

Explanation regarding Value Added Tax

According to regulations, which became effective on January 1st, 2011, particular services supplied to foreign invoice recipients can be charged with 0% VAT, provided that the following requirements are fulfilled:

Requirements

1. The contracting body/invoice recipient/client – hereinafter referred to as client – is an **officially registered business with VAT number** (within the EU) or presents a foreign company registration (if company is seated outside the EU). Clubs, individuals or private companies (e.g. general partnerships, private limited partnerships, BGB companies) which are not considered as entrepreneurs (do not have a VAT number or company registration) are exempt in this context.

2. The services contracted **shall, to a certain extent, refer to business related purposes and not exclusively to private purposes or purposes on the part of staff members.**

Thus, if the participants in the event are not only potential clients or business partners but also staff members, the Austrian Financial Authority requests additional prerequisites, in order to consider a b2b turnover and subsequently to charge services (at least partially) with 0% VAT, with the liability for the payment of VAT simultaneously being reversed (reverse charge). In particular, this is the case, when the company's interests are objectively questioned due to the kind of service provided (e.g. the organisation of a journey or an entertainment programme which could also be a private action or adventure holiday). In the event that the company's interests can be explicitly recognised and are furthermore confirmed by our clients (e.g. vocational training, product presentation, team building) we may charge a part of our services – see list below – as b2b turnover with the liability for the payment of VAT simultaneously being reversed (reverse charge).

Services

In case all requirements mentioned above are fulfilled, we have the right to invoice **cultural, educational, artistic, scientific, sporting and entertaining activities** with 0% VAT with the liability for the payment of VAT simultaneously being reversed. This shall especially apply for the following services:

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| • Outdoor programmes | 0% |
| • Cultural programmes, city tours, etc. | 0% |
| • Artists, musicians, photographers, cinematographers, etc. | 0% |
| • Decoration | 0% |
| • Give aways | 0% |
| • Letting movable equipment such as furniture, technical equipment, headlights etc. (excluding means of transport – see below) | 0% |
| • Agency fees, staff member's daily rates | 0% |
| • Passed on travel expenses, kilometre allowance | 0% |

The following services **are excluded** and shall be charged with 10%, 13% VAT or 20% VAT:

1. **Accommodation services:**
 - Hotel rooms, accommodation 13%
 - Room hire charges 20%
 - Conference packages 20%

2. **Restaurant services:**
 - Food 10%
 - Drinks 20%
 - Catering, catering packages, service staff 20%

3. **Transport services:**
 - Bus transfers 10%
 - Taxi 10%
 - Horse-drawn carriage rides 10%
 - Train tickets 10%
 - Short-term (up to 30 days) rental for transportation means such as mountain bicycles, quads, segways (only if lending fee is listed separately; if it is included in a package, 0% will be charged as the rent only is considered to be an ancillary service and therefore is only part of the main service) 20%

4. **Tickets** for concerts, museums or sports events 20%
 Only if ticket price is listed separately; if it is included in a package, 0% will be charged as the rent only is considered as ancillary service and is only part of the main service.

Events abroad (e.g. Germany)

If the event takes place abroad, all above mentioned requirements shall apply for any reason whatsoever. In case the requirements for reverse charge are fulfilled, we shall charge 0%, similar to events taking place within Austria.

Clients from Non-EU Member States (e.g. Switzerland, USA)

The b2b regulation (reverse charge) shall also apply for Non-EU countries. However, each single case shall be analysed as follows:

1. It shall be verified, whether the legislation of the respective state offers a regulation similar to reverse charge.
2. In any case of doubt or when entrepreneurship cannot be verified by means of a VAT number, the VAT regulations (Rz 638y) recommend obtaining a confirmation regarding entrepreneurship from the foreign financial authority (corresponding to the Austrian U7 form).