

# VALUE- ADDED TAX (VAT)

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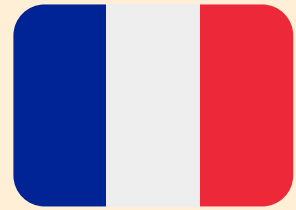


# WHAT IS VALUE- ADDED TAX?



- VAT - the value-added tax - is ultimately a tax levied on goods and services purchased by end users.
- It is regressive.

# HOW DOES THE SYSTEM WORK IN YOUR COUNTRY ?



instituted by Maurice Lauré by the law of April 10, 1954

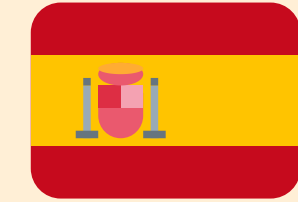
- 1) Normal rate : 20%
- 2) Intermediate rate : 10%
- 3) Reduced rate : 5,5%
- 4) Special rate : 2,1%
- 5) Special rates in Corsica
- 6) Special rates applicable to overseas departments



- 1st January 1999
- Standard rate:19.25% for people with a turnover of or above invoiced only by natural and legal persons whose turnover of or above XAF 50 million and who are under the tax regime of actual earnings.
- **Reduced rate 5% on some goods and services as children's car seats and home energy**
- **0% rate on exports and some goods and services,most as food and children's clothes**



- 1st of January 1969. Started with 4% and 12%.
- 0%: zero tariff. Entrepreneurs who conduct business in foreign countries from the Netherlands.
- 9%: low tariff. Applied to common products, such as food, (non-alcoholic) drinks, agricultural products, medicines, books, daily newspapers and magazines.
- 21%: high tariff or general tariff. Applied to non-essential goods such as phones.



1986 at a standard rate of 12.0%.  
The VAT tax rate in Spain is 21%, with reduced rates of 4% and 10%.

The 4% rate applies to goods considered as basic necessities

The 10% rate is applicable for certain goods and services

Some activities exempt from VAT  
private classes, doctors, dentists, financial and insurance institutions, etc.

**IGIC**

CANARIAS

**IPSI**

CEUTA & MELILLA



# Location of ESSCAland

Goals of ESSCAland:

- Create a healthy and nice living environment
- Promote tourism
- Reduce emissions and promote sustainability

# ESSCALAND VAT RATES



## Low tax brackets

- Cultural attractions
- Deliveries outside the country
- Public transport
- Agricultural products produced in the island
- Green energy

## Halfway bracket

- Food, non alcohol drinks
- Medicine and health

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## Ordinary bracket

- Electricity
- Non-essential goods.

## High way bracket

- Alcohol
- Tobacco
- Imported products
- Cars, gasoline, diesel
- Weapons

# SOURCES

- [https://ec.europa.eu/taxation\\_customs/system/files/2016-09/study\\_reduced\\_vat.pdf](https://ec.europa.eu/taxation_customs/system/files/2016-09/study_reduced_vat.pdf)
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**THANK YOU !**

