



# 5 steps to managing VAT Manufacturers

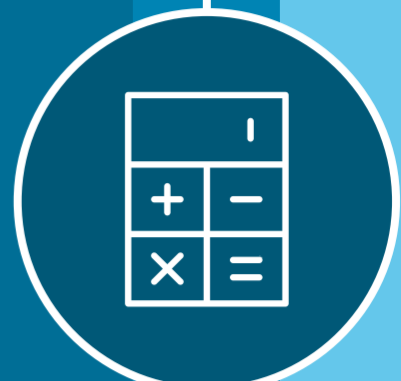
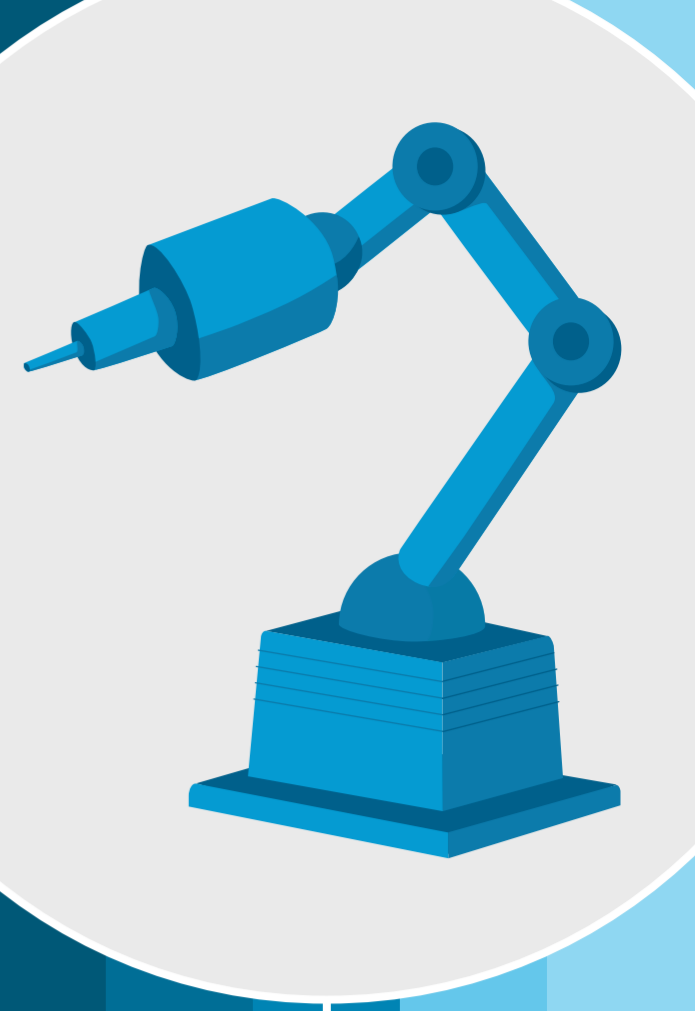
## STEP ONE

### Understand the taxability of your products

Most countries with VAT systems have standard-, reduced-, and zero-rated goods and services. This means products and supplies can have different rates applied to them in different countries.

Manually calculating the rates can be error-prone, especially when operating in multiple markets with goods moving across EU and non-EU borders.

An automated solution that integrates into the systems you already use can help you apply the correct rates to your products with greater accuracy.



## STEP TWO

### Know where you have VAT obligations

If your business operates in international markets, you're almost certain to have VAT obligations. These will depend on the reach and dynamics of your supply chain. If this takes you into both EU and non-EU countries, your requirements will vary in each.

It's important to understand which of your business activities create VAT obligations, and where, by staying as up to date as possible on the rules.

Automation can give you the latest tax data from all countries with VAT systems to help you determine your obligations and keep you updated on changing regulations.



## STEP THREE

### Register to report VAT

Once you know where you have obligations, you must register for VAT. The process may differ from country to country, and can be time-consuming. Local language requirements, the potential need for fiscal representation, and chain transactions that can trigger VAT obligations in additional locations can add to the complexity.

