




Sufio



# Shopify Tax Guide

Everything you need to know when setting up your tax rates, with region-specific advice for merchants in the EU, Canada, Australia, India and the GCC.

# Introduction

Sufio is an online invoicing application used by B2C and B2B businesses in more than 75 countries. We work with, and support, merchants to automate their invoicing and create custom workflows that help streamline their business processes.

As well as providing a professional invoicing platform we also offer 1-1 support to our customers to ensure their invoices and documents are set up correctly, comply with relevant legislation, and are branded appropriately.

We know tax is complicated but it's our goal to help you understand and set up your Shopify store correctly for your own country and other countries that you trade in. This guide is here to help you understand tax settings in Shopify as well as the specific requirements for trading in five key regions — the European Union, Canada, Australia, India, and the GCC.

We also cover the difference between selling physical and digital goods in your store and under what circumstances business customers as tax-exempt.

We hope you find this a valuable resource and if we can help in any way please get in touch at [support@sufio.com](mailto:support@sufio.com).

# Contents

## 1 How Sufio helps Shopify merchants

## 2 Tax settings in Shopify

Taxes missing on orders and invoices

Include or exclude taxes in product prices

## 3 Taxes in the EU

VAT guide for stores in the EU

Set up EU taxes in your Shopify store

VAT-exempt EU business customers in Shopify

## 4 Taxes in Canada

GST/HST guide for Shopify stores in Canada

Set up Canadian taxes in your Shopify store

## 5 Taxes in Australia

GST guide for Shopify stores in Australia

Set up Australian taxes in your Shopify store

## 6 Taxes in India

GST guide for Shopify stores in India

Set up Indian tax rates in Shopify

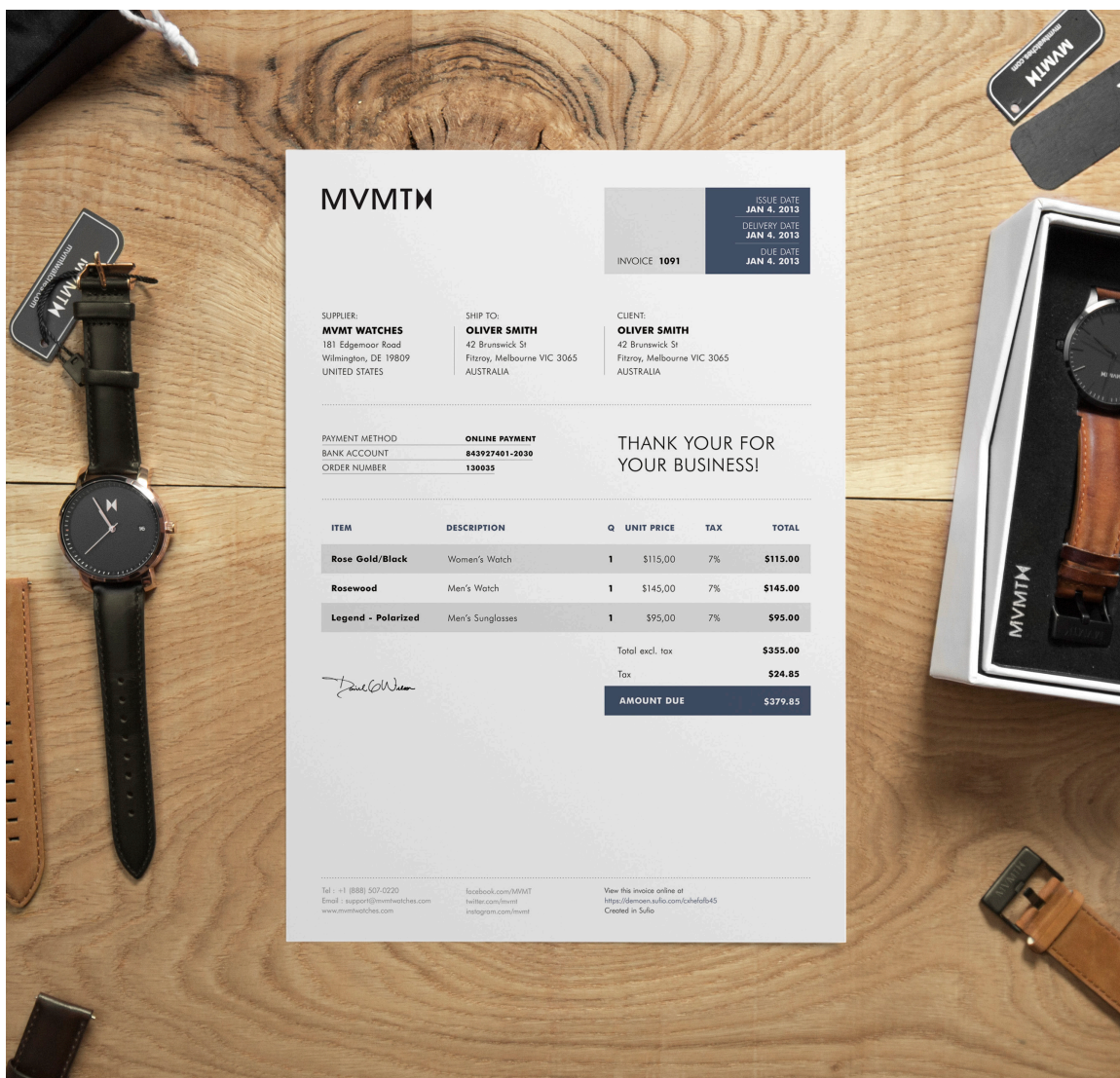
