

NetSuite Adjusts to New VAT Regime

Written by Marco Attard
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The coming year will see a change of EU VAT regulation-- and as a means to help ecommerce customers handle such an an impending tax change NetSuite announces it can already handle all required compliance functionality.



From 1 January 2015 local and international B2C companies selling e-services into the EU must change the basis for charging VAT from their location within the region, or "place of supply" (typically a single European country), to all EU countries making use of their e-services. This potentially amounts to all the 28 member states making the EU, resulting in a huge technical and administrative issue for all e-service companies. Such providers need to either register VAT in each member state where they have customers (each with at least 2 tax rates, standard or reduced) or register in one EU country under the "Mini One Stop Shop" (MOSS) scheme, regardless of all the countries their customers are based in, which will collect and distribute VAT for all the other countries.

Inability to comply with the tax regulation change, late registration or incorrect filings will be penalized as per the EU member tax regulation the company is deemed to have broken, with fines potentially as high as double the amount of unpaid VAT.

Thus NetSuite promises its cloud business management software automates the majority of functionality required by the change in VAT regulation. It also offers free and seamless enhancement (such as automatic tax code creation, automatic tax rate determination, new report provisioning and online transaction submission) for customers going for the MOSS option.

The company also offers free online webinars and training on the best practices for e-services providers wanting to understand the implications of the change in VAT regulation.

"NetSuite is uniquely positioned to address and handle tax regulation changes, thanks to our end-to-end cloud solution, which unifies business processes across ERP, CRM, and omnichannel commerce," the company says. "NetSuite is justly proud of its long pioneering history of automating complex tax compliance requirements so our customers don't have to

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shoulder that burden. Our direct response to this latest tax change means NetSuite customers can enjoy the holiday season safe in the knowledge that, thanks to NetSuite, they will be fully prepared when the new EU VAT regulation goes into effect as 2015 dawns."

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