

Germany

This guide is for e-commerce companies that sell online via web stores or at marketplaces.

VAT Standard rate

The standard VAT rate in Germany in 2023 is 19%.

VAT Reduced rate

7%

See the summary of the [EU VAT rates](#).

Thresholds

From the 1st of July 2021, the distance selling thresholds were withdrawn and replaced by a unified threshold of EUR 10,000 for all EU members.

In other words, VAT should be charged at the VAT rate of the customer's country of residence by companies whose annual taxable cross-border turnover is over EUR 10,000.

Deductible VAT

If goods or services were used to make taxable supplies in Germany, VAT in input invoices might be credited. Examples include:

- VAT paid at custom clearance with your EORI number;
- VAT paid to German suppliers.

If the company paid invoices before VAT registration it may deduct them after registration.

Registration procedure

The first step in registration involves getting a "Steuernummer," or German tax identification number.

Those who sell in a German marketplace will also need an F22 Certificate.

When a company has the obligation to register, the owners will be required to complete and submit a VAT registration form, along with supporting documentation:

- Certificate of incorporation;
- Trade register extract;
- VAT certificate;
- Articles of Associations.

If the company is appointing a local tax agent or Fiscal Representative, then a Letter of Authority or Power of Attorney is.

Tax representative

There is no requirement to appoint a tax representative in Germany.

Liability for Marketplace Operators

Rules have been implemented for electronic Marketplace operators in Germany as of April 2019.

This means that global, as well as German, marketplace operators, have to keep specific information and documents about traders who conduct business in Germany via their marketplace. Moreover, marketplace operators are required to record data about the deliveries carried out.

If the trader fails to fulfill their German VAT obligations and if the marketplace operator does not meet the aforementioned archiving obligations, the marketplace operator will be liable for the outstanding VAT payments of the trader.

Therefore, marketplace operators need to take action to avoid exposure to any risks. Among other things the following actions urgently need to be considered:

- Recording specific data from traders even if they are not professional dealers;
- Collecting and archiving a German VAT registration certificate from the trader;
- Documenting a date of supply/remuneration/location of departure and destination of sold goods.

Keeping records

Records about performed transactions must be kept in order to check the correctness of tax returns and payments. These records must be made available to the Federal Central Tax Office by electronic means on request. The retention period for the records is ten years.

VAT payment date

The VAT payment must be submitted by the 10th of the following month. For example, January's payment must be submitted by 10th February, and so on.

Filing VAT returns

A taxpayer must transmit tax returns to the Federal Central Tax Office (BZSt) by electronic means. The LOVAT platform supports [digital submission](#).

For the first year, the period for submitting preliminary VAT returns is the calendar month.

If the amount of VAT for the previous calendar year exceeds €7,500, the business owner must submit monthly preliminary returns.

A tax return must be filed even if no transactions have been performed during the relevant calendar month.

The dates for filing tax returns are as follows:

- January – by 10 February;
- February – by 10 March;
- Yearly VAT return – 31 May.

Companies can also keep track of deadlines via the Lovat portal.



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