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cutting through complexity

KPMG GLOBAL INDIRECT TAX SERVICES

VAT/GST Refunds Survey 2014

KPMG INTERNATIONAL

Table of Contents

Executive summary 2

Introduction 4

Survey findings 7

Country specific survey data 12

Find out more 30

Executive summary

Globalization is expanding the reach of businesses to new markets; multinational companies are now able to source suppliers from virtually anywhere in the world; and e-commerce enables them to ship their products and deliver their services to tech savvy customers in the farthest regions of the world.

An important consequence of this phenomenon is that many multinational companies are incurring Value Added Taxes (VAT) and Goods and Services Taxes (GST) in an ever increasing number of countries. The question of whether they can obtain a refund of the VAT or GST they incur on a timely basis and with a minimum of compliance costs, is a critical financial, tax and business efficiency issue.

Anecdotally, the story we hear from many of our clients is that accessing VAT/GST refunds is getting more difficult. Some countries preclude refunds altogether, while others may allow refunds in theory, but in practice the payment of refunds is being excessively delayed, processes can be expensive to comply with, and in some cases may be an automatic trigger for a costly audit.

According to the Organisation for Economic Co-operation and Development (OECD)[1], the principle of neutrality which underlies the operation of indirect taxes such as a VAT and GST is designed to ensure that the burden of VAT/GST does not lie on taxable businesses. Consequently, refund entitlements should be provided to both domestic and foreign businesses efficiently, with a minimum of compliance costs, and non-discriminately.

In this survey, KPMG has examined and evaluated the ability to obtain refunds of VAT and GST across 65 countries. We found that:

- 40 percent of countries process VAT/GST refunds efficiently for resident businesses, whereas 15 percent of countries generally do not allow VAT/GST refunds for resident businesses, or do so only in limited circumstances;
- 34 percent of countries process VAT/GST refunds efficiently for non-resident businesses, whereas 29 percent of countries generally do not allow VAT/GST refunds for non-resident businesses, or do so only in limited circumstances;
- The Europe, Middle East and Africa (EMA) region processes VAT/GST refunds the most efficiently for both resident and non-resident businesses, whereas the experience among Asia Pacific and Latin American countries was less favorable;
- Of the 31 OECD member countries surveyed[2], 58 percent process refunds efficiently for resident businesses and 58 percent also process refunds efficiently for non-resident businesses, although the countries are not the same. This suggests a strong correlation between the membership of the OECD and implementation of the OECD International VAT/GST Guidelines;
- Perhaps not surprisingly, there appeared to be a general correlation between the efficiency of payment of refunds and a country's general level of economic development. This was highlighted in the results for the BRIC countries - Brazil, Russia, India and China - as well as for those European Union (EU) member states such as Italy, Portugal and Spain experiencing fiscal challenges.

KPMG is delighted to launch its first ever VAT/GST refunds survey. This survey should be an invaluable toolkit for Chief Financial Officers, Tax Directors, and Global and Regional Indirect Tax Directors to understand the practical experience of obtaining refunds of VAT/GST in most of the major economies around the world. It allows businesses to know whether VAT/GST on expenses should be factored in as a real cost, and to manage cashflow and expectations in terms of securing refunds. Importantly, it also allows businesses to better prepare for the challenges of securing refunds.

Finally, it is hoped that this survey may be used to encourage governments and tax authorities around the world to recognize best practices, and to make improvements in their own systems and processes to better facilitate the timely payment of legitimate refund entitlements.

[1] OECD International VAT/GST Guidelines, 17–18 April 2014.

[2] There are 34 OECD member countries. The only OECD member countries not surveyed were Chile, Israel and the United States (which does not have a VAT or GST).

Introduction

Refunds of VAT/GST may arise where a locally established business incurs input VAT/GST which exceeds their output VAT/GST in any given tax period. Commercially this will typically arise where, for example, a business is in its start up phase; where it is an exporter; where it has seasonal fluctuations in demand; where it has separate procurement and selling functions which are not all part of the same VAT/GST group; where a business is in its wind-down phase; or even where it simply fails to meet expectations in demand.

Non-resident businesses may also incur VAT/GST on their expenses, but may have very little or no output VAT. This commonly occurs where non-resident businesses incur travel and entertainment expenditure in sending their staff on business trips, or to attend conferences and events overseas, and even in situations involving the purchase of equipment or other goods using certain international trading terms.

The reality is that the situations where businesses may be potentially eligible for a refund of VAT or GST are virtually limitless, and may arise for legitimate commercial reasons.

In this survey, we examine the experiences in obtaining VAT/GST refunds in the major economies of the world. Our survey methodology is simple. We examined the real practical experiences of our indirect tax experts in KPMG member firms in securing refunds for clients across 65 countries. This enables us to present a picture which reflects a broad cross-section of client experiences. Our experiences will typically reflect those of medium and larger businesses, and so far as is possible, is measured by reference to objective criteria.

According to the OECD's recently released International VAT/GST Guidelines[3], "the burden of the VAT should not rest on businesses"; "foreign businesses should not be disadvantaged or advantaged compared to domestic businesses"; and "where specific administrative requirements for foreign businesses are deemed necessary, they should not create a disproportionate or inappropriate compliance burden for the businesses"; and practices in different countries should not create "a disguised form of discrimination."[4]

When businesses, either domestic or foreign, incur VAT/GST which is not refunded on a timely basis and with a minimum of compliance costs, then the principle of neutrality is undermined. In effect, VAT/GST becomes a cost on business. Our survey seeks to assess the extent to which a country's VAT/GST systems truly implement, as a matter of practice, these principles of neutrality in the context of refund entitlements.

Survey methodology

The framework through which countries' VAT/GST systems for paying refunds may be assessed is by applying the Ottawa Taxation Framework Conditions[5], which were recently endorsed by the OECD as being applicable in a consumption tax context[6].

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3 OECD International VAT/GST Guidelines, 17–18 April 2014.

4 The Ottawa Taxation Framework Conditions were welcomed by Ministers from the 29 member countries and 11 non-member economies at the Ministerial Conference on Electronic Commerce held in Ottawa on 7–9 October 1998.

5 Ibid.

6 OECD International VAT/GST Guidelines, 17–18 April 2014 at para 1.16.

They provide:

- ***Neutrality:*** Taxation should seek to be neutral between forms of commerce, between businesses in similar situations carrying out similar transactions, between foreign and domestic businesses, and between international and domestic trade.
- ***Efficiency:*** Compliance costs for businesses and administrative costs for the tax authorities should be minimized as far as possible.
- ***Certainty and simplicity:*** Tax rules should be clear and simple to understand so that businesses can anticipate the tax consequences of a transaction, including knowing when, where, and how the tax is to be determined and reported.
- ***Effectiveness and fairness:*** Taxation should produce the right amount of tax at the right time. The potential for tax evasion and avoidance should be minimized while keeping counteracting measures proportionate to risks involved.
- ***Flexibility:*** The systems for taxation should be flexible and dynamic to ensure that they keep pace with technological and commercial developments.

In essence, the survey questions represent an adaptation of many of the Ottawa Framework Conditions to the specific subject matter of VAT/GST refunds.

