

## VAT treatment of vouchers

With a voucher or coupon you can buy a product or a service. For VAT purposes the question raises when VAT becomes due: at the time you buy the voucher or when you actually use it. As from 1 January new rules apply.

### What exactly is a voucher?

A voucher is an instrument which is accepted (partly) as the consideration for supplies of goods or services.

On the vouchers itself or the accompanying info it is mentioned:

- Which goods/services can be paid with the voucher;
- With which potential suppliers/providers you can exchange the voucher;
- Which conditions have to be met to use the voucher.

The user is often another person than the buyer. Classical examples are the gift voucher or the gift coupon. Watch out: a money-off coupon is no voucher.

### VAT question

How about VAT on vouchers. When is VAT due: (1) when a customer buys the voucher, (2) when the client or someone else uses the voucher? It depends. The new rules make a distinction between single purpose vouchers and multiple purpose vouchers.

### Single purpose vouchers

In case of a single purpose voucher, both the seller and buyer know at the time of purchase where the service/supply will take place and which VAT will be due, e.g. a coupon for a Belgian wellness center. VAT will be due at the time the voucher is sold and at the time of the subsequent sales, e.g. when a company issuing vouchers sells these to a retailer, but also when the retailer sells them to its client (end customer). When the buyer of the voucher (or a third party) exchanges the voucher for a service, no VAT is due, e.g. when the client visits the wellness center.

### Multiple purpose voucher

For multiple purpose vouchers it is not known at the moment of the purchase how the voucher will be used, e.g. a restaurant voucher. For such vouchers VAT is due at the time the voucher is used. The VAT due is calculated on the consideration for which the voucher was used or the monetary value mentioned on the voucher, less the VAT amount due on the supply of goods or service.