

Submission from Floor Design Ltd.

We are an Importer / Distributor of Wood and Laminate Flooring
Representing some of Europe's leading names.

My submission is under your heading 'practice which affects the supply
of goods in our sector'

All Wood and Laminate Flooring is imported into this country. When importing from
outside the EU
VAT is paid at Point Of Entry by the Importer. Goods from other EU States – our VAT
No. is quoted and
we account for VAT on the sale and is submitted to Revenue every 2 months.

A) A practice that is growing among trade customers here is that they can
travel to Northern Ireland and quote
a VAT number – **Any VAT Number** (Not their own)– from a VAT registered company
here , which enables them to buy
goods without paying any VAT and not having to account for the purchase on this side of
the border.
They can then sell on the goods here in the 'Black Economy' causing unfair competition
to companies
like us.

B) Another related area is where our competitors in the North employ a Sales
Representative covering
the South. Goods are invoiced from the North to the Shop/Customer here without VAT
(assuming the shop
is registered for VAT) This helps the customers Cash Flow and of course is totally legal
but puts us at a serious
disadvantage as our Invoice will include VAT. So if the goods are *exactly* the same price
from both the supplier in the
North and ourselves it is to the customers advantage to buy from the supplier in the
North.

Solution.

I understand this is a EU wide issue, but to counteract these practices I propose that
VAT be charged and paid on all
transactions between North and South and between EU States say to an Invoice value
of up to € 5000.00.

For transactions in excess of this amount the current arrangement remains in place.
If this was put in place there would be no advantage for our customers to buy from the
North as the goods we sell
are exactly the same price both sides of the border. It would eliminate tax evasion as
outlined in 'A' above, and
put us on an even footing with our competitors 'B' above. The typical / average sale in
our sector is up to €5000.00.
For genuine / legitimate importers of containers of goods for resale the above ideas I
feel would be of benefit to all.

If you require any clarification of the above please do not hesitate to call me.

Best Regards,

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