What our survey methodology does is to apply an overall rating which is indicative of the ease with which businesses are able to obtain refunds of VAT or GST.

Resident VAT/GST refunds

To demonstrate the relative efficiencies of countries in processing VAT/GST refunds on a day-to-day basis for resident businesses, the countries were given a rating of 1-4 based on the following criteria:

1) **Efficient** – countries that give a refund efficiently (in under 56 days) and appear to apply only targeted audit approaches when taxpayers seek such refunds (that is, audits occur sometimes, rarely or only if there is something suspicious)
2) **Somewhat efficient** – countries that give a refund but either do it less efficiently (56 days or more) or appear to apply less targeted audit approaches when taxpayers seek such refunds (that is, audits occur mostly or always)
3) **Could be improved** – countries that give a refund and do it less efficiently (56 days or more) and appear to apply less targeted audit approaches when taxpayers seek such refunds (that is, audits occur mostly or always)
4) **Limited or no refunds are generally given** – countries that do not give refunds generally.[7] A country that gives refunds only to specific classes of taxpayers, such as exporters, would fall into this category given that this is not a "general" refund entitlement.

Non-resident VAT/GST refunds

The position of refund entitlements for non-resident businesses can give rise to more complex policy issues for governments. For example, as the OECD International VAT/GST Guidelines make clear, the provision of refunds for non-resident businesses is one means of ensuring that foreign businesses do not incur irrecoverable VAT/GST.[8] Other methods include provisions which ensure that supplies are free of VAT/GST; provisions which shift the responsibility on to locally registered suppliers/customers; as well as the use of purchase exemption certificates.

We examined the real practical experiences of our **indirect tax experts** in securing refunds **for clients** across **65 countries**.

[7] In a number of countries including Argentina, Cambodia, China, Dominican Republic, excess input VAT/GST is carried forward to the next VAT/GST period rather than refunded.

[8] OECD International VAT/GST Guidelines, 17–18 April 2014, at para 2.15 to 2.18.

Consequently, it must be acknowledged that this survey measures only the efficiency of refund entitlements.

Other policy issues identified by the OECD which may impact on the entitlement of non-residents to refunds is the imposition of restrictions on low value or de minimis claims, so as to balance tax administration costs and burdens with the principle of neutrality.[9] For this reason, our survey does not take into account low value or de minimis claims in assessing the efficiency of each country's refund entitlements. Similarly, our survey does not take into account principles of reciprocity under which the granting of refunds to foreign businesses is conditional upon similar relief being granted by the jurisdiction of the foreign business claimant. By its very nature, reciprocity is not merely a function of that country's own VAT/GST system, but its relationship with the country in which the foreign business is based. This approach is consistent with the OECD Guidelines, which "take no position on the desirability of jurisdictions adopting reciprocity requirements".[10]

To measure the relative efficiencies of countries in processing VAT/GST refunds for non-resident businesses, the countries were given a rating of 1-4 based on the following criteria:

1) **Efficient** – countries that give a refund without requiring the taxpayer to register for VAT/GST in the country giving the refund, and without requiring the appointment of a local agent

2) **Somewhat efficient** – countries that give a refund but require the taxpayer to register for VAT/GST in the country giving the refund

3) **Could be improved** – countries that give a refund but require the taxpayer to appoint a local agent or representative either generally, or for a broad category of non-resident taxpayers

4) **Limited or no refunds are given to non-residents** – countries that do not give refunds to non-resident taxpayers generally, or do so only in limited cases.

In terms of survey methodology, one issue we encountered is how to apply these ratings to those EU member states which require businesses from non-EU countries to appoint a local agent to apply for a refund, but yet allow non-resident businesses from EU countries to apply for refunds directly in accordance with Directive 2008/09/EC. In this situation, we applied a rating of "3" on the basis that these rules apply to a broad category of non-resident taxpayers (being those taxpayers incorporated outside the EU).

A further issue we encountered is that some countries only provide refunds for non-resident businesses which have a local branch or permanent establishment (i.e. a local tax presence). In practical terms this will often seriously inhibit the ability for non-residents to effectively claim refunds efficiently because of the implicit link between refunds and taxable outputs, and therefore a rating of "4" has been applied.

In February 2010, the OECD's Committee on Fiscal Affairs produced a business and government survey entitled, "VAT/GST relief for foreign businesses: the state of play". That survey is to be highly commended as a useful reference source. Its approach was to survey businesses experiences generally, rather than to produce a country-by-country analysis.

The survey also does not cover the increasing trend of tax authorities subjecting businesses claiming refunds to audits. While nobody should dispute the right of tax authorities to conduct audits in an effort to eradicate fraudulent refund claims, the key question is whether those tax authorities are properly risk assessing refunds claims, and potentially overreaching. The OECD survey is therefore a useful complement to the survey we have undertaken.

When businesses, either domestic or foreign, **incur VAT/GST** which is not **refunded** on a timely basis and with a **minimum** of **compliance costs**, then the principle of neutrality is **undermined**.

9 OECD International VAT/GST Guidelines, 17–18 April 2014 at para 2.21.

10 OECD International VAT/GST Guidelines, 17–18 April 2014 at para 2.29.

Survey findings

Resident VAT/GST refunds

Our survey results showed that 40 percent of the surveyed countries may be regarded as having an efficient process for providing refunds for resident businesses. This means that those countries provide refunds, in the usual course, within 56 days of a VAT/GST return being submitted, and that a claim for a refund does not ordinarily lead to an audit being conducted. In effect, it means those countries provide refunds in such a way that ensures neutrality is achieved in practice, and in such a way that does not expose businesses to unnecessary administration costs and detrimental cashflow impacts.

Correspondingly, our survey suggests that 60 percent of the countries surveyed may not be implementing the principles of neutrality as optimally as possible. That is because they either preclude refund entitlements generally, or refunds are provided with a delay, or a refund request is a trigger point for an audit either automatically, or mostly.

In terms of the timeframe for paying refunds, given that most countries require VAT/GST returns to be filed either monthly, or quarterly, a period of 56 days should be considered reasonable to enable tax authorities to conduct routine checks. It should further be noted that this guideline of efficiency is being applied to established businesses – that is, businesses with a history of trading and engagement with the tax authorities. It is accepted that additional checks may be needed for newly established businesses seeking refunds, given the risks of VAT/GST fraud.

Where refunds are given outside the 56 day time period routinely, then it suggests that governments may be holding on to these funds to secure a cashflow benefit. Interestingly, this issue has recently surfaced prominently in the EU in the decision of the European Court of Justice in the *Mednis* case[11], which affirmed the principle that the tax authorities legitimate desire to prevent tax evasion and abuse must be applied proportionally to the risks involved, so that refunds are paid in appropriate circumstances within a reasonable period of time and not so as to undermine the principle of neutrality. Following that case and KPMG's successes in pursuing the European Commission to commence infringement proceedings, countries such as Greece and Italy have made changes to reduce the continual delays in processing refund entitlements.

A feature of the survey results, when analyzed on a country specific basis, is that there appears to be a correlation between those countries which limit or prevent refund entitlements, and their economic status as developing countries. This is not surprising. The BRIC countries all ranked as either 3 (could be improved) or 4 (limited or no refunds are generally given).

