

Samples, gifts and advertising items through VAT glasses

For goods given away by a company as samples, gifts and advertising items, special rules apply. Normally, when a VAT payer gives away goods for free, he should charge himself VAT. But exceptions apply for samples, gifts and advertising items. These goods can be handed out for free without VAT.

Self-supply: charge VAT

When a VAT payer gives away goods for free, he makes a self-supply. This is deemed to be a taxable transaction. As a consequence, the VAT payer should charge VAT to himself.

Most important exceptions to this rule are samples, gifts and advertising items. Also gifts to staff and donations to charity are exempt. For each of these exemptions, (other) conditions apply.

First exception: samples

Samples are distributed by companies in order to get the public to know their (new) products. It concerns goods which are produced or sold by the company itself, whether or not in smaller packing, which whether or not contains the mention 'sample'.

In order to obtain the exemption:

- the samples must be distributed in order to promote the product, and
- the related expenses are for income tax purposes considered as deductible professional expenditure.

The samples cannot be spirits.

Second exception: gifts

Gifts or promotional gifts are other goods than those the company produces. They are given to good business relations. This can be done without VAT to the extent that the gift does not exceed 50 EUR. Moreover, since recently only **one gift per year per person** can be given. Only natural persons are considered: a VAT payer can give two gifts to both directors of the same company (one gift each).

Free services, tobacco and spirits do not qualify. However, single purpose vouchers do qualify, even when they can be used to obtain services.

Third exception: advertising items

Advertising items can also be distributed without VAT. These are cheap consumables which are distributed in larger quantities and on which the name of the company is clearly and permanently mentioned. Typically, these are ballpoints, keychains, ...

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Fourth exception: gifts to personnel

Giving a present to the personnel at **Christmas, New Year or Santa-Claus** is also possible.

Conditions are:

- All employees or all children (possibly with age restrictions) of the personnel should obtain a gift.
- The value of the gift cannot exceed 50 EUR (ex VAT) (watch out: this differs from income tax, where the gift can have a maximum value of 35 EUR).
- Only one gift per year per person is given.

Fifth exception: gifts to charity

Finally, a company can also donate goods to victims of disasters, or give food surpluses to recognised **food banks**.

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