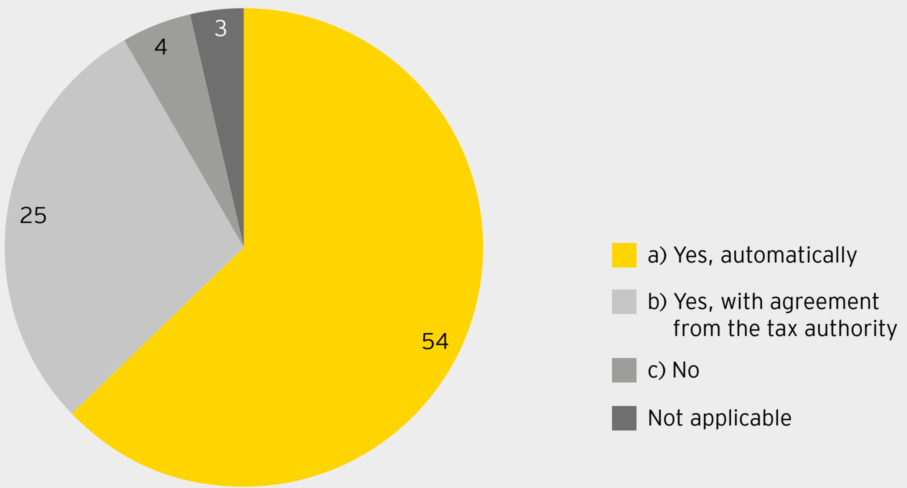
0-5 years	5-10 years	More than 10 years
	▶ Norway (10) ▶ Pakistan (6) ▶ Portugal (10) ▶ Puerto Rico (6) ▶ Romania (5 years; tax evasion, 10 years) ▶ Sint Maarten (10) ▶ Suriname (10) ▶ Sweden (7) ▶ Thailand (5 years but can be extended to 7 years) ▶ Trinidad and Tobago (6) ▶ UK (6) ▶ Uruguay (statute of limitation, 5 years; fraud, 10 years) ▶ Venezuela (statute of limitations, generally 4 years but can be extended to 6 years) ▶ Zambia (6) ▶ Zimbabwe (6)	

Question 15:
Are taxpayers permitted to store data for tax purposes electronically?

a) Yes
b) Yes, with agreement from the tax authority
c) No

This question related to how VAT/GST payers may store tax data (see Figure 30). Only 4 countries do not permit electronic storage of tax data; of the 79 countries that allow electronic data, 54 allow businesses to use electronic data storage automatically, while 25 countries require prior approval. All 28 EU Member States permit electronic archiving of tax data, but VAT/GST payers must request tax administration permission to use electronic storage in 9 Member States. Details of individual country responses to this question are outlined in Figure 31.

Figure 30: Electronic storage of tax data (Question 15)



Source: EY

Figure 31: Electronic data storage (Question 15)

Countries where taxpayers are automatically permitted to store data electronically		Countries where taxpayers are permitted to store data electronically with agreement from the authorities	Countries where taxpayers are not permitted to store data electronically	Countries where it is not applicable
Albania	Lebanon	Argentina	Chile	Kazakhstan
Armenia	Lithuania	China	Fiji	Kenya
Aruba	Luxembourg	Cyprus	Paraguay	Mozambique
Australia	Malawi	Ecuador	Sri Lanka	
Austria	Mexico	Equatorial Guinea		
Belgium	Namibia	FYR Macedonia		
BES	The Netherlands	Ghana		
Brazil	New Zealand	Greece		
Bulgaria	Norway	Hungary		
Canada	Pakistan	India		
Croatia	Peru	Israel		
Curaçao	Poland	Japan		
Czech Republic	Puerto Rico	Latvia		
Denmark	Russia	Malaysia		
Dominican Republic	Singapore	Malta		
El Salvador	Sint Maarten	Moldova		
Estonia	Slovenia	Panama		
Finland	Spain	Philippines		
France	Suriname	Portugal		
Georgia	Switzerland	Romania		
Germany	Thailand	Slovakia		
Guam	Trinidad and Tobago	South Africa		
Iceland	UK	Sweden		
Ireland	Uruguay	Turkey		
Isle of Man	Venezuela	Zambia		
Italy	Vietnam			
Jordan	Zimbabwe			

Question 16:
Are taxpayers permitted to store data outside their country of residence (e.g., in a data warehouse, in the cloud)?