However, what is interesting is that of the largest 20 economies of the world with a VAT/GST system[12], only Australia, Canada, Germany, Mexico, Netherlands, South Korea, Switzerland and United Kingdom emerged with the highest "efficient" ranking.

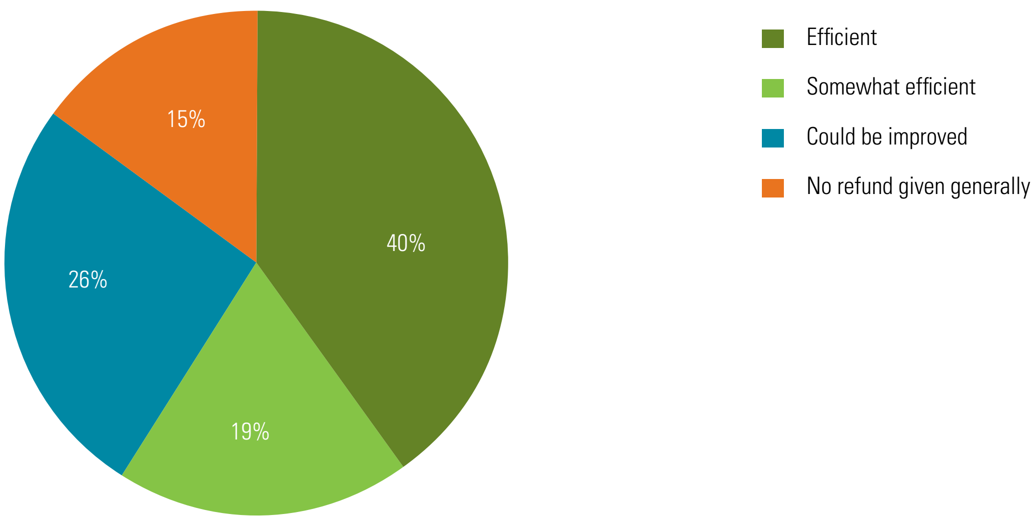
40 percent of the **65 countries** we surveyed process **VAT/GST** refunds for resident businesses efficiently.

[11] *Mednis SIA v Valsts Ienemumu Dienests* (Case C525-11, 18 October 2012)

[12] Based on the World Bank's, World Development Indicators database, 7 May 2014. The United States has been excluded on the basis that they do not have a VAT/GST system, but instead have sub-national sales taxes.

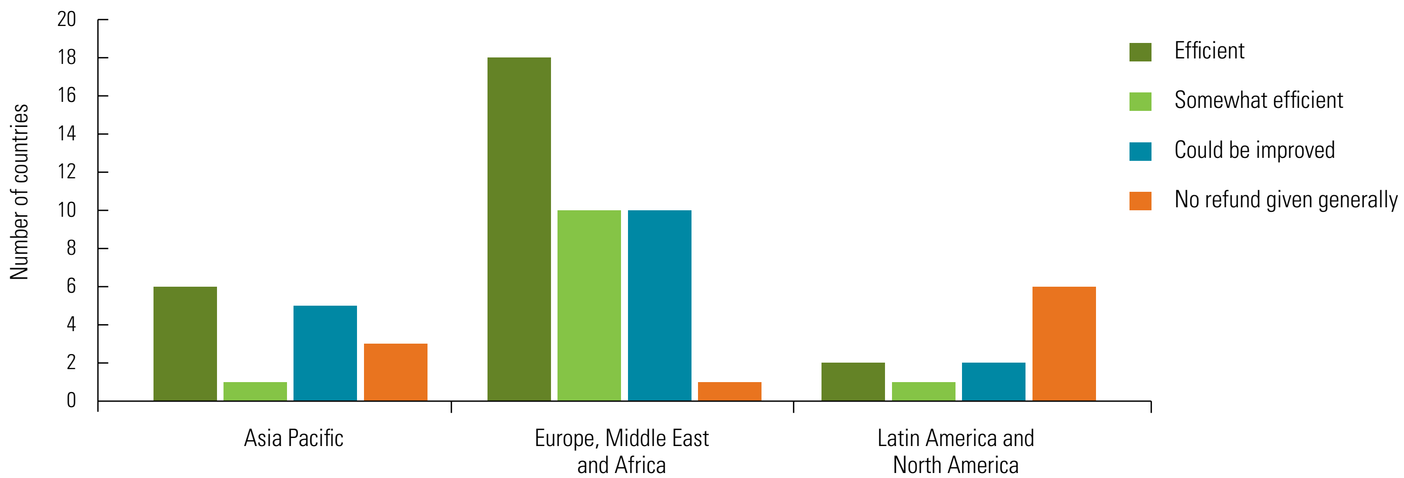
On a region specific basis, the EU member states were generally more efficient in providing refunds than in Asia Pacific and Latin America. This is undoubtedly a function of the general level of economic development in the EU relative to the emerging economies of Asia Pacific and Latin America. Moreover, the generally higher VAT rates (which underlie the importance of securing refunds efficiently), and the binding nature of the EU Directives, all contribute to ensuring few instances of refunds being truly blocked.

Figure 1: Overall how efficiently do countries process VAT/GST refunds on a day-to-day basis for resident businesses?



Source: KPMG International, 2014.

Figure 2: Overall how efficiently do regions process VAT/GST refunds on a day-to-day basis for resident businesses?



Source: KPMG International, 2014.

Non-resident VAT/GST refunds

Our survey results showed that 34 percent of the surveyed countries process VAT/GST refunds for non-resident businesses efficiently. This means that VAT/GST refunds can be obtained without the need to register for VAT/GST in the country giving the refund. This is considered by many foreign businesses to be clearly preferred over systems which require local registration, given the perception that this may create permanent establishment tax risks. Moreover, in many cases local registration leads to additional ongoing compliance obligations, often resulting in the need to file 'nil' returns in periods where no expenses are incurred in that country.

Twenty percent of the countries surveyed require the appointment of a local agent or representative as a prerequisite to obtaining a refund. Again, this can add to administration costs for business, and moreover, in practice may act as a barrier to securing refunds of relatively small amounts.

In a relatively high 29 percent of countries, foreign businesses are not generally entitled to claim refunds of VAT/GST incurred in that country, or provide refunds in limited cases only. Given that this percentage is almost double that of the countries which do not generally allow refunds for domestic businesses (15 percent), it suggests that a form of discrimination between non-resident and resident businesses is occurring in practice. This is one area where improvement is considered necessary.

