

VAT RECEIVABLES

ABOUT THE PRODUCT

It enables more efficient management of VAT credits through non-recourse and recourse factoring.

The assignment of VAT credits, based on quarterly or annual returns, is formalised in a notarial deed which is sent to the Revenue Agency by a court official.

In order to receive the amount from the Revenue Agency before the verification period expires (usually five years) a bank or insurance guarantee may be required, in favour of the company and the Revenue Agency.

The assignor usually takes responsibility to provide the guarantee.

WHO IS IT FOR?

This is for businesses who are due refunds from the tax agencies in relation to their VAT credits.

The most frequent cases derive from difference in VAT rates or from exports and investments (i.e. food and pharmaceuticals).

ADVANTAGES FOR THE CLIENT

- Immediate liquidity.
- Outsourcing of the collection process.
- Improvement in balance sheet indicators (where the assignment is on a non-recourse basis).
- Administration is cheaper and less onerous.

COST

For **non-recourse** assignments, the cost of the service is represented by the discount on the face amount of the claim which is calculated using market rates, based on the estimated time of collection. A servicing commission may also be added.

For **recourse** assignments the cost of the service is subject to market rates with a spread based on the current Euribor rate, plus a servicing commission.

DOCUMENTS REQUIRED FOR DILIGENCE CHECKS

- VAT return with filing receipt.

DOCUMENTS REQUIRED FOR APPROVAL

- Company trading certificate, memorandum of incorporation and bylaws.
- Last 2 sets of financial statements.
- List of bank loans.
- Tax compliance documentation.

CONTACTS

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Free toll number operational from Monday to Friday
8:30 am until 6:00 pm