## 7 Taxes in the GCC

VAT guide for Shopify stores in the GCC

Set up UAE taxes in your Shopify store

# How Sufio helps Shopify merchants

Sufio is an online invoicing application used by B2C and B2B businesses in more than 75 countries. Sufio's powerful automation features ensure that invoices arrive on time and custom workflows allow you to build processes that work with your business. Our invoices are certified for compliance by local accountants and thanks to designs by professional print designers your documents will be easy to understand, attractive and on brand.



# Worldwide compliance

Our invoices are fully compliant with worldwide accounting legislation. Charge the correct taxes and sell to both businesses and consumers without worry. Invoices are available in 30+ languages and translated using the correct local terminology.



# Brand-focused design

Benefit from clear, easy to understand, and beautifully designed documents that fully align with your brand. [See all templates](#)

**INVOICE**

**Supplier:**  
Raaka Chocolate  
64 Seaking St  
Brooklyn, NY 11221  
United States

**Client:**  
Wilson Taylor  
42 Fitzroyville Road  
Auckland 1021  
New Zealand

**Invoice Date:** Jan. 5, 2020  
**Delivery Date:** Jan. 5, 2020  
**Due Date:** Jan. 17, 2020

**Payment Method:** Bank Transfer  
**Bank Account:** 1012254509  
**Order Number:** 220201

ITEM	DESCRIPTION	QUANTITY	UNIT PRICE	TAX	TAX	TOTAL
Caramel Milk	485 Cakes	1	4.00	10.5%		\$5.00
Coconut Cake	485 Cakes	1	4.00	10.5%		\$5.00
Orange Cake	485 Cakes	1	4.00	10.5%		\$5.00
Orange Soap	705 Cakes	1	4.00	10.5%		\$5.00
<b>TOTAL EXCL. TAX</b>						\$20.00
<b>TOTAL EXCL. TAX</b>						\$20.00
<b>TOTAL EXCL. TAX</b>						\$20.00
<b>AMOUNT DUE</b>						\$20.00

**Thank you for being our customer since 2011.**  
We make all our chocolates in 3rd Block, Brooklyn at 64 Seaking Street. Come visit us if you're in town. There are no charge locations here, but there is plenty of chocolate to try (you cannot return it, sorry).

