

## VAT Compliance Analysis Report

# VAT STATUS

**Local VAT registration is required in the relevant EU Member State based on inventory or taxable presence.**

Scheme: Local VAT registration | Fiscal Representative: MAY BE REQUIRED – If your business is established outside the EU, you may need to appoint a fiscal representative depending on the country where VAT registration is required.

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### EXECUTIVE SUMMARY

#### BUSINESS PROFILE:

- Company: [REDACTED]
- Business Type: Physical goods
- Customer Type: Both
- Type of Supply: Goods
- Annual Turnover: [REDACTED]
- Inventory Storage: YES - goods stored in EU
- Business Establishment: Non-EU
- EU Sales: YES

Analysis based on information provided in client intake form.

## 1. CLIENT PROFILE

Company	[REDACTED]
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Country of Establishment	GB
Business Type	Physical goods
Customer Type	Both
Goods / Services	Goods
Annual Turnover	██████
Digital Services	No
EU Inventory	Yes

## 2. VAT TRIGGERS ANALYSIS

The following VAT obligations were evaluated based on your business profile and EU VAT regulations:

Trigger	Status & Finding
VAT Trigger Analysis	<p><b>VAT TRIGGERS ANALYSIS:</b></p> <p><b>EU INVENTORY STORAGE</b></p> <ul style="list-style-type: none"> <li>• Goods stored within the EU may create a VAT registration obligation in the country of storage, subject to local rules and the nature of taxable supplies made from that stock.</li> <li>• OSS cannot be used for goods supplied from local inventory.</li> </ul> <p><b>Action:</b> Local VAT registration required in inventory country(ies).</p>

**Fiscal Representative Requirement (Article 204) — Non-EU Established Businesses:**

**MAY BE REQUIRED** – If your business is established outside the EU, you may need to appoint a fiscal representative depending on the country where VAT registration is required.

## KEY FINDING

Local VAT registration is required in the relevant EU Member State based on inventory or taxable presence.

## 3. APPLICABLE VAT SCHEME

### Local VAT registration

#### LOCAL VAT REGISTRATION REQUIRED:

You store goods in EU warehouses, which may create a VAT registration obligation in the country of storage, subject to local rules and the nature of taxable supplies made from that stock. You must register for VAT in each country where you hold inventory and file periodic VAT returns. You cannot use OSS for goods sold from local inventory — local VAT rates must be charged on sales from each warehouse location.

**Fiscal Representative (Article 204):** When goods are imported into the EU, import VAT becomes due at the point of entry. Depending on the country of import, you may be able to defer this import VAT and declare it in your periodic VAT return instead of paying it upfront at customs. This can significantly improve cash flow. Whether deferment is available depends on the country where goods enter the EU and your local VAT registration status — confirm this with your VAT agent when registering. This deferment mechanism is provided for under Article 211 of Council Directive 2006/112/EC.

## 4. REQUIRED VAT REGISTRATIONS

Registration

Details & Urgency

<b>Local VAT registration</b>	Local VAT registration is required in the EU country where inventory is stored. Registration is immediate due to stock presence.
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## 5. RISK ASSESSMENT

Risk Area	Level	Detail
Non-registration penalty	<b>HIGH</b>	Failure to register exposes business to back taxes, interest, and penalties under law of each relevant Member State VAT law.
Incorrect VAT rate charged	<b>MEDIUM</b>	Must apply destination country VAT rate.
Fiscal representative	<b>COUNTRY SPECIFIC</b>	<b>MAY BE REQUIRED</b> – If your business is established outside the EU, you may need to appoint a fiscal representative depending on the country where VAT registration is required.
Filing & record-keeping	<b>MEDIUM</b>	Inadequate exposure may disallow input VAT deductions (Articles 242-248, Directive 2006/112/EC).

## 6. RECOMMENDED NEXT STEPS

# RECOMMENDED NEXT STEPS

**IMMEDIATE** (within 7 days)

- Register for VAT in Germany as fast as possible to become compliant because you hold stock there and may be making local sales from that stock.
- Register for VAT in Poland as fast as possible to become compliant because you hold stock there and may be making local sales from that stock.
- Start local VAT registration planning for France, Italy and Czechia now (no OSS applies for a GB business), and prioritise the country with the highest recent sales volume and fastest go-live needs.

## WITHIN 30 DAYS

- Put in place a process to charge the correct local VAT rate on sales to customers in Germany and Poland and to issue compliant invoices/receipts where required.
- Set up VAT return and payment calendars for Germany and Poland, and appoint a local VAT agent or fiscal representative where the country requires one for GB businesses.
- Reconcile your stock movements into, within and out of Germany and Poland so your VAT registrations match what actually happened and you can support the figures you will report.

## ONGOING

- Keep a clean monthly audit trail linking orders, dispatch records, delivery destinations, returns and payments so your VAT filings can be supported if questioned.
- Check with your VAT agent in Germany and Poland whether import VAT deferment or similar cash-flow arrangements are available and apply if beneficial and permitted.
- Review each quarter whether your sales into France, Italy and Czechia justify local VAT registrations there, and register before non-compliance builds up.

## 7. LEGAL FRAMEWORK REFERENCED

This analysis is based on Council Directive 2006/112/EC (as amended), specifically Article 33 (place of supply rules for distance sales of goods), Article 59c (the EUR 10 000 threshold for distance sales), and Title XII, Chapter 6 (special schemes, including the Union and non-Union One-Stop Shop and the Import One-Stop Shop). Article 204 (fiscal representation for non-established taxable persons) has also been taken into account in this analysis.

## Important Notice

This analysis is based solely on the information provided in the client intake form. It does not constitute legal or tax advice and should not be relied upon as a substitute for professional advice tailored to your specific circumstances. No transaction-level review has been performed, and no verification of source documents, contracts, or accounting records has taken place.

VAT legislation, case law, and administrative practices may change at EU or Member-State level at any time. The information and conclusions in this analysis reflect the VAT framework and guidance known to VATCompass as of the date of generation and may not account for subsequent amendments or local clarifications.

Before taking any action, implementation, or filing based on this analysis, you should seek personalised tax and legal advice from qualified local professionals in the relevant jurisdiction(s).

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