Tables

VAT/GST grouping

Country	EU	VAT/GST grouping summary
Aruba	No	If a parent company owns 100% of the shares in a subsidiary established in Aruba, on request fiscal unity for revenue tax (RT) purposes is recognized and RT is levied on the parent company as if one entrepreneur exists. Turnover generated by intercompany transactions is exempt from RT.
Australia	No	Subject to certain requirements, two or more entities that are closely related may form a GST group. The effect of GST grouping is to treat the group members as a single entity for certain purposes. In general, all GST liabilities and input tax credit entitlements for group members are attributed to a representative member of the group, and the group submits a single GST return (incorporated as part of the Business Activity Statement). The representative member of the group must be an Australian resident. However, nonresidents may be included in a GST group as members. Transactions between group members are not considered taxable for GST purposes and consequently are effectively ignored. Grouping is permitted for companies, partnerships and trusts. For companies to be included in a GST group, they must be connected by a 90% (or greater) share ownership relationship in terms of voting power, right to receive dividends and right to receive capital distributions. However, all eligible companies are not required to be included in a GST group. The rules for the grouping of trusts and partnerships with companies are complex.
Austria	Yes	To form or join a VAT group, the group members must satisfy the following conditions: ▸ Financial integration: the controlling group member must own at least 75% of the shares of the controlled companies. If the share ownership is between 50% and 75%, the companies may be considered to satisfy the financial integration test if the other conditions are strongly met. ▸ Economic integration: the controlled company's activities support or complement the activities of the controlling entity, and they have a continuous business relationship. ▸ Organizational integration: the management of the controlled company is fully dependent on the will of the controlling company. All controlled entities that fulfill the above criteria must be included in the VAT group. The effect of group registration is to treat the members as a single taxable person. Only the controlling entity is registered at the VAT office. The group submits a single VAT return including all the members' taxable transactions. Transactions between the controlling entity and a controlled company are treated as transactions within a single legal entity and, consequently, they are not taxable.
Belgium	Yes	Effective from 1 April 2007, VAT grouping is permitted under the Belgian VAT law. VAT grouping is an option for Belgian businesses and Belgian branch offices of foreign businesses. The option to create a VAT group is subject to various conditions. For example, the businesses must be financially, economically and organizationally linked with each other to form a VAT group. Subsidiaries in which the parent company owns more than 50% of the share capital must normally be included in the VAT group if the parent is a member. Specific rules exist for VAT adjustments when creating a VAT group. Transactions within a VAT group are disregarded for VAT purposes. However, in certain cases, these intragroup transactions may still be subject to VAT. Members must remain part of the VAT group for at least three years.

Country	EU	VAT/GST grouping summary
Bulgaria	Yes	Unincorporated partnerships. If two or more entities enter into a contract to perform a joint activity, the contract is deemed to form an unincorporated partnership under Bulgarian tax law. This unincorporated partnership is treated as a taxpayer, separate from the founding entities that constitute it. The unincorporated partnership is subject to all the general rules of the Bulgarian VAT law, including those relating to VAT registration, deregistration and reporting. The VAT registration of an unincorporated partnership does not result in the VAT registration of entities that have entered into the contract for joint activity.
Cyprus	Yes	VAT grouping is possible for two or more companies registered in Cyprus. The following are the principal aspects of grouping: ▸ One member of the group is appointed as the representative member. ▸ The representative member is responsible for preparing and submitting the VAT returns and for paying or reclaiming any VAT on behalf of all group members. ▸ Any business carried on by a member of the group is treated as being carried on by the representative member. ▸ Any supply of goods or services by a member of the group to another member of the group is disregarded. ▸ Any supply of goods or services by or to a third-party is treated as a supply to or by the representative member. ▸ All members of the group are responsible for any VAT payable by the representative member.
Czech Republic	Yes	A group registration for VAT purposes is possible in the Czech Republic. Legal entities that are closely connected (through capital or management) may register as a VAT group. A VAT group is treated as a single taxable person. Only persons established in the Czech Republic may be part of a VAT group. As a result, any establishments (seat or fixed establishment) of such persons outside the Czech Republic may not be part of a VAT group. The group members share a single VAT number and submit a single VAT return. An application for group registration must be filed before 31 October for the group registration to be effective from 1 January of the following year.
Denmark	Yes	Groups of companies or related entities may request registration as a single taxable person (VAT group). If both VAT-registered and VAT-exempt companies are part of a VAT group registration, the parent company must be included in the VAT group. All group members must be 100% owned by the parent company and established in Denmark. The effect of VAT grouping is that no VAT is charged on supplies between group members. However, if any member of the group has exempt activities, the group must deduct input VAT on a pro rata basis. The group members are jointly and severally liable for any VAT on transactions with third parties.
Estonia	Yes	A parent company and its subsidiaries may apply to register as a VAT group. One VAT registration number is provided to all members of the VAT group. The effect of grouping is that no VAT is charged on supplies between group members if the person acquiring the goods or services as a result of the transaction uses them entirely for that person's taxable supplies. Group members are jointly and severally liable for all VAT liabilities.

