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VAT exemptions

Допомога ЄС Україні



EU assistance to Ukraine



Some goods and services such as education, healthcare and financial services may be exempt from VAT.

These sales are exempt from VAT, without the 'right to deduct'. This means you **may not deduct** the VAT you have paid on purchases related to such sales.

Registering a business for VAT

Normally, when making sales in the course of business you need to register your business for VAT. When you register your business for VAT you will be issued with a VAT identification number.

If you make sales of goods or services that are considered **exempt from VAT** you do not always have to register your business for VAT.

VAT exemptions for small enterprises

In **most EU countries** you can apply for a special scheme that enables you to trade under certain conditions without the need to charge VAT. If your company makes taxable supplies of goods or services **below a certain annual limit**, it may be exempt from VAT. This means you will not pay VAT to the tax administration but you will then not be able to deduct the input VAT or to indicate VAT on invoices. You may — if you choose — voluntarily opt for the normal VAT arrangements, in which case you must pay VAT and, consequently, can deduct the input VAT.

Be aware that these limits or thresholds vary from country to country and special conditions may apply. In some countries, there is no VAT exemption for small enterprises and you must register as soon as you make any taxable sales.

The scheme does not apply for:

- sales by businesses based in other EU countries
- occasional economic activity
- exempt sales of new means of transport to customers in another EU country
- any other transactions as defined by EU country.

VAT THRESHOLDS - per country

(Table last updated May 2018)

Member State	Exemption for small enterprises	
	National currency	Euro equivalent*
Austria	EUR 30 000	
Belgium	EUR 25 000	
Bulgaria	BGN 50 000	EUR 25 565
Cyprus	EUR 15 600	
Czechia	CZK 1 000 000	EUR 39 362
Germany	EUR 17 500	
Denmark	DKK 50 000	EUR 6 713
Estonia	EUR 40 000	
Greece	EUR 10 000	
Spain	None	None
Finland	EUR 10 000	
France	EUR 82 800 or EUR 42 900 or EUR 33 200	
Croatia	HRK 300 000	EUR 40 324
Hungary	HUF 8 000 000	EUR 25 567
Ireland	EUR 75 000 OR EUR 37 500	
Italy	EUR 65 000	
Lithuania	EUR 45 000	
Luxembourg	EUR 30 000	
Latvia	EUR 40 000	
Malta	EUR 35 000 or EUR 24 000 or EUR 14 000	
Netherlands	None	None
Poland	PLN 200 000	EUR 47 324
Portugal	EUR 10 000 or EUR 12 500	
Romania	RON 220 000	EUR 47 180
Sweden	SEK 30 000	EUR 2 943
Slovakia	EUR 49 790	

Slovenia	EUR 50 000	
*Euro foreign exchange reference rates as published by the European Central Bank for 23rd March 2018 (except Romania where the thresholds expressed in RON are based on the EUR values for special schemes at the exchange rate on the date of accession, i.e. 1.1.2007)		

Tax relief (Graduated relief)

Small businesses whose **yearly turnover is below a certain threshold** may be able to benefit from graduated relief. If you are eligible for the scheme you still have to register for VAT but you will be able to receive a relief on part of your turnover. The relief gradually decreases as your turnover increases until the threshold - set by the EU country where your company is based - is reached.

These thresholds vary from country to country and special conditions may apply. Currently there are only a few EU countries that have implemented the graduated relief scheme.

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- any other transactions as defined by EU country