VAT ASPECTS
OF EVENTS ORGANISED
BY ASSOCIATIONS

Non-profit organisations or associations, in Europe and outside Europe, below referred to as “NPO”, holding events (training, seminar, conference, annual congress and such) in a place situated in a country of the European Union have to deal with VAT (indirect tax) issues.

NPOs often focus on the scientific aspects of the event and entrust a Professional Congress Organiser (or PCO) with all the logistic and management activities essential for and specific to the achievement of events (management of registrations, catering, invitation, meeting rooms, flight, hotel accommodation, transfer, etc.). However, VAT obligations are relevant to the NPO itself and non-compliant ones may face a risk exposure involving payment of VAT (between 15% and 27%), administrative penalties (up to 30% of the VAT) and late payment interests.

LOCAL VAT ON REVENUES – VAT LIABILITY AND REGISTRATION
The most frequent incomes generated by events are the followings:
- registration fees; the registration fees paid by the participants giving them the right to attend the scientific sessions as well as access to the exhibition grounds (mainly commercial companies exhibiting their products) and in general to the venue of event;
- rental of exhibition stands to commercial companies;
- sponsorship and advertising.

Each revenue generated by the organiser has a specific VAT treatment.

Your organisation should pay attention to possible mandatory VAT registration and VAT liability in the EU country where the event physically takes place.

Right of admission (i.e. registration fees) to events such as conference, seminar, congress etc. is subject to VAT in the country where the event effectively takes place indeed. Re-invoicing of catering services, hotel accommodation costs, guided tour, etc. is also subject to local VAT (at its own VAT rates).

Your organisation should therefore basically be VAT-registered in the country and charge local VAT unless your event could fall into the scope of educational activities exempted from VAT in accordance with country-by-country local regulations.

VAT IN YOUR RELATIONSHIP WITH A PCO
Proper invoicing is necessary whilst one performs a supply of service. Since a PCO does not bear the financial risk entailed in NPOs events, the invoicing process between a PCO and a NPO must be consistently implemented. The invoices regarding registration fees and other related congress fees must be issued in the name of the NPO although payments could be received, managed and/or followed up by a PCO on behalf of a NPO.

INPUT VAT LEVIED ON COSTS
VAT erroneously charged by (local) suppliers is to be reimbursed in case the event cannot be VAT exempted, proceed with the local VAT registration, check whether or not the event falls into the scope of educational activities as determined by local rules of the country where the event physically takes place,

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