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VAT/GST grouping (continued)

Country	EU	VAT/GST grouping summary
Finland	Yes	Group registration may be granted to taxable persons that supply exempt financial or insurance services and to other taxable persons controlled by financial or insurance companies. Group members must have close "financial, economic and administrative relationships." All members must be established in Finland. However, Finnish fixed establishments of foreign entities may belong to a VAT group. Group members are treated for VAT purposes as a single taxable person. No VAT is charged on transactions between group members. Members are jointly responsible for all VAT liabilities of the group.
France	Yes	Subject to certain requirements, VAT grouping is permitted under the French VAT law. Effective from 1 January 2012, an election to create a VAT group is allowed, with the election taking effect at the beginning of the following financial year. The VAT group is considered a single entity with respect to the VAT payment. As a result, all VAT liabilities due and input VAT (VAT credit) held by group members are compensated within the group. However, each member must submit its own VAT return for information purposes.
Germany	Yes	Germany allows group registration for subsidiaries that are "financially, economically and organizationally integrated" into the business of a parent entity. The following general conditions apply: ▸ The parent (or controlling) member of the VAT group may be any type of legal entity, including a corporation, a general partnership or a sole entrepreneur. ▸ A subsidiary (or controlled) member of a VAT group must be a corporation. If the integration conditions are met, the subsidiaries and the parent are automatically treated as a group for VAT purposes. The effect of grouping is that the subsidiary is no longer considered an entrepreneur or a separate taxable person. As a result, intragroup transactions are outside the scope of VAT and, accordingly, no VAT is charged. The subsidiary is no longer required to file separate VAT returns, and its transactions are reported through the parent's VAT return. These effects apply only to domestic supplies between the group entities (that is, supplies within the scope of German VAT). In addition, the effects of the VAT grouping are limited to Germany. VAT grouping does not apply to certain intra-Community compliance obligations. Each subsidiary must have its own separate VAT Identification Number and must file its own European Sales List if it carries out intra-Community supplies. Intrastat returns may be filed on an aggregate group basis by the parent or by each subsidiary separately.
Ghana	No	Ghana's VAT Act allows for group registration if each member is a registered corporate body in Ghana and has an established place of business in Ghana and if one member controls the others in the group or one company controls all the members of the group.
Hungary	Yes	VAT group registration is available for all industries. Companies that qualify as related parties and that have an establishment for economic purposes in Hungary from a VAT point of view may opt for VAT grouping when the participating entities are regarded as a single taxpayer and the group regime applies to all transactions performed by every group member. Practically, this means that supplies made between group members fall outside the scope of VAT, whereas any supplies made outside the group are subject to VAT. In addition, the group members are obliged to file joint VAT returns with the tax authority.

Country	EU	VAT/GST grouping summary
Iceland	No	The Icelandic VAT Act provides that two or more limited companies may be jointly registered. The condition for joint registration is that not less than 90% of the share capital in the subsidiary companies be owned by the principal company that requests joint registration or that of other subsidiaries that also participate in the joint registration. All the companies must have the same accounting year. The joint registration must be in the name of the principal company and is in effect for at least five years. An application for joint registration must be filed with the Director of Internal Revenue no later than eight days before the beginning of the first accounting year following the joint registration.
Ireland	Yes	The Revenue Commissioners may grant group registration status to companies established in Ireland that are closely bound by "financial, economic and organizational links." A VAT group is treated as a single taxable person. VAT is not charged on supplies between group members, except for certain supplies of real estate. Group members are jointly and severally liable for all VAT liabilities.
Isle of Man	No	Corporate bodies that are under "common control" may apply to register as a VAT group. A VAT group is treated as a single taxable person. Group members share a single VAT number and submit a single VAT return. VAT is not charged on supplies made between group members. Group members are jointly and severally liable for all VAT liabilities.
Israel	No	Consolidated VAT registration is possible for two or more VAT-registered entities that are the following: ▸ A company and its subsidiaries ▸ Two or more subsidiaries owned by the same parent company ▸ A partnership and a partner that holds 50% or more of the rights in the partnership The group members share a group VAT number and submit a single monthly or bimonthly VAT report. In addition, each member must submit an annual detailed digital VAT report listing the annual sum of output VAT and input VAT with respect to the other group members and also the sum of output VAT and input VAT with respect to third parties. VAT is not charged on supplies made between group members, unless the VAT is not deductible as input tax. Group members are jointly and severally liable for each other's VAT liabilities. In practice, they may also be liable for other tax liabilities in certain circumstances.
Italy	Yes	A corporate body that controls one or more other companies may apply to form a VAT group. The controlling company must form part of the group, but it is not necessary for all the companies that it controls to be included. An Italian VAT group is not treated as a single taxable person. The members retain separate VAT numbers, and VAT is chargeable on supplies between group members. The use of a VAT group is effectively an administrative convenience aimed at offsetting VAT payments and repayments from group members. EU entities that are registered for VAT in Italy may be part of an Italian VAT group.