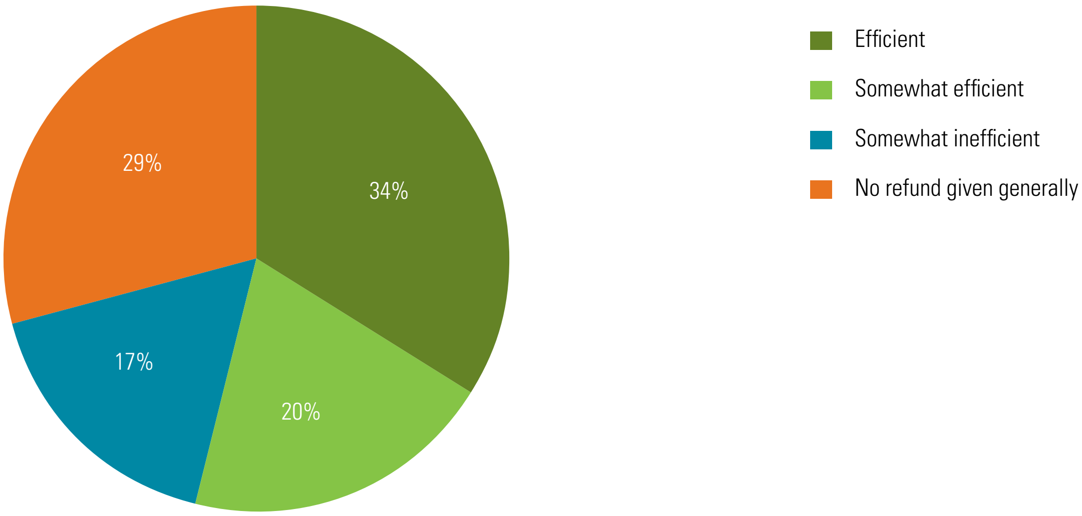
On a country specific basis, of the largest 20 economies of the world with a VAT/GST system[13], only Germany, the Netherlands and United Kingdom emerged with the highest "efficient" ranking. This is a function of the strength of the EU's Directive 2008/09/EC and 13th Directive systems for non-resident EU and non-EU businesses respectively. Interestingly, many of the EU member states emerged with better rankings for non-residents than for resident businesses, although our methodologies for assessing their efficiency are not the same.

This result flows into the region specific analysis, with the EMA region recording substantially more efficient outcomes in providing refunds for non-resident businesses than for the Asia Pacific and Latin American regions.

34 percent of the **65 countries** we surveyed process **VAT/GST** refunds for non-resident businesses efficiently.

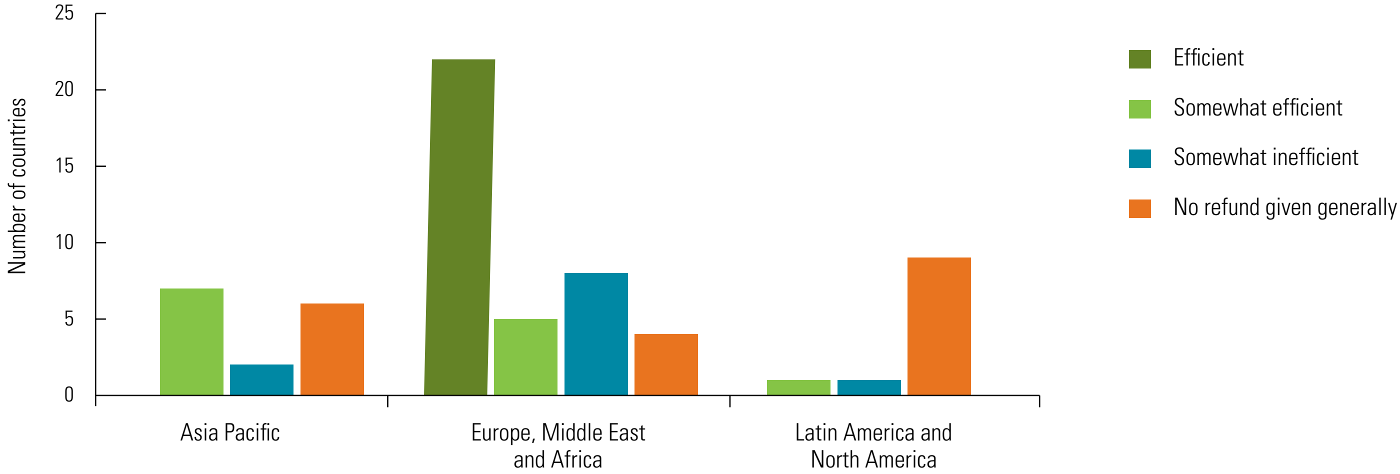
[13] Based on the World Bank's, World Development Indicators database, 7 May 2014. The United States has been excluded on the basis that they do not have a VAT/GST system.

Figure 3: Overall how efficiently do countries process VAT/GST refunds for non-resident businesses?



Source: KPMG International, 2014.

Figure 4: Overall how efficiently do regions process VAT/GST refunds for non-resident businesses?

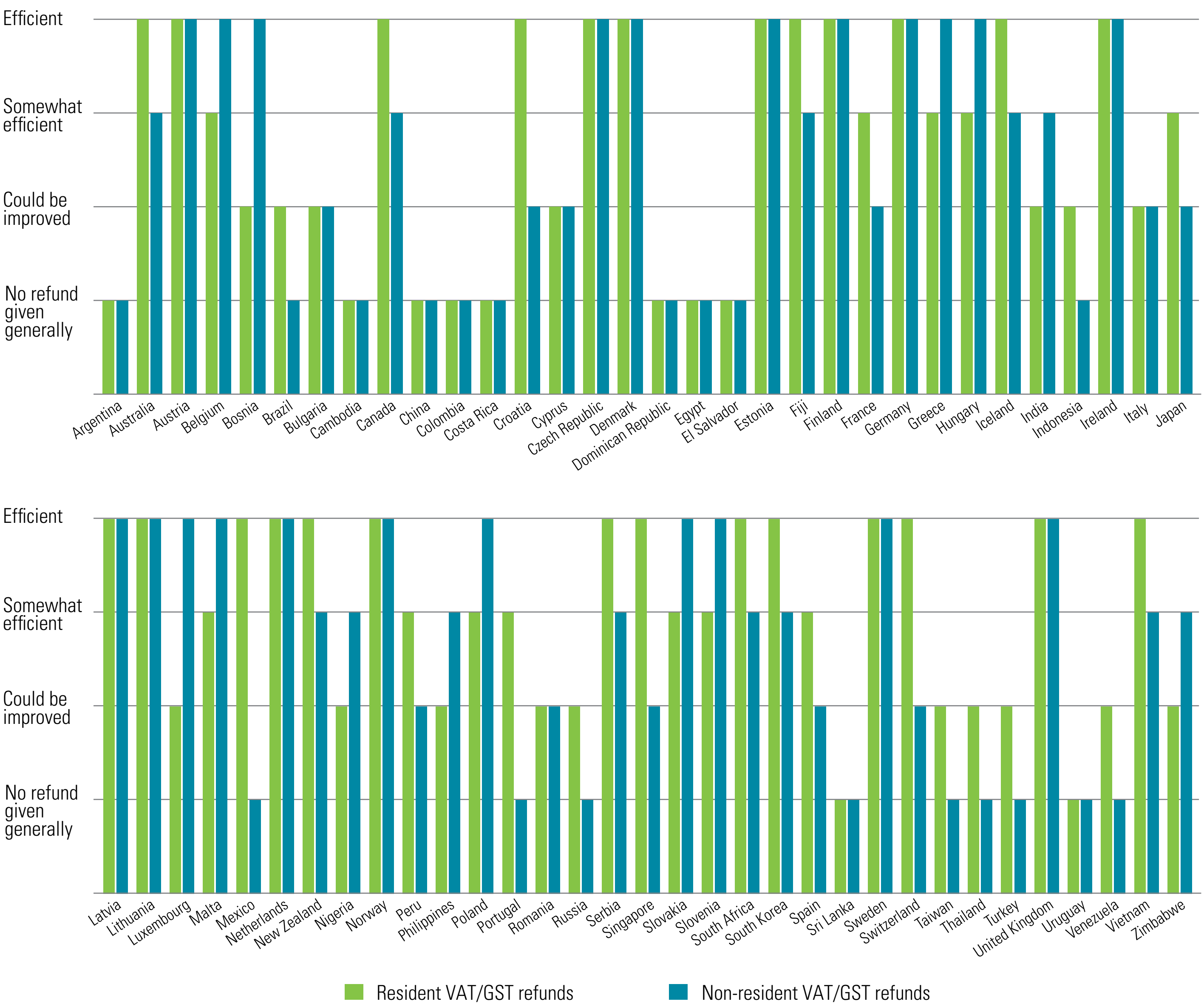


Source: KPMG International, 2014.

