

VAT registration needed for sales in online marketplaces in Germany despite purely VAT exempt sale

By  **Martin Thieslauk**

On 01 July 2021, the e-commerce VAT package of the European Union was implemented in the German VAT Act. If goods are sold by the seller via platforms (e.g. Amazon) on the internet, the operator of the platform must pay German VAT (on those supplies it is required to under the legislation) to the tax office on behalf of the seller. For the seller, the sale is thus free of VAT. This regulation is intended to ensure that VAT is actually paid to the German tax authorities.

Many foreign companies are pleased that they now no longer have to file advance VAT returns in Germany and can save themselves the costs of doing so.


Some foreign companies applied for deregistration and the deletion of their tax number in Germany because they thought they no longer needed to submit advance VAT returns and VAT declarations. A rude awakening for these companies came in the form of a letter from the platform operator informing them that their online shop had been closed because they did not have a current German tax number, and that they would no be longer accepted as an entrepreneur.

In these cases, sellers did not take into account that their sales made via the online platform must be declared as tax-exempt sales so that the tax authorities could compare them with sales reported by the platform.


Conclusion

Even after 01 July 2021, companies that sell their goods via an internet platform, such as Amazon, must submit advance VAT returns and declare these sales in Box KZ 43 of their VAT return. If the application for deregistration has been filed and/or the tax number has been deleted, it often helps to call the tax office and ask for the tax number to be reactivated. As soon as the tax office has reactivated the tax number, the platform operator is informed electronically and the online shop can be reactivated. A certificate, as was typical in the past, is no longer issued.

GGI member firm
Benefitax GmbH
Steuerberatungsgesellschaft
Wirtschaftsprüfungsgesellschaft
Advisory, Auditing & Accounting,
Corporate Finance, Fiduciary &
Estate Planning, Tax
Frankfurt am Main, Germany
T: +49 69 256 227 60
W: benefitax.de

 **Martin Thieslauk**
E: m.thieslauk@benefitax.de

Benefitax GmbH is a tax consultancy and public auditing company located in

Frankfurt, which is widely recognised as the financial centre of Germany. Benefitax predominantly serves German entities of foreign multinational groups, mid-sized German companies with cross-border activities and wealthy private individuals.
 **Martin Thieslauk** is a certified German tax advisor and senior manager at Benefitax. He mainly advises international clients and their



Martin Thieslauk

German branches on all questions of German tax law, including payroll accounting issues, and assumes the tasks they have to perform in Germany to fulfil their tax and social security obligations. In addition, he advises private individuals from Germany and abroad.