

# Advisory firms join forces to provide cross-border VAT advice for international aircraft operator based in Germany

From WP/StB Rudolf Kettel

## IStR Round Table

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Prof. Dr. Christian Schmidt

### Kooperation:

Steuerberaterkammer Nürnberg und Verein zur Förderung des Steuerstudiums an der Technischen Hochschule Nürnberg Georg Simon Ohm („Netzwerk Steuern e. V.“)

## German international aircraft operator required VAT advice for an In-Theatre Aeromedical Evacuation Service in Africa.

### What was the challenge?

A member of the IStR Round Table in Nuremberg was contacted to advise on the EU VAT issues.

The client, a German Aircraft operator, was asked to provide an In-Theatre Aeromedical-Evacuation-Service in Africa.

They leased an aircraft from an Irish aircraft leasing company who incorrectly issued its invoices under the VAT Reverse Charge Procedures.

The challenge was to provide advice about the VAT law situation in the EU to advise on the correct VAT deduction for the service and the VAT exemption for international aircraft operators.

All invoices must be in line with EU VAT law (European High Court decision - Danske Bank).

### How did the IStR Round Table provide the solution?

WP/StB Rudolf Kettel, a member of the IStR Round Table in Nuremberg/Bavaria, got in contact with the VAT specialist Christine Hohenstein (StB.Syndicus) for her expertise on the VAT issue.

The case was discussed with Christine Hohenstein and the other members of the IStR Round Table during the meeting .

### What was the outcome?

As a result of the coordinated assistance of the IStR Round Table this case was presented to the Tax Authorities in Bavaria.

In this very interesting legal situation with various national EU VAT regulations, it was able to establish before the tax authorities, that the transaction for the German recipient was outside the scope of German VAT and no VAT applied. The reverse charge procedure does not apply in Germany in this case. Although it would be in other EU countries.

WP/StB Rudolf Kettel was very grateful for this support, because the VAT exposure for his client would have been over one million euro.

*“I was astonished by the VAT position taken by a large aircraft leasing company. Without the support of the IStR Round Table, the case would have triggered a high VAT exposure – now our client is VAT compliant and we have VAT certainty.”*

WP/StB Rudolf Kettel