Combined country-by-country analysis

The following tables show, on a country-by-country basis, how efficient each country is at refunding VAT/GST for resident and non-resident businesses

Figure 5: Combined country-by-country analysis



Source: KPMG International, 2014.

Country specific survey data

Below is a summary of the questions asked of each KPMG member firm and their responses. This data was used to rank the efficiency of refunding VAT/GST for both resident and non-resident businesses. The ranking can be found on the far right hand side of the table.

For those questions which required a timeframe to be provided (Questions 2 and 3), KPMG member firms were given the following options: i) 0–14 days, ii) 15–28 days, iii) 29–56 days and iv) 56+ days.

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
Argentina	No	n/a	n/a	n/a	No	No
Australia	Yes	15–28 days	29–56 days	Sometimes	Yes	No
Austria	Yes	0–14 days	0–14 days	Rarely	Yes	Yes
Belgium	Yes	56+ days	56+ days	Sometimes	Yes	Yes
Bosnia and Herzegovina	Yes	56+ days	56+ days	Mostly	Yes	Yes
Brazil	Yes	56+ days	56+ days	Mostly	Yes	No
Bulgaria	Yes	56+ days	56+ days	Mostly	Yes	Yes

For Question 4, which asks about the frequency of audits or investigations following refund claims being submitted, KPMG member firms were given the following options to choose from: i) Rarely, ii) Sometimes, iii) Mostly, iv) Always, v) Only if there is something suspicious.

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
No	n/a	As a general rule, excess input VAT is offset with future output VAT. It is possible to get a refund when the VAT credit has originated from specific operations (i.e. exports, fixed assets, etc) or by withholding. In this case a refund will take longer than 56 days and triggers a tax audit.	4	4
Yes	They can apply for a refund themselves		1	2
Yes	They can apply for a refund themselves	New businesses are more likely to be subjected to a VAT audit in the case of excess input VAT credits.	1	1
Yes	They can apply for a refund themselves	Whether an audit is commenced when a refund is requested is dependent on the discretion of the VAT authorities. Specific sectors are more frequently audited than others.	2	1
Yes	They can apply for a refund themselves	In general, in order to claim a refund, non-resident legal entities usually incorporate an LLP or appoint a local VAT representative.	3	1
No		Brazilian VAT refunds vary according to the type of tax. For State VAT, each State regulates the procedures for a refund which is a time consuming process which may take years to be concluded. At a federal level, it is possible to file for a refund but businesses in general prefer to have a tax credit offset instead of a refund, because it is also a time consuming and lengthy process. Finally, only a resident company with taxpayer registration can claim VAT refunds.	3	4
Yes	EU businesses can apply for a refund themselves, non-EU businesses must appoint a local agent	EU businesses will be eligible to receive VAT refunds if they are VAT registered in their country of establishment. Refunds of input VAT incurred by non-resident and non-EU businesses are available on a reciprocal basis. Non-resident business registered for VAT in Bulgaria will be eligible for VAT refunds if they incur output VAT for the performance of taxable supplies.	3	3

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
Cambodia	No	n/a	n/a	n/a	No	No
Canada	Yes	29–56 days	29–56 days	Sometimes	Yes	No
China	No	n/a	n/a	n/a	No	No
Colombia	No	n/a	n/a	n/a	Yes	No
Costa Rica	No	n/a	n/a	n/a	Yes	No

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
No	n/a	In relation to Question 1, the excess VAT credit will offset the following month's VAT declaration. The tax law allows taxpayers to request a refund. However in practice, a refund may be approved by the Tax Office on a case-by-case basis for businesses where their major business is the exporting of goods. The process of getting the refund is time consuming. For domestic businesses, they are encouraged to offset the excess credit for the month with the following month's VAT output. There is no specific timeframe within which the credit must be utilized.	4	4
Yes	They can apply for a refund themselves	For Questions 2, 3 and 5, we have assumed the business is registered for VAT/GST purposes and that the refund is a refund of excess VAT/GST credits. For Question 6 – Non-resident businesses who are not registered as VAT/GST taxpayers can only obtain a refund of VAT in Canada in very limited situations.	1	2
No	n/a	The only exception where VAT refunds can be claimed is for exporters. Also, non-residents cannot register for VAT purposes, so they are unable to access refunds in any event.	4	4
No	Not applicable, no refunds available	Under Colombian tax laws only the following registered VAT taxpayers can apply for a refund: 1. Exporters of goods, 2. Exporters of services (under specific rules). 3. Tourism service providers (under specific rules), 4. Those who send raw materials, parts, inputs and finished goods to duty-free zones in Colombia (under specific rules), 5. Producers of forms, notebooks, newspapers and publications, 6. Sellers of internet connection services for residential purposes classified as 1, 2 or 3, 7. Producers of exempt goods (i.e. milk, cheese, meat, eggs, fish). 8. Those who have withholding VAT in their favor, 9. Those who sell taxable goods or provide services with a rate of 5% and acquire raw materials or inputs with a VAT rate of 16%, the refund would be for the excess (16%–5%).	4	4
No	Not applicable, no refunds available	Please note the following: 1. When applying for a refund, the taxpayer will have to demonstrate that the tax which was collected from the end consumer has been refunded to them, thereby transferring title of the refund to the taxpayer; otherwise no refund will be available. 2. Typically, the tax refund is applied as a credit against future tax obligations and not as a cash refund. The refund process is subject to the filing of a request and review by the Tax Administration, which explains the relative length of the refund process. A cash refund may take some additional time. 3. While a request for a tax refund will not automatically imply a Tax Administration audit, it will include the name of the taxpayer in the lottery of possible subjects for audit. 4. The statute of limitations for the request of any tax refund is 4 years from the day that the originating tax filing was carried out, after which, no refund will be granted. 5. Foreign companies may not register as VAT/GST taxpayers, unless they have some sort of legal entity in Costa Rica, whether a branch or subsidiary.	4	4

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
Croatia	Yes	29–56 days	29–56 days	Sometimes	Yes	Yes
Cyprus	Yes	56+ days	56+ days	Mostly	Yes	Yes
Czech Republic	Yes	29–56 days	29–56 days	Only if there is something suspicious	Yes	Yes
Denmark	Yes	15–28 days	15–28 days	Sometimes	Yes	Yes
Dominican Republic	No	n/a	n/a	n/a	No	No
Egypt	No	n/a	n/a	n/a	No	No