**View this document online at**  
<http://invoice-raaka.pdf.a.pdf.com/220201.pdf>  
**Contact Us Info.**

**Raaka Chocolate**  
[www.raakachocolate.com](http://www.raakachocolate.com) **Phone:** +1 800 285 5753  
[hello@raakachocolate.com](mailto:hello@raakachocolate.com)

**SUPPLIER:**  
M1 WOOD  
KAPFERNHALLER 17  
D-80339 MÜNCHEN  
GERMANY  
VAT NO.: DE255285838

**CLIENT:**  
ALDO DIAMI  
KAPFERNHALLER 17  
D-80339 MÜNCHEN  
GERMANY  
VAT NO.: DE255285838

**INVOICE**

**202007**

**ISSUE DATE:** FEB. 14, 2020

**AMOUNT DUE:** €85.68

**Payment Method:** Bank Transfer

**Invoice Date:** Jan. 10, 2020  
**Delivery Date:** Jan. 10, 2020  
**Due Date:** Feb. 04, 2020

**INVOICE**

**202002**

**ISSUE DATE:** Sept. 5, 2019

**DELIVERY DATE:** Sept. 5, 2019

**DELIVERY DATE:** Sept. 19, 2019

ITEM	DESCRIPTION	QUANTITY	UNIT PRICE	TAX	TOTAL
B - WOODEN LETTER	NATURAL BIRCH	1	80.00	10%	€88.00
Q - WOODEN LETTER	OAKEN OAK	1	80.00	10%	€88.00
G - WOODEN LETTER	NATURAL BIRCH	1	80.00	10%	€88.00
A - WOODEN LETTER	CHERRY/NO BIRCH	1	80.00	10%	€88.00
<b>TOTAL EXCL. TAX</b>					€352.00
<b>AMOUNT DUE:</b>					€352.00

**THANK YOU FOR YOUR BUSINESS**

M1 Wood makes designs and crafts quality wooden boxes, accessories, journals, and more for all who love typography and creative lettering design. We adhere to the natural beauty of wood and believe that its energy is indispensable in our everyday lives. M1 Wood combines nature with modern design.

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 C: M1 WOOD.COM | F: FACEBOOK.COM/M1WOODSHOP | T: TUMBLR.COM/M1WOODSHOP

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**INVOICE**

**202002**

**ISSUE DATE:** Sept. 5, 2019

**DELIVERY DATE:** Sept. 5, 2019

**DELIVERY DATE:** Sept. 19, 2019

**Supplier:**  
Biko Inc.  
60 Hudson Ave, Suite #101  
Latham, NY 12110  
USA

**Client:**  
Lizbeth Laffey  
40 North Street  
New York, NY 10007  
United States

Item	Description	Quantity	Unit Price	Tax	Tax	Total
Kivi V Necklace	Silver Color	1	148.00	5%		\$148.00
Dot Jacket Buttons	Gold Color	1	55.00	5%		\$55.00
Express Collar	Gold Color	1	75.00	5%		\$75.00
<b>TOTAL EXCL. TAX</b>						\$278.00
<b>TAX (0.05%)</b>						\$14.00
<b>TOTAL EXCL. TAX</b>						\$278.00
<b>AMOUNT DUE:</b>						\$292.00

**Due Date:** Sept. 19, 2019 **Amount Due:** \$292.00

**Thank you for choosing Biko!**  
Biko makes design and crafts quality wooden boxes, accessories, journals, and more for all who love typography and creative lettering design. We adhere to the natural beauty of wood and believe that its energy is indispensable in our everyday lives. M1 Wood combines nature with modern design.

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# Automated workflow

Sufio's powerful automation features create and send invoices for every order placed in your store. Apply your settings once and let Sufio handle the heavy lifting leaving you free to focus on growing your business.



## Order is placed in your store

Whenever an order is placed in your store, it is immediately sent to Sufio.



## Invoice is created from the order

Sufio automatically creates invoices when orders are created, paid, or fulfilled.



## Invoice is sent to your customer

Invoices can be automatically sent to customers by email or downloaded from your store.



## Invoice is paid online

Orders not paid via Shopify's checkout can be paid online using Sufio. Ideal for B2B stores.



# Tax settings in Shopify

# Taxes missing on orders and invoices

Setting up taxes correctly in your Shopify store is crucial in order for your customers to be charged the right amount of tax.