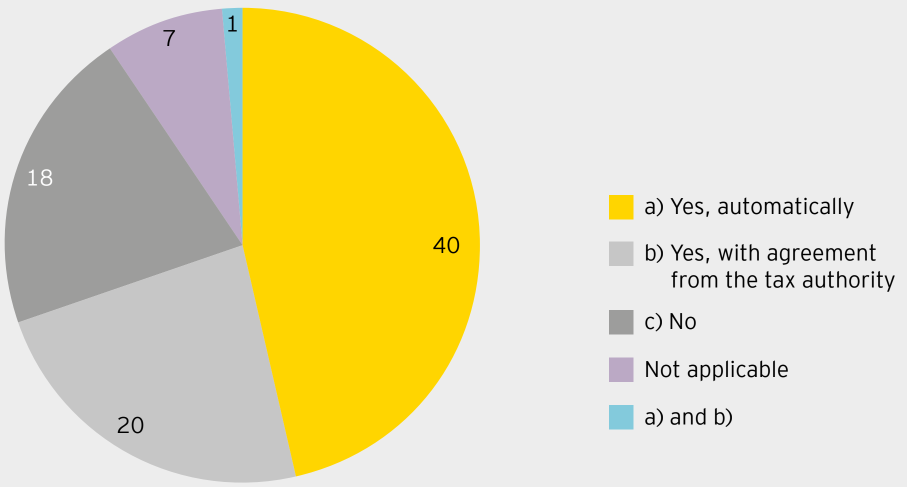
a) Yes

b) Yes, with agreement from the tax authority

c) No

This question related to where VAT/GST payers may store tax data. In particular, it asked whether indirect tax data can be stored outside the VAT/GST payer's country of residence — for example, at a regional SSC, in a data warehouse or in the cloud (see Figure 32). Only 18 countries do not allow tax data to be stored outside the VAT/GST payer's country of residence, and 7 countries indicated that the question did not apply to local tax rules. Of the 61 countries that do allow offshore storage of tax data, 40 allow businesses to use offshore storage automatically, while 20 countries require prior approval (and in Portugal, approval may be required, depending on the circumstances). In the EU, only Latvia, Luxembourg and Romania do not permit offshore data storage; VAT/GST payers must request tax administration permission to use offshore data storage in 11 of the remaining 27 Member States. Details of individual country responses to this question are outlined in Figure 33.

Figure 32: Storage of tax data outside the VAT/GST payer's country of residence (Question 16)



Source: EY

Figure 33: Country breakdown of whether tax data may be stored outside the VAT/GST payer's country of residence (Question 16)

Countries where taxpayers are automatically permitted to store data outside their country	Countries where taxpayers are permitted to store data outside their country with agreement from the authorities	Countries where taxpayers are not permitted to store data outside their country	Countries where it is not applicable	Countries where taxpayers are automatically permitted to store data outside their country or with the agreement of the authorities depending on the circumstances
Albania	Belgium	Argentina	Kazakhstan	Portugal
Aruba	Canada	Armenia	Kenya	
Australia	Croatia	Ecuador	Mozambique	
Austria	Cyprus	Fiji	Paraguay	
BES	Denmark	FYR Macedonia	Peru	
Brazil	Equatorial Guinea	Ghana	Sri Lanka	
Bulgaria	Germany	India	Zimbabwe	
Chile	Greece	Israel		
China	Hungary	Japan		
Curaçao	Iceland	Latvia		
Czech Republic	Ireland	Luxembourg		
Dominican Republic	Moldova	Malaysia		
El Salvador	New Zealand	Romania		
Estonia	Norway	Thailand		
Finland	Panama	Turkey		
France	Philippines	Venezuela		
Georgia	Slovenia	Vietnam		
Guam	Spain	Zambia		
Isle of Man	Sweden			
Italy	Trinidad and Tobago			
Jordan				
Lebanon				
Lithuania				
Malawi				
Malta				
Mexico				
Namibia				
The Netherlands				
Pakistan				
Poland				
Puerto Rico				
Russia				
Singapore				
Sint Maarten				
Slovakia				
South Africa				
Suriname				
Switzerland				
UK				
Uruguay				