Simplification schemes exist within the EU to make the registration process easier for businesses. Automation can help simplify your VAT registration processes by helping you take advantage of simplification schemes. With the load lightened, you can focus on more revenue-generating aspects of your business.



## STEP FOUR

### Calculate the correct VAT and customs duties

Getting your Harmonised System (HS) codes right and accurately calculating VAT and GST duties will help your goods move across international borders as smoothly as possible. Getting them wrong could mean holdups in customs, surprise additional costs, and even goods being rejected at borders and return-shipped.

Automated solutions can give you data on current and future legislation in every country with a VAT/GST system. This can help you quickly and accurately determine correct HS codes and VAT and GST duties to reduce the risk of holdups and extra costs, and help get your goods to where they need to be.



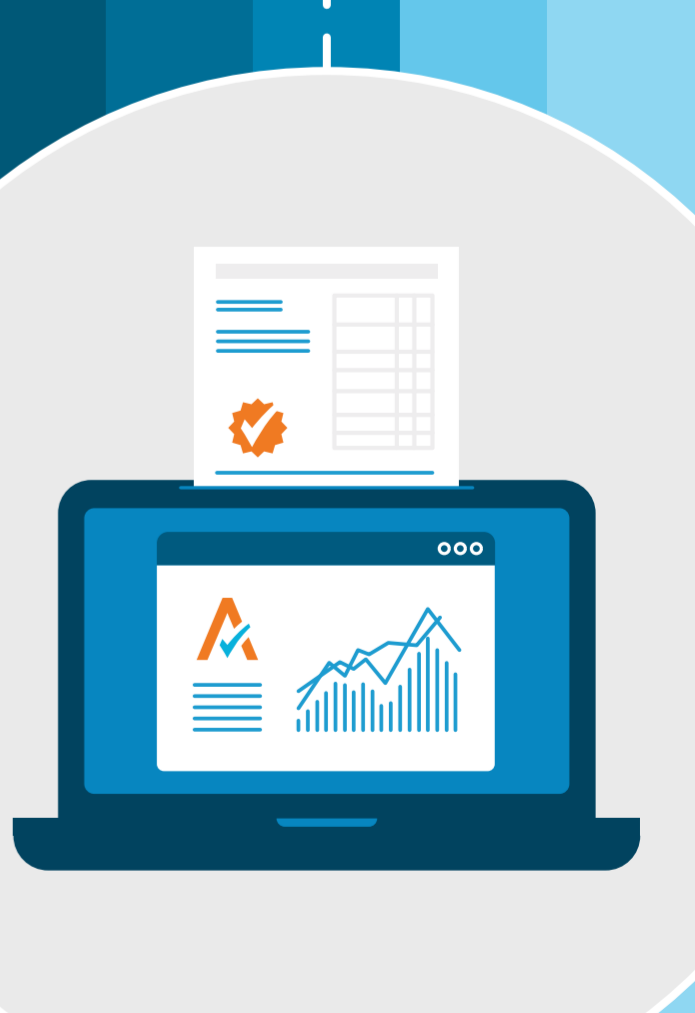
## STEP FIVE

### Report VAT to tax authorities

The final step is to report your business activities to the tax authorities by filing returns. In addition to the frequency and exact reporting requirements varying by country, manufacturers may have to manage supplemental filings.

It's also important to track VAT threshold breaches and reporting deadlines in all the countries you operate in, which can be challenging for an expanding business.

Automation can help reduce the stress of tracking – and missing – deadlines in multiple locations. By flagging crucial dates, it can help you stay on top of your growing obligations and reduce the chances of penalties and audits.



## Connect with Avalara

The complexity of international tax compliance requirements can hinder your growth in global markets. Avalara automation can help you understand, determine, and manage your obligations so you can focus on what you do best. Speak with Avalara today about freeing your business from compliance burdens.

[Learn more](#) about how Avalara can help your business manage VAT registrations, calculations, returns, and more or call one of our sales specialists at +44 (0)1273 022400.



Tax compliance done right