Once you have your taxes set up correctly in your Shopify store, Sufio will use these tax settings and automatically display all the required tax details on your invoices.

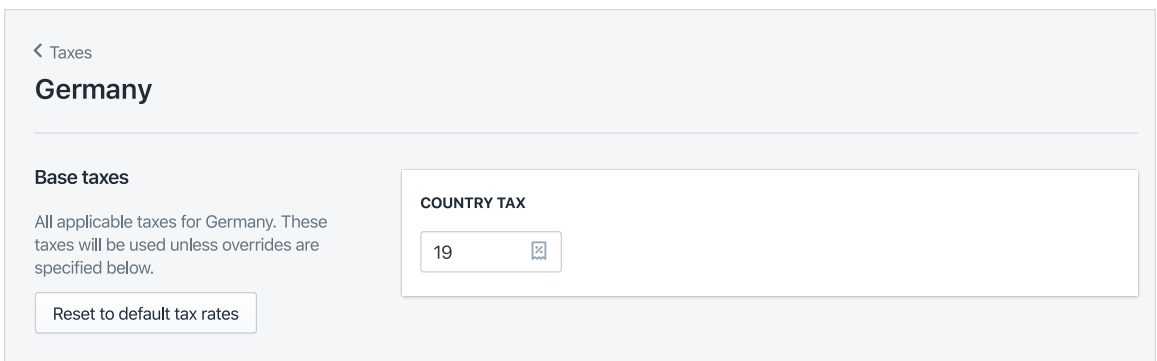
There are three possible causes as to why taxes are missing on your orders and invoices:

- Country tax rate is not configured properly.
- Product is not set as taxable.
- Customer is set as tax-exempt.

## Configure the country tax rate

To configure tax rates in your Shopify store admin:

1. Go to **Settings** → **Taxes** in your Shopify store admin.
2. Click on the country, then enter the country tax rate.



The screenshot shows the 'Germany' tax configuration page in the Shopify admin. At the top left, there is a back arrow and the text '< Taxes'. Below this, the country name 'Germany' is displayed in a large, bold font. A horizontal line separates the header from the main content area. On the left side, under the heading 'Base taxes', there is a paragraph: 'All applicable taxes for Germany. These taxes will be used unless overrides are specified below.' Below this text is a button labeled 'Reset to default tax rates'. On the right side, there is a section titled 'COUNTRY TAX' with a text input field containing the number '19' and a small icon to its right.

*Make sure the "Country tax" is field is filled in.*

## Note

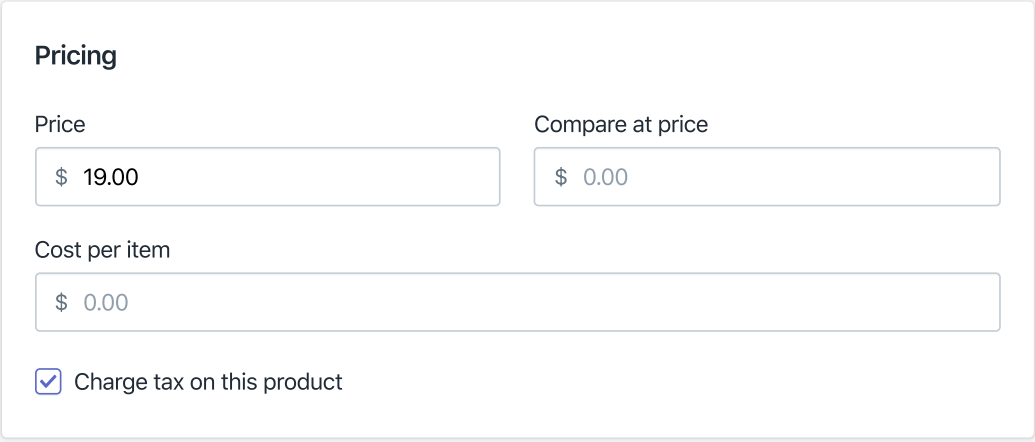
If you do not see the country in the Tax rates list, click **Shipping profiles**, or go to **Settings** → **Shipping** → **Manage Rates**, scroll down and click **Create Shipping Zone**.