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
Yes	EU businesses can apply for a refund themselves, non-EU businesses must appoint a local agent	Non-resident businesses that are VAT registered in Croatia can obtain a refund of Croatian VAT through monthly VAT returns. Please note that non-EU resident companies are required to appoint a local agent for the purpose of VAT registration in Croatia. Non-resident businesses that are not VAT registered in Croatia can seek VAT refunds via the VAT refund procedure; they are not required to appoint a local agent. Generally, non-resident businesses that are not VAT registered in Croatia can obtain VAT refunds if they do not have a permanent establishment in Croatia and did not make taxable supplies in Croatia during the period for which the refund is requested.	1	3
Yes	They can apply for a refund themselves	Question 1 –Yes, following a standard procedure with the submission of relevant forms for refund. For Question 2 & Question 3 – during October 2013 there was an amendment to Article 20 of the Cyprus VAT Act, providing that upon the submission of the relevant request for a refund for VAT periods starting March 2013, any cash refund should be made within a period of 4 months from the day the request is submitted, otherwise the VAT Authorities shall pay yearly interest on the credit balance for every month the refund was delayed. In the situation where the VAT Authorities choose to perform a field VAT audit and additional information is requested, the 4 month period is extended to 8 months. Question 7 – Under the Refund Directive 2006/112/EC – and under the 13th EC Directive for non EU countries – a reciprocity agreement should be in place.	3	3
Yes	They can apply for a refund themselves	The VAT deduction related to the VAT return should be refunded within 30 days from the date that the VAT return was due for submission (provided the taxpayer has no outstanding tax liabilities). Non-resident EU businesses who are not registered as a VAT payer in the Czech Republic can claim the input VAT incurred in the Czech Republic through the VAT refund procedure governed by the European VAT Directive. Non-resident businesses from non-EU countries which are not registered as VAT payers in the Czech Republic can claim the input VAT incurred in the Czech Republic based on the mutual reciprocity (currently applicable only for Norway, Switzerland, Macedonia).	1	1
Yes	They can apply for a refund themselves	Non-resident businesses established outside the EU can get a refund even though they are not registered for VAT in their home country. Non-resident businesses established in the EU must be VAT registered in their home country in order to get a refund of VAT.	1	1
No	n/a	Dominican tax residents may carry forward VAT paid in excess, provided that the corresponding monthly VAT tax return has been filed.	4	4
No	n/a	A non-resident is not able to register in Egypt, as there should be commercial registration and a tax card locally issued so as to be registered for sales tax purposes. Residents who are not registered for sales tax purposes can obtain a refund if they have paid sales tax by mistake (wrong payment) provided that proof is made available for sales tax inspection and investigation by the Sales Tax Authority.	4	4

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
El Salvador	No	n/a	n/a	n/a	No	No
Estonia	Yes	15–28 days	15–28 days	Sometimes	Yes	Yes
Fiji	Yes	29–56 days	29–56 days	Only if there is something suspicious	Yes	No
Finland	Yes	15–28 days	15–28 days	Rarely	Yes	Yes
France	Yes	15–28 days	56+ days	Sometimes	Yes	Yes
Germany	Yes	15–28 days	29–56 days	Sometimes	Yes	Yes
Greece	Yes	56+ days	56+ days	Sometimes	Yes	Yes
Hungary	Yes	29–56 days	29–56 days	Mostly	Yes	Yes
Iceland	Yes	15–28 days	15–28 days	Sometimes	Yes	Yes

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
No	They can apply for a refund themselves	Taxpayers can only get a refund where the VAT has been generated by exports.	4	4
Yes	They can apply for a refund themselves		1	1
Yes	They can apply for a refund themselves	VAT credits of a small value are generally processed and approved for refund automatically. Larger amounts or refunds relating to new businesses or where credits have accumulated (for various reasons) usually require follow up by either the taxpayer or tax agent. Very large refunds may be paid in installments.	1	2
Yes	They can apply for a refund themselves		1	1
Yes	EU businesses can apply for a refund themselves Non-EU businesses must appoint a local fiscal representative (unless they are mentioned in the French decree listing countries for which, as exception, no fiscal representative is required)	Non-resident businesses will only be eligible for a refund under the domestic refund procedure if they have a branch or permanent establishment or make taxable sales in France which trigger French VAT reporting and/payment obligations.	2	3
Yes	They can apply for a refund themselves		1	1
Yes	They can apply for a refund themselves	The timing involved for completion of VAT refunds to established businesses depends on the magnitude of the claimed amount and whether or not a tax audit is required. Normally, refunds should be processed in 1–5 months. Refunds of VAT to non-resident VAT-registered businesses established in the EU, Norway and Switzerland can apply for a refund themselves according to the 13th EU Directive. Businesses registered in non EU countries should apply through a local agent.	2	1
Yes	They can apply for a refund themselves	In relation to the refund of excess VAT, the general deadline is 75 days. However, if certain conditions are met, the refund could be processed within 30–45 days, depending on the amount that is being refunded. Please note that there is no automatic refund of excess VAT; the amount could be reclaimed if the relevant conditions are met.	2	1
Yes	They can apply for a refund themselves	The timeframe mentioned earlier for refunds is the number of days after the normal VAT filing deadline has passed. It might be possible for non-resident businesses who are not registered as VAT/GST taxpayers in their home countries to get a refund of VAT incurred in Iceland if they can establish that their operation would be liable to VAT in Iceland.	1	2

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
India	Yes	56+ days	56+ days	Always	Yes	No
Indonesia	Yes	56+ days	56+ days	Always	Yes	No
Ireland	Yes	29–56 days	29–56 days	Sometimes	Yes	Yes
Italy	Yes	56+ days	56+ days	Mostly	Yes	Yes
Japan	Yes	56+ days	56+ days	Sometimes	Yes	No
Latvia	Yes	29–56 days	56+ days	Sometimes	Yes	Yes
Lithuania	Yes	15–28 days	15–28 days	Sometimes	Yes	Yes
Luxembourg	Yes	56+ days	56+ days	Mostly	Yes	Yes
Malta	Yes	56+ days	56+ days	Sometimes	No	Yes
Mexico	Yes	29–56 days	29–56 days	Sometimes	No	No

