



# Supplier of goods – consignment and fiscal representative in the Netherlands

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# Consignment



The goods will be shipped from a non EU country (i.e. China) to the Netherlands. Subsequently, the goods will be placed in a warehouse which belongs to ChainHubb. At that time the ownership of the goods still belongs to the supplier of the goods being the Chinese manufacturer. So in fact the goods are on consignment.

Thereafter the goods will be send from the warehouse of ChainHubb to the entrepreneurs who will use the goods for their businesses. At the same time of the supply of the goods to these entrepreneurs, the ownership of the goods will be transferred to these buyers. Until that moment in time, the Chinese manufacturer retains the legal ownership of the goods. In the process ChainHubb will never become the owner of the goods.

Regarding the Dutch VAT there are two moments VAT is due in this process. The first moment is the importation of the goods and the second moment is the supply to the final buyer. Because the supplier of the goods (i.e. the Chinese manufacturer) carries out both taxable facts, he actually must file and pay the VAT to the Dutch Tax Authorities.

However Chainhubb is willing and has the opportunity to represent the supplier of the goods in listing and paying the VAT due.

# Fiscal representative



A fiscal representative must be established in the Netherlands and must have a license provided for by the tax authorities. He must meet some requirements, for example a bank guarantee or security deposit into the bank account of the tax authorities is required by the fiscal representative.

A fiscal representative is jointly and severally liable for payment of the VAT and penalties due by his principal (the foreign taxable person, in this case the supplier of the goods).

The fiscal representative files the VAT return periodically. The VAT return contains the import VAT, the VAT due to the supply of the goods to the buyer and the deductible VAT.

No registration in the Netherlands is required for the principal making use of a fiscal representative. On all sales invoices for supplies from the Netherlands, the details of the Dutch fiscal representative must be mentioned. The fiscal representative is responsible for the VAT administration which form the basis of the VAT returns.

Hence by making use of ChainHubb as the fiscal representative the foreign supplier of the goods is relieved of paying Dutch VAT, listing VAT returns and doing a VAT administration.

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