# Set the product as taxable

If you want to charge taxes on your products, each product in your store has to be set as taxable individually.

To set up a product as taxable:

1. Go to **Products** in your Shopify store admin.
2. Click on the product you want to edit.
3. Scroll down to the **Pricing** section and check the “Charge tax on this product” checkbox.



The screenshot shows the 'Pricing' section of a product edit page. It contains three input fields: 'Price' with a value of '\$ 19.00', 'Compare at price' with a value of '\$ 0.00', and 'Cost per item' with a value of '\$ 0.00'. Below these fields is a checkbox labeled 'Charge tax on this product', which is checked.

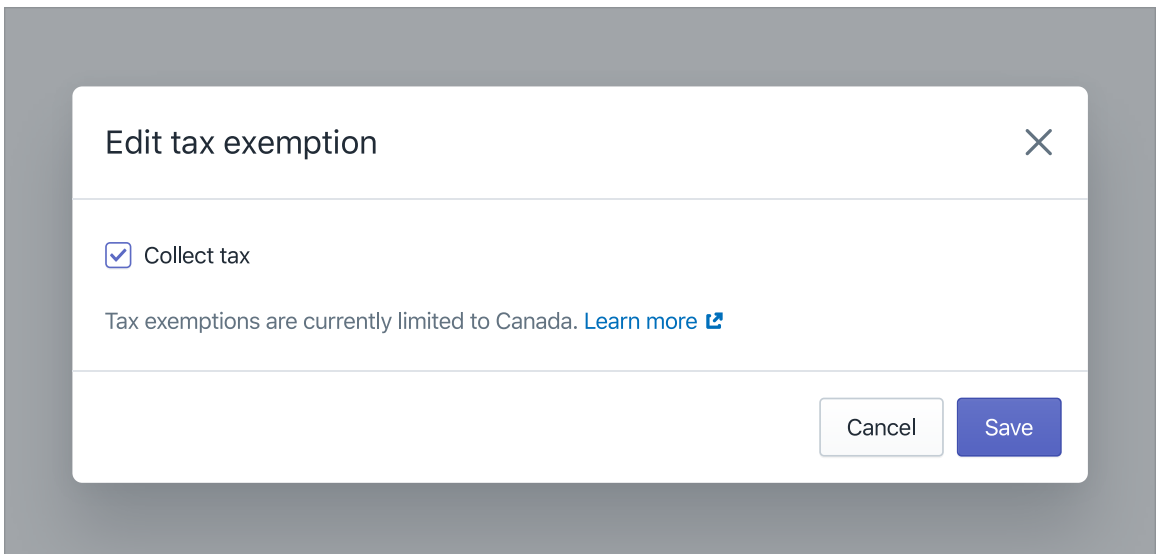
*Make sure the checkbox “Charge tax on this product” is checked.*

# Check if the customer is not tax-exempt

It might happen sometimes that a customer was accidentally set as tax-exempt when they should not have been.

To check if a customer is tax-exempt:

1. Go to **Customers** in your Shopify store admin.
2. Select the customer you need.
3. In the **Tax settings** section, click **Manage**.
4. Make sure the “Collect tax” checkbox is checked.