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
Yes	They can apply for a refund themselves	Non-residents must be generally registered for VAT purposes in order to claim a refund. A local agent can also register on their behalf. While a refund of unutilized credits should be available when a business is ceasing operations, from a practical perspective, we have rarely come across cases where a refund has been granted.	3	2
Yes	They can apply for a refund themselves	Non-residents businesses will only be eligible for a refund if they have a branch or permanent establishment in Indonesia Refund requests typically take one year to be refunded as the tax authority will conduct a tax audit process for one year. However, taxpayers with the status of "golden taxpayer" or "lower risk" will get priority for early refund before the tax authority conduct the tax audit.	3	4
Yes	They can apply for a refund themselves		1	1
Yes	EU businesses can apply for a refund themselves. Non-EU businesses must appoint a VAT representative	EU businesses can register directly and apply for a refund. EU businesses, if conditions as per Directive 9/2008 apply, can also apply for a refund even if not registered. Swiss, Norwegian and Israeli businesses can apply without registration if conditions as per the 13th Directive are met.	3	3
Yes	They must appoint a local agent	Refunds are released approximately 1 or 2 months after the filing of the consumption tax return.	2	3
Yes	They can apply for a refund themselves	Normally, VAT is refunded to businesses established in Latvia within 30 days beginning from the deadline for submission of the VAT return.	1	1
Yes	They can apply for a refund themselves	If the tax authorities' conduct a review or investigation, the VAT will only be refunded after the review or investigation is completed.	1	1
Yes	They can apply for a refund themselves		3	1
Yes	They can apply for a refund themselves	Businesses who are constantly in a VAT refund position could have a higher probability of a VAT investigation by the Maltese VAT authorities unless it is evident that they are engaged in exempt with credit supplies (otherwise known as zero-rated) or supplies taking place outside Malta which give them a right of recovery. Business persons who are not established in Malta can claim a VAT refund in Malta either through an 8th Directive reclaim (through the VAT authority where they are established, if within the EU) or through a 13th Directive reclaim (for non-EU establishments) or by registering for VAT purposes in Malta, subject to the satisfaction of the Director-General of VAT that the person carries on an economic activity and is entitled to claim input tax credits.	2	1
n/a	Not applicable, no refunds generally available	Only in some cases will the tax authorities approve a non-resident business registering for VAT, and even then, no refunds will be provided. In general, non-residents must obtain a general taxpayer registry (for income tax and VAT).	1	4

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
Netherlands	Yes	0–14 days	15–28 days	Sometimes	No	Yes
New Zealand	Yes	0–14 days	0–14 days	Sometimes	Yes	No
Nigeria	Yes	56+ days	56+ days	Mostly	Yes	No
Norway	Yes	15–28 days	15–28 days	Only if there is something suspicious	Yes	Yes
Peru	Yes	29–56 days	29–56 days	Always	Yes	Yes
Philippines	Yes	56+ days	56+ days	Always	Yes	No
Poland	Yes	56+ days	56+ days	Sometimes	Yes	Yes
Portugal	Yes	29–56 days	29–56 days	Mostly	Yes	Yes

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
Yes	They can apply for a refund themselves	As a starting point, any input VAT related to taxable activities would be reclaimable. However, the moment of ceasing a business is not a relevant trigger from a VAT perspective. The Dutch tax authorities apply a grace period of five years for refund requests filed after the due date. Such a late filed request will be processed but it is not possible to appeal against the decision of the tax authorities.	1	1
Yes	They can apply for a refund themselves	Non-resident businesses that make taxable supplies in New Zealand are required to register for GST and can recover GST on expenses. Also, non-resident businesses that are not making any taxable supplies in New Zealand can register for GST and recover GST on New Zealand expenses.	1	2
Yes	They can apply for a refund themselves	The Federal Inland Revenue Service (FIRS) has set a threshold for the issue of refunds. Refund applications for less than N300,000 are to be recommended for immediate payment if 1) the taxpayer has made previous refund claims and the refund was effected 2) the taxpayer has been audited within the last two years; 3) the taxpayer has no outstanding tax liability to FIRS. Refund claims in excess of N300,000 will require a tax audit or spot check before this can be approved for payment.	3	2
Yes	They can apply for a refund themselves or through an agent with Power of Attorney.	Non-resident businesses who are VAT registered in Norway must apply for VAT refunds through their VAT representative, registration while those who are not VAT registered can apply for VAT refunds from abroad themselves or through an agent with Power of Attorney.	1	1
Yes	They must appoint a local agent		2	3
Yes	They can apply for a refund themselves	The administrative claim for refund must be filed with the Bureau of Internal Revenue within 2 years after the close of the taxable quarter when the sales were made. The Commissioner shall grant a refund within 120 days from the date of submission of complete documents in support of the application for refund. In the case of full or partial denial of the claim for refund, or the failure on the part of the Commissioner to act on the application within the 120 day period, the taxpayer affected may, within 30 days from the receipt of the decision denying the claim or after the expiration of the 120 day period, file a judicial claim for a refund by appealing the decision or the enacted claim with the Court of Tax Appeals. The periods mentioned are mandatory and jurisdictional.	3	2
Yes	They can apply for a refund themselves		2	1
Yes	EU businesses can apply for a refund themselves, non-EU businesses must appoint a local agent	To apply for a VAT refund in Portugal, non-resident businesses established outside the EU and not established nor registered for VAT purposes in Portugal are required to appoint a legal representative. Moreover, a reciprocity condition also applies. Also, non-resident businesses will only be eligible for a "domestic" VAT refund in case they hold a branch/permanent establishment in Portugal or carry out taxable sales herein.	2	4

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
Romania	Yes	56+ days	56+ days	Mostly	Yes	Yes
Russia	Yes	56+ days	56+ days	Always	Yes	No
Serbia	Yes	29–56 days	29–56 days	Sometimes	Yes	Yes
Singapore	Yes	0–14 days	15–28 days	Sometimes	No	No
Slovakia	Yes	56+ days	56+ days	Sometimes	Yes	Yes
Slovenia	Yes	15–28 days	15–28 days	Mostly	Yes	Yes

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
Yes	EU businesses can apply for a refund themselves, non-EU businesses must appoint a local agent	Only EU non-resident businesses can apply for a refund themselves while non-EU businesses must appoint a local agent. Romania has only concluded reciprocity agreements with three non-EU countries, namely Switzerland, Norway and Turkey.	3	3
No, non-residents without a presence in Russia cannot register and cannot get a refund	n/a	Please note, there is no VAT registration in Russia. Instead, we have assumed a general tax registration in our responses. Please note that a tax registration generally arises if a foreign company has a presence in Russia. Generally a foreign legal entity is not able to get a refund without a presence in Russia (and respectively without a tax registration). In all the cases input VAT recovery/VAT refund is only possible if the respective acquired goods, works, services are used in activities that are subject to Russian VAT.	3	4
Yes Only a branch office that is registered with the Serbian Company Registry can register for VAT in Serbia.	They can choose to either apply for refund themselves or appoint a tax representative.	Businesses registered for VAT in Serbia can get a refund. In line with the VAT Law, the deadline for receiving the VAT refund is 45 days from the deadline for submitting the VAT return. A shorter period of 15 days is prescribed for taxable persons who have a status of a predominant exporter. A taxable person whose exports of goods exceed 50% of the total value of turnover or if the value of exports of goods exceed EUR 10 million is entitled to the status of a predominant exporter. Note that non-resident businesses cannot register for VAT in Serbia (only branch offices of non-resident entities registered with the Serbian Company Registry can register for VAT). Non-residents not registered for VAT in Serbia can get refunds of Serbian VAT if certain conditions are met, including the reciprocity rule.	1	2
Yes	They must appoint a local agent	Under the GST legislation, the Inland Revenue Authority of Singapore ("IRAS") has 1 month to process monthly GST returns and 3 months to process quarterly GST returns submitted by taxpayers. However, the IRAS on their website indicates that taxpayers can expect their refunds to be made within 25 days and 90% within 7 days. We understand that generally the IRAS will take a longer time to process refunds made by newly established businesses but no specific data is available on this. Generally, input tax incurred on expenses attributable to the closure of businesses is not claimable. 3. If the entity is not registered for GST in Singapore, it is generally not entitled to any input tax claim unless it meets certain qualifying conditions to obtain the refund by way of remission.	1	3
Yes	They can apply for a refund themselves	Non-resident businesses not registered for VAT/GST in Slovakia, however, registered for VAT/GST elsewhere, can get a Slovak VAT refund. Non-resident businesses not registered for VAT/GST anywhere, cannot get a Slovak VAT refund.	2	1
Yes	They can apply for a refund themselves	Requests for VAT refunds must be filed electronically.	2	1

