

IBFD Online Course: Fundamentals of Value Added Tax

Learning objectives

After completing this course you will be able to:

- Identify the advantages and disadvantages of a VAT type of tax and how it fits into the tax mix of states around the world.
- Recognize how VAT operates, particularly in respect of output tax and input tax, in such a way that it remains neutral in its application by businesses.
- Identify how VAT applies to supplies of both goods and services, including when provided electronically and to international transactions.
- Apply the concept of taxable person, EU VAT group and fixed establishment, according to the recent ECJ decisions.
- Interpret how VAT works within the European Union's free market, including the measures introduced to address the impact of COVID-19 and the new VAT e-commerce rules.
- Define how the system allows for neutrality by ensuring that imports and exports are neither advantaged nor disadvantaged over domestic supplies.
- Identify the impact of exemption in VAT and how tax is calculated by businesses that deal in exempt supplies.
- Categorize some of the more important administrative issues that VAT requires.

Pre-requisites

This course introduces the basics of value added taxes. As such, no great understanding of VAT is required as the course will build from the absolute basics through to some of the more complex issues such as exemption and internationally traded services. The course looks at both the European Union VAT system and some of the developments in states that have adopted value added taxes in more recent times. It does not, therefore, focus on VAT as applied in any one state or group of states but takes a global view. Given the importance of VAT in the EU, the course will consider some of the specific issues that apply to trade between EU Member States.

Study time (approx.)

Audio lessons: 4 hours
 Self study: 8 hours
 Further reading (*optional*)

Advanced preparation

No advanced preparation is necessary. All required study material is provided in the online course.

Course program

Lessons	Topics Covered
Lesson 1: Introduction to value added tax	<ul style="list-style-type: none"> • History of value added tax • How the tax works • Its advantages and disadvantages • VAT in the European Union
Lesson 2a: Basic characteristics of taxable supplies – Goods and services	<ul style="list-style-type: none"> • Transactions subject to VAT – basic rules • Goods and services • Supplies made electronically • Exceptions and unusual items
Lesson 2b: Taxable persons	<ul style="list-style-type: none"> • Taxable persons • Public bodies • Persons making supplies that are exempt from, or outside the scope of, VAT • VAT groups
Lesson 2c: Taxable amount – VAT rates and exemptions	<ul style="list-style-type: none"> • Consideration • Open-market value • Discounts • Standard rate, reduced rates and increased rates • Exemptions
Lesson 3a: Place of supply – Goods	<ul style="list-style-type: none"> • Supply of goods <ul style="list-style-type: none"> – Origin and destination principles • EU specific rules

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- Lesson 3b:
Place of supply – Services
- General rules
 - Special rules
 - Electronically supplied services
 - Fixed establishment
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- Lesson 4:
Revision quiz
- *Reinforce key concepts*
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- Lesson 5:
Deduction and recovery of input tax
- Basic rules for deduction of input tax
 - Direct link between inputs and outputs
 - Partial and non-deduction
 - EU Refund Directives
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- Lesson 6:
Administrative elements of VAT
- Registration and deregistration for VAT
 - VAT invoicing
 - Business records and other documentation
 - VAT returns
 - Additional obligations
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- Lesson 7:*
Revision quiz
- Reinforce key concepts
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- Further reading*
- Articles for further exploration on the topics
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How to register:

To register for an IBFD online course, please visit www.ibfd.org or contact onlinecourses@ibfd.org