*Make sure the checkbox "Collect tax" is checked.*

## Caution

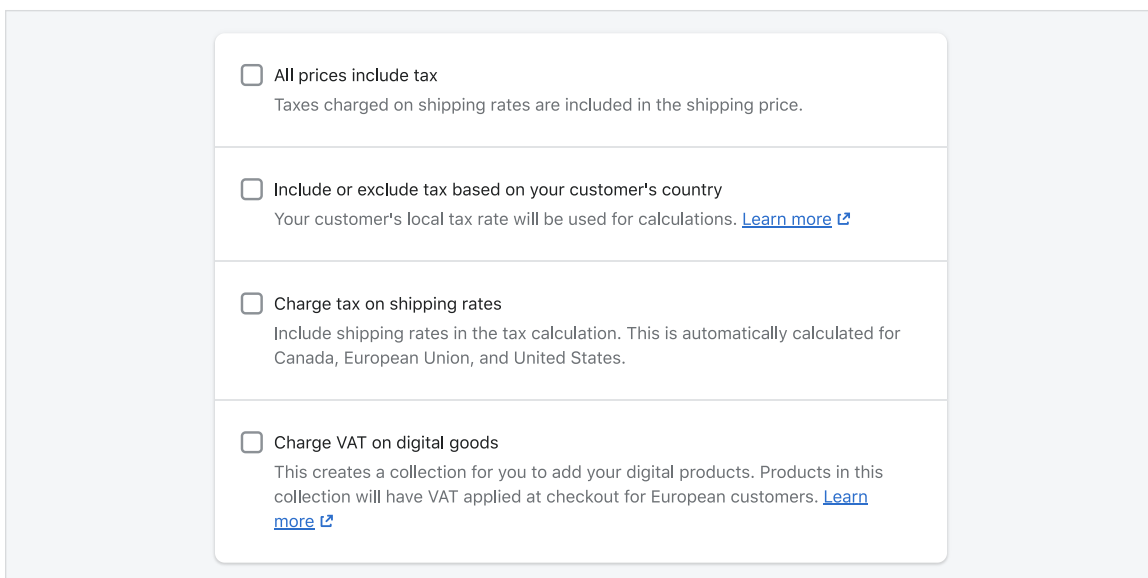
Please be aware that if you make any changes in tax settings in your Shopify admin, only your newly created invoices will reflect this change. Your existing invoices will remain unchanged.

# Include or exclude taxes in product prices

Once you've set up taxes correctly in your Shopify store, you will need to decide whether you want your product prices to include or exclude tax.

To include or exclude tax from product prices:

1. In your Shopify admin, go to the **Settings** → **Taxes** page.
2. Scroll down to the **Tax calculations** section.
3. To exclude tax from your product prices, uncheck the **All prices include tax** checkbox.

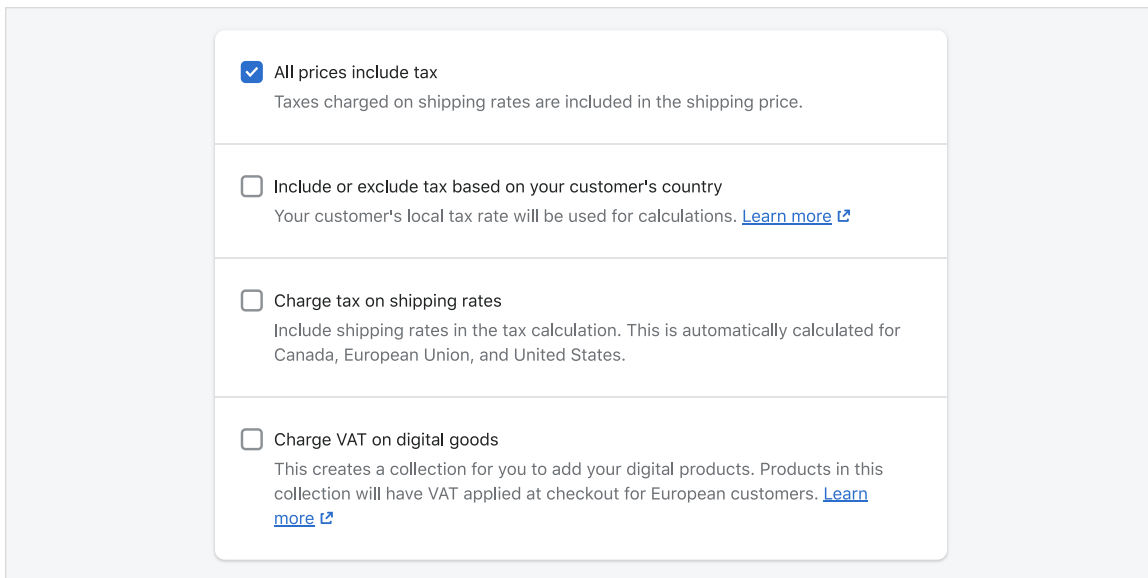


The image shows a screenshot of the 'Tax calculations' section in the Shopify admin. It contains four settings, all of which are unchecked:

