

All countries

VAT (sales tax)

Asia

China China implements a VAT system applicable to both sales of goods and provision of (most) services. Usual VAT rates are 6%, 9% and 13%. Input VAT credit: General VAT-payers are allowed to offset input VAT incurred on the purchase of goods / services against payable output VAT.

Hong Kong None.

Singapore 9% (from 1 January 2024)

United Arab Emirates Value Added Tax was implemented in the UAE on 1 January 2018, pursuant to Federal Decree Law No. 8 of 2017 (the 'Tax Law').

The Tax Law requires that any taxable person (individual or corporation) who is providing goods or services in the UAE with a value in excess of the mandatory threshold (AED 375,000) to register for, charge for and pay VAT to the Federal Tax Authority (FTA).

VAT will apply on the supply of goods and services in the UAE (including imports) except on the exempt goods and services as specified under the VAT Law. The standard rate of VAT is currently set at 5% on any supply or import of goods or services.

There are a number of goods and services which are zero rated (including exports outside the GCC, newly constructed residential properties, education services and healthcare services), for which VAT will be charged at 0%, and others which are exempt entirely (including financial services).

The place of supply determines whether a supply is made in the UAE or outside the UAE. As such, if the supply is treated as made outside the UAE, VAT is not chargeable. However, if a supply is made in the UAE, VAT may be chargeable. In relation to goods, the place of supply is the location of the goods when the supply occurs and VAT is chargeable for domestic supplies and exports. In relation to services, the place of supply is where the supplier has the place of residence.

For business-to-business imports into the UAE from outside the UAE, the recipient accounts for VAT under a 'reverse charge' mechanism.

Europe

Austria	<p>General VAT rates (may temporarily be reduced due to COVID-19-legislation): 20%, 13%, 10%, 0%.</p> <p>General obligation to pay VAT if turnover is realised.</p> <p>Pre-tax deduction (Vorsteuerabzug) is possible under certain circumstances.</p>
Czech Republic	<p>21% - standard rate 15% - first reduced rate (food, non-alcoholic beverages, restaurant and hotel services etc) 10% - second reduced rate (essential child nutrition, gluten-free food, some pharmaceutical products, newspapers and periodicals)</p> <p>Due to the recent government's consolidation package, as of 1 January 2024, the first reduced rate and second reduced rate are expected to be merged into a single reduced rate 12% and new 0% rate will be set for books.</p>
England & Wales	<p>2024/2025: Standard rate: 20%</p> <p>Reduced rate: 5%</p> <p>Zero rate: 0%</p> <p>Most goods and services are standard rated.</p> <p>The 'transfer of a business as a going concern' (TOGC) is outside the scope of VAT, if certain conditions are met. Share purchases are generally VAT exempt.</p>
France	<p>20% - Standard rate</p>
Germany	<p>General VAT rate: 19% Reduced VAT rate: 7% (eg. on print media)</p>
Hungary	<p>27% - Standard rate</p>
Ireland	<p>Standard rate for the tax year 2022 (23%)</p> <p>Reduced rates for the tax year 2022: 0% (Zero Rate), 4.8% (Livestock Rate), 5.5% (Flat-rate Compensation Percentage for Farmers), 9% (Second Reduced Rate) and 13.5% (Reduced Rate).</p> <p>Most goods and services are standard rated.</p> <p>The 'transfer of a business' (TOB) is outside the scope of VAT, if certain conditions are met.</p> <p>Share purchases are generally exempt.</p>
Italy	<p>22% (standard rate)</p>

Netherlands	<p>The standard VAT rate is 21%.</p> <p>A lower rate of 9% may apply to specific products and services (such as food products, medicines, and books).</p> <p>A 0% rate in principle applies for supply of goods and services from the Netherlands to business customers in another EU Member State .</p> <p>For supply of goods from the Netherlands to customers outside the EU, also a 0% export rate is applicable. Services to customers outside the EU are in principle outside the scope of Dutch VAT.</p> <p>Furthermore, specific services and goods that are provided in the Netherlands can fall under the 0% rate or a VAT exemption.</p>
Poland	<p>The standard VAT rate is 23%. This rate applies to almost all supplies of goods and services, unless specific VAT regulations provide reduced rates – 8%, 5% or 0%.</p> <p>Under some conditions the supply of goods or services can be exempt from VAT.</p>
Portugal	<p>VAT is levied on the supplies of goods and services, import of goods and intracommunity acquisition of goods. The tax is primarily borne by the consumers, though it should be delivered to the State by the Taxable persons, which are, as a rule and under certain conditions, allowed to deduct the VAT borne on supplies of goods and services in connection with their taxable activities.</p>
Slovakia	<p>The standard VAT (sales tax) rate in Slovakia stands at 20% with a reduced VAT rate of 10% applicable to certain goods, eg certain groceries, medical products etc; as of 1 January 2020, the said list of goods was extended to newspapers, magazines, articles and several types of healthy food. Certain supplies (universal postal services, insurance services, financial services) are exempt from tax.</p>
Spain	<p>Standard rate: 21%</p> <p>Reduced rate: 10% and 4%</p> <p>Most goods and services are standard rated.</p> <p>The 'transfer of a business as a going concern' is outside the scope of VAT, if certain conditions are met. Share purchases are generally VAT exempt.</p>

South America

Brazil	<p>Brazilian tax system does not have a single tax as the VAT. Instead, it divides the taxes into:</p> <p>(i) ISS (Tax on Services): a local tax whose rate ranges from 2% to 5% depending on the municipality;</p> <p>(ii) ICMS (Tax on sales, transport and telecommunication tax): a state tax whose rate ranges up to 25% depending on the state:</p> <ul style="list-style-type: none"> - sale and circulation of goods: generally, 7% or 12% depending on the state; - transactions within the same state: 17%, 18% or 20%; - telecommunication and electricity: generally, 25%. <p>(iii) PIS/COFINS (Federal VAT): due on gross revenues, whose combined rate is 9.25%.</p>
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