



VAT NEWSLETTER

New Federal Ministry of Finance letter on requirements for zero-rating for export supplies of goods

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1 Background

Export supplies are zero-rated under certain conditions (see sec. 4 no. 1 lit. a of the German VAT Act in conjunction with sec. 6 of the German VAT Act). Taxable persons must demonstrate that the requirements have been met by providing documentary evidence and accounting evidence (see sec. 6 para. 4 sentence 1 of the German VAT Act, secs. 8 et seq. of the German VAT Implementation Code). In practice, however, the provision of such evidence regularly gives rise to disputes: tax auditors often refuse to grant zero-rating and demands VAT plus interest, usually on the grounds that the evidence is incomplete or improper.

The ECJ has already ruled, several times, in this context: it is contrary to the principle of proportionality and fiscal neutrality if a national provision denies zero-rating for an export supply even though it is clear that the substantive legal requirements for zero-rating have been met. Both the documentary and accounting evidence for export supplies are therefore merely a formal requirement (see ECJ, judgment of 17 October 2019 – *Case C-653/18 – Unitel Sp*; of 8 November 2018 – *Case C-495/17 – Cartrans Spedition* and of 28 March 2019 – *Case C-275/18 – Milan Vinš*). The ECJ previously ruled similarly on the documentary and accounting evidence for intra-Community supplies (under the old legal situation).

2 Implementation in Germany

The Federal Ministry of Finance already implemented the principles for proving the conditions for zero-rating for export supplies in its letter dated 25 June 2020 (see KMLZ VAT Newsletter 27 | 2020). In its letter of 1 July 2025 the Ministry once again specifies the requirements as regards the jurisprudence on abuse – mainly from a structural point of view and without



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any significant practical implications. Previously, for example, a taxable person could also provide alternative documentary evidence of export if proof of export was not possible or reasonable using the proof provided for in the German VAT Implementation Code. The Federal Ministry of Finance has now clarified, in line with ECJ jurisprudence, that the zero-rating for export supplies must be granted if the taxable person cannot meet the formal requirements for proof of export but the substantive legal requirements are clearly demonstrated on the basis of objective criteria.

Nevertheless, it is advisable to provide proof in accordance with the statutory national requirements. This facilitates recognition by the tax authorities and helps to avoid costly legal disputes. If proof cannot be provided, in any form, the VAT should be charged in the case of any doubt.

3 Exports in non-commercial travel

There are specific changes regarding proof of zero-rating for exports in non-commercial travel. An export in travel occurs when travellers from countries outside the EU take the purchased goods, in their personal luggage, to a third country – with the exception of supplies for equipping and supplying private means of transport. In order for the zero-rating to apply to “exports over-the-counter”, travellers are required, when leaving Germany (or the EU), to present the relevant form together with their passport and the goods purchased to the border customs office for confirmation. The traveller can then present the confirmation to the taxable person and receive a refund of the VAT.

On 12 March 2025, the Federal Ministry of Finance published two further letters on the details and requirements for proving zero-rating. In this context, the information sheet on zero-rating for export supplies of goods in non-commercial travel and the sample forms for export and purchaser certificates were updated. In addition, the Federal Ministry of Finance has clarified the explanations on the exclusion of zero-rating for the equipment and supply of means of transport in the German Administrative VAT Guidelines. In its letter dated 25 June 2020, the Federal Ministry of Finance stipulated that taxable persons may provide proof of export of goods exported in tourist traffic at airports, where the customs administration is not present in the entire transit or security area, by means of alternative documents. Alternative documents are now generally accepted for exports in passenger traffic at airports up to a net sales price of EUR 1,000 for individual items. For a net sales price of more than EUR 1,000, alternative documents are permitted, in particular if the customs administration is not present in the respective transit or security area where the sale takes place.

Despite numerous private providers who assist travellers with the process, providing proof remains time-consuming – and the queues at airports are long. An innovative example is provided by the Netherlands: the authorities there have launched a pilot project and introduced an app where taxable persons can upload their invoices. Proof of departure is provided via the app at the customs counter. At Schiphol Airport, proof of departure is even provided via smartphone functions such as Bluetooth and location services. Travellers can then apply for a refund of Dutch VAT directly in the app. The use of the app is set to become mandatory on 1 January 2026. Developments in Germany are lagging far behind.