- All prices include tax**  
Taxes charged on shipping rates are included in the shipping price.
- Include or exclude tax based on your customer's country**  
Your customer's local tax rate will be used for calculations. [Learn more](#)
- Charge tax on shipping rates**  
Include shipping rates in the tax calculation. This is automatically calculated for Canada, European Union, and United States.
- Charge VAT on digital goods**  
This creates a collection for you to add your digital products. Products in this collection will have VAT applied at checkout for European customers. [Learn more](#)

*This setup displays product prices without tax*

4. To include tax in product prices, check the **All prices include tax** checkbox.



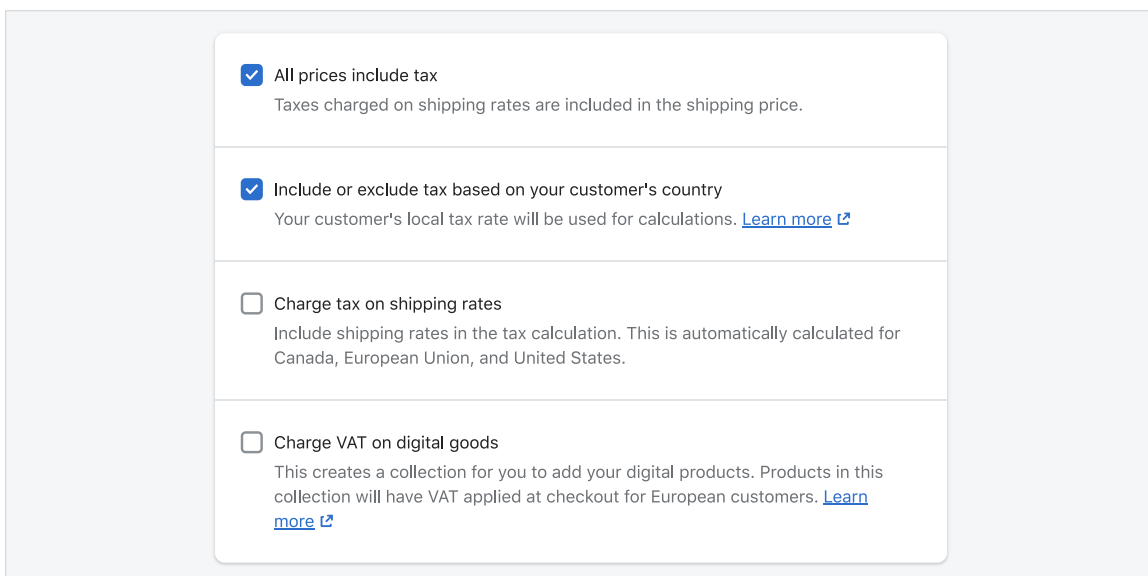
The screenshot shows a settings panel with four options. The first option, 'All prices include tax', is checked. The other three options are unchecked. The text for each option is as follows:

- All prices include tax**  
Taxes charged on shipping rates are included in the shipping price.
- Include or exclude tax based on your customer's country**  
Your customer's local tax rate will be used for calculations. [Learn more](#)
- Charge tax on shipping rates**  
Include shipping rates in the tax calculation. This is automatically calculated for Canada, European Union, and United States.
- Charge VAT on digital goods**  
This creates a collection for you to add your digital products. Products in this collection will have VAT applied at checkout for European customers. [Learn more](#)

*This setup displays product prices with tax*

5. Optional: If you want to include or exclude tax based on the country your customer is shopping from, check **Include or exclude tax based on your customer's country** checkbox too.

6. **Save** your changes.



The screenshot shows the same settings panel as above, but with the second option, 'Include or exclude tax based on your customer's country', also checked.