Contacts

Global Director — Indirect Tax

Philip Robinson
+ 41 58 286 3197
philip.robinson@ch.ey.com

VAT/GST

Americas

Jeffrey N. Saviano
+ 1 212 773 0780 (New York)
+ 1 617 375 3702 (Boston)
jeffrey.saviano@ey.com

Jean-Hugues Chabot
+ 1 514 874 4345
jean-hugues.chabot@ca.ey.com

Europe, Middle East, India and Africa (EMEIA)

Gijsbert Bulk
+ 31 88 407 11 75
gijsbert.bulk@nl.ey.com

Asia-Pacific

Robert Smith
+ 86 21 2228 2328
robert.smith@cn.ey.com

Global Trade

Americas

William M. Methenitis
+ 1 214 969 8585
william.methenitis@ey.com

Europe, Middle East, India and Africa (EMEIA)

Neil Byrne
+ 353 1 221 2370
neil.byrne@ie.ey.com

Asia-Pacific

Robert Smith
+ 86 21 2228 2328
robert.smith@cn.ey.com

Indirect tax data and analytics contacts

Americas

Karen Christie
+ 1 212 773 5552
karen.christie@ey.com

Ronnie Dassen
+ 1 212 773 6458
ronnie.dassen@ey.com

Anne Freden
+ 1 415 894 8732
anne.freden@ey.com

Corin Hobbs
+ 1 408 947 6808
corin.hobbs@ey.com

Michael Leightman
+ 1 713 750 1335
michael.leightman@ey.com

Faranak Naghavi
+ 1 202 327 8033
faranak.naghavi@ey.com

Kristine Price Dozier
+ 1 212 773 2662
kristine.price@ey.com

Jeffrey York
+ 1 612 371 6737
jeffrey.york@ey.com

Europe, Middle East, India and Africa (EMEIA)

Gwenaelle Bernier
+ 33 2 5117 5031
gwenaelle.bernier@ey-avocats.com

Charles Brayne
+ 44 207 951 6337
cbrayne@uk.ey.com

Folkert Gaarlandt
+ 27 1 1772 5220
folkert.gaarlandt@za.ey.com

Colm Halpin
+ 353 1 2212 377
colm.halpin@ie.ey.com

Adrian Hextall
+ 44 207 951 1642
ahextall@uk.ey.com

Hans Roekaerts
+ 44 207 951 0959
hroekaerts@uk.ey.com

John Sloot
+ 31 88 40 70426
john.sloot@nl.ey.com

Edwin van Loon
+ 31 88 40 71883
edwin.van.loon@nl.ey.com

Asia-Pacific

Aaron Bromley
+ 60 3 7495 8314
aaron.bromley@my.ey.com

Marc Bunch
+ 61 2 9248 5553
marc.bunch@au.ey.com

Andrew Cavenor
+ 61 2 8295 6243
andrew.cavenor@au.ey.com

Mark Tafft
+ 61 2 8295 6987
mark.tafft@au.ey.com

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About EY's Indirect Tax services

Indirect taxes, ranging from VAT and customs duties to environmental levies, affect the supply chain and the financial system. They pose unique challenges to multi-national tax functions, since they must be managed accurately and in real time. These often invisible taxes can have significant impacts — on cash flow, absolute costs and risk exposures.

Thanks to our network of dedicated Indirect Tax professionals, who share knowledge and ideas, we can provide a seamless, consistent service throughout the world and deal effectively with cross-border issues. These include advising on the VAT treatment of new and complex transactions and supplies and helping resolve classification or other disputes and issues with the authorities.

We provide assistance in identifying risk areas and sustainable planning opportunities for indirect taxes throughout the tax lifecycle. We provide you with effective processes to help improve your day-to-day reporting for indirect tax, reducing attribution errors, reducing costs and ensuring indirect taxes are handled correctly.

We can support full or partial VAT compliance outsourcing, help identify the right partial exemption method and review accounting systems. Our customs and international trade team help you manage customs declarations, audit and review product classifications and evaluate import/export documentation. Our globally integrated teams give you the perspective and support you need to manage indirect taxes effectively.

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