

## **IFA 74th Annual Congress Berlin, Germany**

### **Seminar I**

#### **The neutrality principle in VAT – practical issues**

**Chair:** Joachim Englisch (Germany)

#### **Short description**

This seminar will deal with practical aspects and challenges faced by businesses in ensuring VAT neutrality of their operations. A first point of discussion will be the complexities that often surround the claim of an input VAT deduction or credit. We will analyze both elements of substantive VAT legislation that can hinder or complicate an adequate relief from input VAT as well as procedural obstacles to this effect. In a second step, the real-world deviations from the principle of equality of competition that is inherent to VAT neutrality will be analyzed. In this context, particular attention will be given to the concepts of channel neutrality in a digitalized economy and the nascent trend towards “greening” the VAT system. We will furthermore explore how VAT compliance requirements may distort business decisions contrary to the neutrality principle, especially in a cross-border environment. All analysis will involve the discussion of possible solution to the aforementioned challenges, with a special focus on the role that new technologies could play in this regard.