



Navigating VAT in the **aerospace and defence** industry

Reclaiming VAT refunds in the **aerospace and defence industry**

Despite the Aerospace and Defence industry's remarkable growth and expansion in recent decades, it continues to **lose millions in unclaimed VAT refunds**. The industry's intricate global supply chains and the constantly evolving VAT legislation make it challenging and resource-intensive for businesses to ensure compliance and effectively recover VAT.

With VAT IT Reclaim as your reliable partner in VAT recovery, we specialise in managing your multi-national, cross-border tax strategy. Our aim is to secure the VAT that rightfully belongs to you, while also enhancing operational efficiency and optimising your supply chain. Trust us to help you save VAT and improve operations.

Elevate your **business finance** with VAT IT Reclaim

As the VAT reclaim partner for **8 of the world's top 10 aerospace companies** and **over 240 clients in the aerospace and defence industry**, VAT IT has developed unmatched expertise in aerospace and defence VAT recovery. In the past five years, we've reclaimed **more than €43 million from 190k invoices**. Our deep understanding of the industry's complex global supply chains and evolving VAT legislation helps clients navigate compliance and maximise VAT recovery.

The aerospace and defence sectors are subject to unique challenges, including extensive global supply chains, international operations, and ever-changing regulations. VAT IT's specialised knowledge ensures maximum recovery while keeping you compliant.



Foreign VAT exposure often results from VAT incurred on:



Tooling costs

In the era of fast-paced, iterative design, specialised tools and custom molding solutions are indispensable. Therefore, it becomes crucial to maximise VAT recovery on these items. As the owner of tooling machinery utilised in producing specialised parts and components for export, you'll find that the VAT incurred on tools, molds, casts, and cradles is often reclaimable. This presents an opportunity to significantly reduce tooling expenses.



Testing and Compliance

Safety and compliance testing are critical components of maintaining industry standards, ensuring product reliability, and meeting regulatory requirements. These processes, though essential, can be costly, often involving significant expenditures that qualify for VAT recovery. For example, VAT incurred on testing facility rental fees, which provide the specialised environments necessary for rigorous evaluations, can be reclaimed. Similarly, quality assurance and certification services, which validate the safety, performance, and compliance of products or systems, also generate reclaimable VAT.



Ground Handling Service

Ground support costs are a significant area for VAT reclaim opportunities, offering substantial savings for businesses in the aerospace and defence and transportation sectors. Expenses such as ground handling fees, including baggage services and aircraft cleaning, are essential for maintaining operational efficiency and ensuring seamless travel experiences. Similarly, airport logistics and fueling services, which are critical to the smooth operation of aircraft and the broader supply chain, also generate reclaimable VAT.



Conferences, events, meetings, and tradeshow

Conferences, events, meetings, and trade shows within the aerospace and defence industry incur substantial expenditures that are eligible for VAT recovery. VAT on event registration, attendance fees, transportation costs, accommodation expenses, and sponsorship fees are among the expense categories that can lead to significant VAT Savings.



Other high value expenses

- Supply and install costs.
- Delivery of spares or replacement parts.
- Ground handling fees.
- Testing facility rental costs.
- Maintenance costs.
- Engineering, recruitment, R&D and other consulting services.
- Fuel & airport logistics.

We do it best, **free yourself**

VAT IT has spent the last two decades identifying, researching and perfecting VAT refund opportunities. By letting us do what we do best – tracking down and recovering the VAT you are owed – you can devote your time and resources to running and growing your business.

To find out more, visit vatit.com or **contact us**.