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
South Africa	Yes	15–28 days	15–28 days	Sometimes	Yes	Yes, but only in limited circumstances
South Korea	Yes	29–56 days	29–56 days	Sometimes	Yes	Yes, but only in limited circumstances
Spain	Yes	56+ days	56+ days	Sometimes	Yes	Yes
Sri Lanka	No	n/a	n/a	n/a	Yes	No
Sweden	Yes	0–14 days	0–14 days	Rarely	Yes	Yes
Switzerland	Yes	29–56 days	29–56 days	Rarely	Yes	Yes
Taiwan	Yes	56+ days	56+ days	Mostly	Yes	No

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
Yes	They can apply for a refund themselves	Non-resident businesses who are not registered for VAT in South Africa can only claim a refund of VAT in limited circumstances, i.e. when goods are exported from South Africa.	1	2
Yes	They can apply for a refund themselves	Question 6 – Yes but only from the purchase of certain goods/services.	1	2
Yes	EU businesses can apply for a refund themselves, non-EU businesses must appoint a local agent	Non-resident businesses who are not registered for VAT in Spain could apply for the refund through EU Directive 2008/9 if they are residents within the EU. Businesses from outside the EU, could only apply for the refund if there is a Reciprocity Agreement with Spain and the State of establishment. Businesses from outside the EU with reciprocity agreement must appoint a Tax representative (resident in Spain) who will apply for the refund. In order to be registered in Spain for VAT purposes, the company will have to execute operations by which they are considered VAT taxpayers in Spain. There is no voluntary registration applicable in Spain. If registered, the company can indeed be entitled to get the refund of the VAT.	2	3
No	They must appoint a local agent	The introduction of the simplified VAT mechanism has minimized the incidence of VAT refunds. In practice, refunds do not occur because input claim for a particular period is restricted to 100% of output tax. The concept of SVAT also eliminates refunds to taxpayers who are registered under the SVAT scheme. Therefore the application of the concept of refunds therefore is very rare.	4	4
Yes	They can apply for a refund themselves		1	1
Yes	They must appoint a local agent		1	3
No	n/a	The ease of VAT refund depends on the reason for requesting the refund. It normally takes 1–2 months to get a refund that is allowed to be claimed (i.e. refund on input VAT incurred in relation to zero-rated sales or fixed asset purchases) where the tax authority will perform random audits. However, a refund claimed because of other reasons could take 6 months to 2 years depending on the complexity of each case, also the tax authority will always conduct an investigation for such refunds. A non-resident business having no fixed place of business in Taiwan generally cannot get a refund of VAT incurred as the entity is unable to be registered as a VAT taxpayer in Taiwan. One exception is that VAT may be refundable if it relates to a non-resident business participating in exhibitions or conducting temporary business activities such as market investigation, training, procurement, etc. in Taiwan. There are certain conditions to be met	3	4

Country	Q1: Can a business which is registered as a VAT/GST taxpayer ordinarily obtain a refund of excess VAT/GST credits in your country?	Q2: How quickly can established businesses (that is, those businesses in their normal operating phase) get a refund?	Q3: How quickly can new businesses get a refund?	Q4: If a business which is registered as a VAT/GST taxpayer applies for a refund, is an audit or investigation conducted by the tax authority?	Q5: If a business is ceasing operations can it claim a refund of excess VAT/GST credit balances at that time?	Q6: Can non-resident businesses who are not registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?
Thailand	Yes		56+ days	Always	Yes	Yes, however non-resident businesses will only be eligible for a refund if they have a branch or permanent establishment in Thailand
Turkey	Yes	56+ days	56+ days	Mostly	No	No
United Kingdom	Yes	0–14 days	29–56 days	Only if there is something suspicious	Yes	Yes
Uruguay	No	n/a	n/a	n/a	No	No
Venezuela	Yes	56+ days	56+ days	Always	Yes	No
Vietnam	Yes	29–56 days	56+ days	Sometimes	No	No
Zimbabwe	Yes	56+ days	56+ days	Always	Yes	No

Q7: Can non-resident businesses who are registered as VAT/GST taxpayers get a refund of VAT/GST incurred in your country?	Q8: Can non-resident businesses apply for a refund themselves, or must they appoint a local agent to apply for the refund on their behalf?	Q9: Please add any comments you have here which you may wish to clarify the responses provided above.	Efficiency of refunding VAT/GST for residents businesses ranking (from 1–4)	Efficiency of refunding VAT/GST for non-residents businesses ranking (from 1–4)
Yes	They can apply for a refund themselves	Please note that for a business which is ceasing operations, VAT refunds are permitted as long as it remains a VAT taxpayer. Non-residents businesses will only be eligible for a refund if it has a branch or permanent establishment in Thailand.	3	4
Yes	They can apply for a refund themselves	Non-resident entities can get a VAT refund only in limited transactions such as foreign film producers who are shooting movies in Turkey. VAT paid by non-resident companies on some goods and services purchased in relation to their transportation activities as well as participation in fairs, open-air markets, and exhibitions in Turkey can be refunded on the condition of reciprocity.	3	4
Yes	They can apply for a refund themselves	Non registered businesses are able to claim a VAT refund in some situations. The United Kingdom has applied the reciprocity principle in 13th Directive widely in that it will only refuse a claim if that country has a scheme for refunding indirect taxes, but refuses to allow United Kingdom traders to use it. Therefore, claims are possible from countries who do not have VAT/GST and from businesses who are not registered for VAT/GST (e.g. US companies).	1	1
Yes	They must appoint a local agent	In principle it will not be possible for a non-resident entity to register in Uruguay exclusively for VAT purposes. For that purpose the company would also have to register as a permanent establishment/branch for tax purposes, raising other potential effects in terms of other local taxes (e.g. on income or net worth).	4	4
No	Not applicable, no refunds available	The tax department gives as a refund a certificate which can be used to pay other national taxes or sold to others taxpayers (usually with a discount). The process to get an actual refund takes a long time, approximately 6 months.	3	4
Yes	They can apply for a refund themselves		1	2
Yes	They can apply for a refund themselves	There are instances where a non-resident who is not registered for VAT in Zimbabwe can claim a refund of VAT. For example in the case of the indirect exportation of goods from Zimbabwe where VAT may be chargeable at the point of supply but the goods are subsequently exported. The Zimbabwe VAT legislation zero-rates exports for VAT.	3	2

Find out more

If you would like to discuss the results of this survey or any other indirect tax matter, please contact your usual KPMG indirect tax contact or visit www.kpmg.com/indirecttax for a full list of contacts.

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