

The Essential Guide to VAT for Online Retailers Selling in Spain



Foreign companies can register for VAT in Spain without the need to form a local company.

You can also voluntarily register for VAT in Spain.

If you are based outside the EU and require a Spanish VAT registration, the Spanish tax authority require you to appoint a fiscal representative to act on your behalf.

VAT registration in Spain can happen quickly – between one and two weeks.

The Distance Selling VAT Rules in Spain

If you selling online from within the EU via your website or through the marketplaces directly to Spanish private customers, you can sell up to Euros 35,000 before you have to register in Spain. At this point, you will need to VAT register and start accounting for the VAT in Spain at their 21% standard rate (or reduced rate if these apply to the goods you are selling).

Using Fulfilment Centres in Spain

However, if you are thinking of using fulfilment centres in Spain to house your stock, this triggers an immediate need to VAT register in Spain – there is no threshold to exceed. Once registered you will be obligated to file the periodic VAT returns.

Reporting

VAT returns in Spain are usually required quarterly. They also require an annual return to be submitted at the end of January the following year. VAT returns can also be monthly if turnover exceeds Euros 6 million per annum.

Intrastat Declarations

In addition to VAT returns, if your turnover exceeds the Intrastat Declaration threshold (in Spain it is Euros 400,000) you will be obligated to file monthly Intrastat declarations as well as your VAT returns in Spain.

Intrastat Declarations are statistical returns required by the EU to monitor trade between the EU member states.

Penalties

Failure to comply with local VAT regulations can result in penalties and interest being applied by the Spanish Tax Authority. Please be aware the European tax authorities are becoming more proactive in searching for non-compliant online retailers. They have set up mutual co-operation with each other and they share data.

In Spain, penalties can vary from just a warning to 20% of the value of the VAT owed.

Summary

Standard Rate of VAT	21%
Reduced Rate of VAT	10% - e.g. Passenger Transport, hotel and restaurant services 4% - e.g Food, drink, construction work
VAT registration threshold for non-established businesses	Nil
VAT registration threshold for distance sellers	Euros 35,000
Intrastat Threshold – Dispatches and Arrivals	Euros 400,000

Please note -The information is correct at time of publishing – May 1st 2015

What to Do Now

If you want to know more, or think you need to register in Spain, please don't hesitate to contact us on **0207 760 7667** or email info@simplyvat.com

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