Tables

VAT/GST grouping (continued)

Country	EU	VAT/GST grouping summary
Jersey, Channel Islands	No	Group registration is allowed for corporations or other taxable persons that are under common control. One entity must be the representative member. Transactions between group members are disregarded for GST purposes.
Kenya	No	The Kenyan VAT Act allows group registration. However, in practice, group registration is allowed only under special circumstances.
Latvia	Yes	Effective from 1 December 2009, VAT groups are allowed in Latvia. The following are the rules for the registration of VAT groups: ▸ The value of VAT taxable transactions of at least one member of the VAT group in the preceding 12 months was LVL250,000 (approximately €355,000). ▸ Each member of the VAT group must be registered for VAT. ▸ A member of a VAT group cannot be a member of another VAT group. ▸ VAT group members can be capital companies belonging to the same group of companies as well as Latvian branches of foreign legal entities, provided that, under the Law on Groups of Companies, the foreign legal entity belongs to the group of companies comprising other members of the VAT group. ▸ The members establishing the VAT group must enter into a valid contract. ▸ The members of the VAT group must be reachable at their legal addresses. ▸ The group members are jointly and severally liable for VAT group tax liabilities.
Macedonia	No	The Macedonian VAT law allows VAT group registration. Several VAT-registered entities may decide to be registered as a single VAT-registered taxpayer if they have a proprietary, organizational or managerial relationship. In addition, if the tax authorities detect violations of tax principles or the possibility for violations of such principles as a result of a proprietary, organizational or managerial relationship among particular entities registered as separate VAT taxpayers, they can order the entities to register as a single taxpayer.
The Netherlands	Yes	Taxable persons established in the Netherlands (including fixed establishments) may form a VAT group if the members are closely bound by "financial, economic and organizational links." Since a ruling from the Supreme Court (Hoge Raad) in early 2005, the formation of a VAT group no longer requires a decree from the Tax Office, which is issued after a written request. However, the Tax Office may also issue a VAT group decree on its own accord. For legal certainty, persons meeting the conditions for group registration should inform the Tax Office. The effect of VAT grouping is to treat the members as a single taxable person. As a result, transactions between members of the VAT group are disregarded for VAT purposes. Members of a Dutch VAT group may file a single VAT return, or members may elect to file individually. Each member is jointly and severally liable for all VAT due.

Country	EU	VAT/GST grouping summary
New Zealand	No	Group registration is allowed for corporations or other taxable persons that are "under common control." For these purposes, a corporation is "controlled" if one or more persons own at least 66% of either the voting power in the corporation or the corporation's common market value interests. Other taxable persons may form a group if any of the following control conditions is satisfied: ▸ One group member controls each of the others. ▸ One person (outside the group) controls all members. ▸ Two or more persons carrying on a taxable activity as a partnership control the members of the group. Under changes to the GST legislation that were introduced in 2007, retrospective GST grouping is allowed (between 1 October 2001 and 17 December 2006) if the GST group as a whole makes taxable supplies of 75% or more (that is, 75% or more of the total supplies made by the group are subject to GST at the standard rate or zero rate) and if the representative member (see below) of the group is a registered person. Effective from December 2007, certain investment funds may join a GST group with other companies or other investment funds that meet the eligibility criteria. Effective from 1 April 2011, a listed Portfolio Investment Entity can also become part of a group for GST purposes. A group must appoint a representative member. Group members making supplies outside the group must issue tax invoices if requested to do so. The representative group member must account for GST with respect to all group members' taxable activities and file returns. Group members must adopt the same tax periods and accounting basis for GST purposes. Group members are also jointly and severally liable for all GST liabilities.
Norway	No	The Norwegian VAT Act provides that "collaborating companies" may form a VAT group. Group registration may apply if one or more companies own at least 85% of the capital in each company and if the companies are collaborating. Special issues arise for groups of companies with foreign presence. The VAT authorities must be notified before a VAT group may be formed or dissolved.
Papua New Guinea	No	Subject to certain requirements, two or more companies that have an aggregate of common voting interests of 90% or greater constitute a wholly owned group for the purpose of the GST Act and may apply to the Commissioner General of Internal Revenue to form a GST group. Grouping treats the members as a single entity for certain purposes. In general, all GST liabilities and input tax credit entitlements for group members are attributed to a representative member of the group, and the group submits a single GST return.

