



MEASURING
CROSS-BORDER ECONOMIC
and **FINANCIAL LINKAGES**
in a Dynamic World

#StatsForum



Activities of Nonresident VAT-Traders in the EU and the Needed IMTS Adjustments for BOP Purposes

NOVEMBER 20, 2025

Robert Leisch
Eurostat

The views expressed are those of the author(s) and do not necessarily represent the views of Eurostat, the IMF, IMF Executive Board, or IMF management.

What are Non-Resident VAT Traders (NR-VATT)?

Definition

- Similar to SPEs NR-VATT do not have a physical presence and are established for tax (VAT) registration by foreign enterprises in an EU Member State
- In contrast to SPEs NR-VATT are legally incorporated and domiciled in another country and not in the EU Member State where they are registered for VAT
- According to BPM7 §4.217 and §4.218 NR-VATT are non-resident units, and their transactions need to be combined with the parent entity that created them
- NR-VATT act on behalf of their parent enterprise and are involved in warehousing, quasi-transit trade, merchanting or global production arrangements

Identification

- NR-VATT can be identified by using IMTS, VAT and business register information at unit level

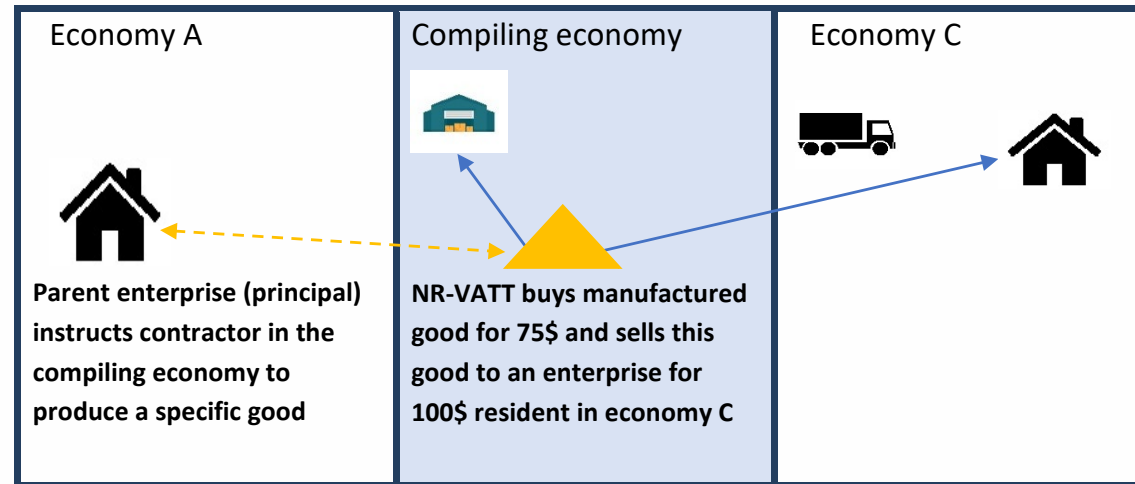
Why are adjustments to IMTS for activities of NR-VATT needed for BOP?

Rationale

- In IMTS physical cross border movements of goods by NR-VATT are included:
 - ✓ For the country where the NR-VATT is registered for VAT these movements captured by IMTS need to be excluded for BOP because no change of ownership between a resident and a non-resident unit occurs
- NR-VATT can also transact with resident units:
 - ✓ These transactions result in a change of ownership which are not included in IMTS and need to be recorded for BOP
- The following example demonstrates why adjustments to IMTS are needed...

Adaptions to IMTS for BOP to correctly address activities by NR-VATT

Example of a NR-VATT involved in a factory-less global production arrangement



- Adjustments for the compiling economy where the NR-VATT is registered:
- ✓ Excluding recorded exports in IMTS of 100\$ vis a vis economy C for BOP
- ✓ Including transaction for BOP between the contractor and the NR-VATT as exports of 75\$ to economy A that are not captured by IMTS
- Economy A, C must adopt its IMTS as well to achieve consistent recording in BOP

Numerical impact of adjusting activities by NR-VATT for BOP purposes in the EU

Main adjustments of IMTS for intra-EU BOP goods account in billion €

Values for 2023 in billion €	Exports	Imports	Asymmetry	Carried out by
Intra-EU IMTS data	4.095	3.993	102	
Total adjustments for BOP purposes	-120	-118	-2	
(-) CIF/FOB adjustments	0	-64	64	26/27 EU Member States
(+/-) Net exports of goods under merchandising	92	0	92	26/27 EU Member States
(+) Illegal goods and smuggled goods	7	4	3	20/27 EU Member States
(-) Adjustments for activities by NR-VATT	-191	-119	-72	11/27 EU Member States
(+/-) Other adjustments	-27	61	-88	
Intra-EU BOP goods account	3.975	3.875	100	

- Adjusting IMTS for NR-VATT is the largest IMTS/BOP reconciliation item
- Currently this is done by only 11 out of 27 EU Member States
- Intra-EU asymmetries are reduced significantly by addressing NR-VATT trade
- Do entities that fulfill the criteria of NR-VATT exist in your country as well?