

Have you had your bad debt review?

Businesses across Europe face unprecedented challenges in the aftermath of the Coronavirus pandemic. Indebtedness is rising as businesses struggle to settle debts on time.

Most VAT registered businesses are required to account for output VAT in the same tax period when they have issued an invoice to their customer, regardless of whether the invoice is paid. If the invoice remains unpaid, a bad debt arises which, in many European jurisdictions, may be subject to relief – VAT credited back to the business.

WHAT IS A VAT BAD DEBT RELIEF REVIEW AND WHY IS IT IMPORTANT?

At Grant Thornton we understand how important cash flow is for your business. By conducting a VAT bad debt relief review, we will help you identify whether your business is due VAT back on unpaid invoices.

The bad debt relief rules do vary by tax jurisdiction. Together with our trusted network of member firms we have analysed the applicable rules in every country and we are here to help you.

Who will benefit?

- Businesses spanning multiple countries across the EU, UK, Norway and Switzerland.
- Suppliers with unsettled debt by customers or suppliers whose customers have become insolvent.
- Businesses which struggle with a lack of internal technical resources to address the issue of bad debt relief.

OUR APPROACH

Areas covered

Our review will cover sales transactions with customers, for businesses spanning across all EU Member States, UK, Norway and Switzerland.

Process

We will carry out an on-site review or remote review to analyse all of the relevant sales records/ outstanding accounts receivable balances.

Input and evaluation by our team of skilled Indirect Tax specialists who will assess whether your business qualifies for bad debt relief within the relevant jurisdictions.

Outcome

Based on our review we will prepare a report to outline the key findings and quantify the amount of bad debt relief which may be possible to claim in each relevant jurisdiction.

Together with our member firms, we will outline the best way for your business to claim bad debt relief in the relevant jurisdictions.

To find out more, please reach out to our VAT team who would be happy to have an initial conversation with you.



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