


BEYOND BORDERS

TAKING YOUR MEETING **OUTSIDE THE USA**

2011

YOUR **INTERNATIONAL** MEETINGS GUIDE

Our trend reports and workbook pages ensure successful **WORLDWIDE**  events

 the best **VALUE** destinations **PAGE 5**

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questions for **VETTING LOCAL VENDORS** **PAGE 23**

A Supplement to * Association Meetings * Corporate Meetings & Incentives
* Medical Meetings * Religious Conference Manager

Getting Your VAT Back

Value-added tax, or VAT, was first levied in France in 1954. Now, most countries (except for the United States) have implemented VAT, with rates from 5 percent to 25 percent.

In the European Union, international travelers get some relief, as 24 of 27 EU countries charge reduced rates at hotels and restaurants. And for business travel and meetings, VAT is often completely refundable. Still, the specific rules vary by country, are subject to change, and involve lots of paperwork: That means it's best to call in the experts—a VAT reclaim company—to help you navigate the process.

"Original invoices have to be submitted to reclaim VAT," according to Britta Eriksson, CEO at EuroVAT, based in Los Angeles. "EuroVAT assists in establishing processes to gather the required original invoices in the most efficient way. We work with a company's contracted expense-management partner, corporate card company, and travel management company to streamline the retrieval process. The refund claims are then prepared and filed by our office with the different foreign countries."

In some cases, you'll also need prior VAT registration, so it's best to contact a VAT reclaim company as early in the planning process as possible.

And if you are holding an incentive trip, you probably can't reclaim your VAT paid. The incentive trip may certainly be a corporate expense, says Eriksson, but in most cases the VAT rules disallow VAT refund on the services if no business was conducted.

VAT AT A GLANCE

Search Wikipedia for "value-added tax" to see a comprehensive chart of worldwide VAT rates ("IVA" in Spanish- and Portuguese-speaking countries and "GST" in Canada and Australia). For a continually updated list of VAT changes worldwide, plus refund eligibility rules for U.S. companies, visit taxback.com.

VAT RECLAIM COMPANIES

CEI (www.cei-vat.com)

Meridien Global Services (www.meridianglobalservices.com/Foreign-VAT-Recovery)

Euro VAT Refund Inc. (www.eurovat.com)

VAT CHANGES IN 2011—E.U. REVIEW; U.K. RISE

In December, the European Commission issued a Green Paper on VAT, proposing a comprehensive reform and simplification of the system. Meetings and travel could be affected if the Commission decides to impose a single VAT rate, thereby eliminating the right of countries to set reduced rates for spending on hotel accommodations and restaurant meals. A public comment period ended May 31, with the Commission's decisions due by the end of 2011.

Meanwhile, the U.K. hiked its VAT rate to 20 percent in January. But if you're getting a refund anyway, does it matter what the rate is? "It matters," says Nancy Eide, principal, CEI VAT Reclaim, "because you can't get 100 percent of your VAT back in any case, and now the VAT is 2.5 percent higher. Not every expense item has reclaimable VAT and a fee has to be paid to a reclaim service based on the amount of VAT recovered. So your VAT refund will be less than the total VAT you paid." She sees a potential silver lining with the U.S. dollar strengthening against the British pound: "I don't think the VAT rate impacts planners' decisions as much as the cost of currency."