Tables

VAT/GST grouping (continued)

Country	EU	VAT/GST grouping summary
Romania	Yes	VAT grouping is allowed under the Romanian VAT law exclusively for taxpayers registered with the same tax office. Under the rules currently in effect, at least two taxable persons may form a fiscal group for at least two years if all members meet the following conditions: ▸ They are established in Romania. ▸ They do not belong to another fiscal group. ▸ They use the same tax period. ▸ Their capital is held in a proportion of more than 50% by the same shareholders. However, VAT grouping is allowed only for VAT reporting (for consolidation purposes).
Rwanda	No	The Rwandan VAT Act allows group registration. However, in practice, group registration is allowed only in special circumstances.
Singapore	No	Businesses under "common control" may apply to register as a GST group. Each member must be individually registered for GST. After members are registered as a GST group, they are treated as a single taxable person and submit a single GST return. Supplies made between members are disregarded for GST purposes. Group members are jointly and severally liable for all GST liabilities. A person that is not resident in Singapore or does not have an established place of business in Singapore may be part of the GST group if certain criteria are satisfied. If the group includes a person not resident in Singapore or not having an established place of business in Singapore, the representative member must satisfy additional criteria.
Slovak Republic	Yes	VAT grouping allows financially, economically and organizationally linked domestic taxable persons (including fixed establishments of foreign entities) to form a single taxable person. The VAT group is assigned a single VAT identification number. Supplies between the members of the VAT group are outside the scope of VAT. However, records of such supplies must be maintained for VAT purposes. The Slovak VAT group registration becomes effective on 1 January if the group VAT registration application is filed by 31 October of the preceding calendar year.
Spain	Yes	VAT grouping is allowed under the Spanish VAT law. Companies that belong to the same group must register for VAT individually.

Country	EU	VAT/GST grouping summary
Sweden	Yes	Companies in the financial sector as well as companies in "an agency relationship" for income tax purposes may form a VAT group. If a VAT group is formed, it is liable for tax if it engages in business that implies tax liability. Only entities with a fixed establishment in Sweden may be part of a Swedish VAT group. A VAT group consists of taxable persons closely connected to each other "financially, economically and organizationally." All three of these requirements must be satisfied. Here are the applicable rules: ▸ A "financial link" exists between two companies if one company holds more than 50% of the votes in the other. ▸ An "economic link" exists if the companies continually exchange goods or services. ▸ An "organizational link" exists if the group members have some joint administrative functions, such as joint management or joint marketing.
Switzerland	No	Legal persons with their seat in Switzerland or commercial units in Switzerland can form a VAT group if they are related as a result of "joint supervision." The group may include Swiss branches of foreign entities, to the extent that the foreign entities are under the same "joint supervision" as the other VAT group members. Although Liechtenstein is considered to be domestic territory for Swiss VAT purposes (and vice versa), it is not possible to form a VAT group that includes both Swiss and Liechtenstein entities. The tax group must appoint a tax representative to deal with the group's VAT-related proceedings. The minimum period for which the tax group can exist is one year. Members are treated as a single taxable person with a single VAT number. The following are the significant aspects of grouping: ▸ The VAT group submits a single, consolidated VAT return for all members. ▸ VAT is not chargeable on transactions between group members. ▸ All group members are jointly and severally liable for the group's VAT liabilities.
UK	Yes	Corporate bodies that are under "common control" and are established or have a fixed establishment in the UK may apply to register as a VAT group. A VAT group is treated as a single taxable person. The group members share a single VAT number and submit a single VAT return. No VAT is charged on supplies made between group members. Group members are jointly and severally liable for all VAT liabilities.
Zambia	No	Group VAT registration is available for corporate bodies. The businesses must be broadly similar in nature and must be administered by the same management team.

Managing indirect tax refunds