- All prices include tax**  
Taxes charged on shipping rates are included in the shipping price.
- Include or exclude tax based on your customer's country**  
Your customer's local tax rate will be used for calculations. [Learn more](#)
- Charge tax on shipping rates**  
Include shipping rates in the tax calculation. This is automatically calculated for Canada, European Union, and United States.
- Charge VAT on digital goods**  
This creates a collection for you to add your digital products. Products in this collection will have VAT applied at checkout for European customers. [Learn more](#)

*This setup displays product prices with tax, yet still allows you to VAT-exempt your business or customers with a disability*

# The difference between including and excluding taxes

Suppose a Shopify store based in Germany is selling a product for the price of €20. The store should charge **20% tax** to customers in Germany and **0% tax** to customers in the US.

The table below shows how much the customer from Germany and the US will eventually pay based on your tax settings.

	The customer in Germany pays	The customer in the US pays
Prices exclude tax	€24 (€20 + €4 tax)	€20 (no tax)
Prices include tax	€20 (€16.67 + €3.33 tax)	€20 (no tax)
Prices include or exclude tax based on the customer's country	€20 (€16.67 + €3.33 tax)	€16.67 (no tax)

## Price excludes tax

In case the product prices exclude tax, the customer from Germany pays €24 in total, which is €20 for the product, and €4 tax. The customer from the US only pays €20 for the product, without tax.

This is in line with accounting legislation in many countries where VAT or GST is charged and allows you to charge tax to some customers but not to others.

Using this setting, you can charge tax to consumers, but VAT-exempt your business customers in the European Union or not charge tax on certain products for customers with a disability or indigenous people.

Having tax excluded from product prices means that your Shopify store will display them **without** tax. This is useful if you predominantly sell to businesses.

## Price includes tax

If your product prices include tax, both German and the US customer will pay the same price of €20.

The customer from Germany pays €16.67 for the product and €3.33 tax, whereas the US customer pays €20 for the product. This means that the US customer pays more for the same product than the German one.

The advantage of having prices include tax is that all customers will see the final price, which is especially useful when selling primarily to consumers or the legislation in your country requires you to display tax-inclusive pricing.

However, this setup is not suitable for online stores that need to VAT-exempt customers such as businesses.

## Price includes or excludes tax based on the customer's country

When product prices include or exclude tax based on customer's country, the customer from Germany pays €16.67 for the product plus €3.33 tax and the customer from the US pays only €16.67 for the product.

This option prevents some customers from paying non-applicable tax and allows your Shopify store to automatically calculate and selectively charge tax based on where your customer is shopping.

More importantly, this setup allows you to display prices **with** taxes and still VAT-exempt some customers such as businesses, or not charge tax on certain products for customers with a disability or indigenous people.



# Taxes in the EU

# VAT guide for stores in the EU

If you are a Shopify store owner based in the European Union, it is important to understand **when to charge VAT** or even **which rate applies to which customer**.

*The most significant distinction for your business is whether it is VAT-registered or not.*

Many businesses start as unregistered. However, once their annual taxable turnover in the country their business is based in is above a certain threshold, they need to register for VAT. This threshold is usually around €25,000 in some EU countries and €100,000 in others.

## My business is not VAT-registered

If your taxable turnover in the last twelve months is below the country's VAT registration limit where your store is based, it is most likely not VAT-registered.

This means that you **do not charge VAT** on your sales regardless of where your customers come from.

## My business is VAT-registered

If your business is VAT-registered, you have to charge VAT to some customers but not to others. The table below shows whom you need to charge VAT to and when.

Customers from	Consumers	Businesses
Same EU country	VAT	VAT
Different EU country	VAT	No VAT
Outside the EU	No VAT	No VAT

*There are two factors which determine whether or not you should charge VAT — **what country your customer is in** and whether you are **selling to a consumer (B2C) or business (B2B)**.*

You also need to include your VAT registration number on your invoices and receipts to make them valid.

## Customers from the same EU country

When selling to consumers (B2C) and businesses (B2B) in your home country, you should always **charge VAT** and use the applicable **VAT rate in your country**. This applies to selling both physical and digital goods.



*A German store selling within Germany*

## Customers from different EU countries

When selling to customers from other EU countries, you need to distinguish between selling to **consumers** and **businesses**.

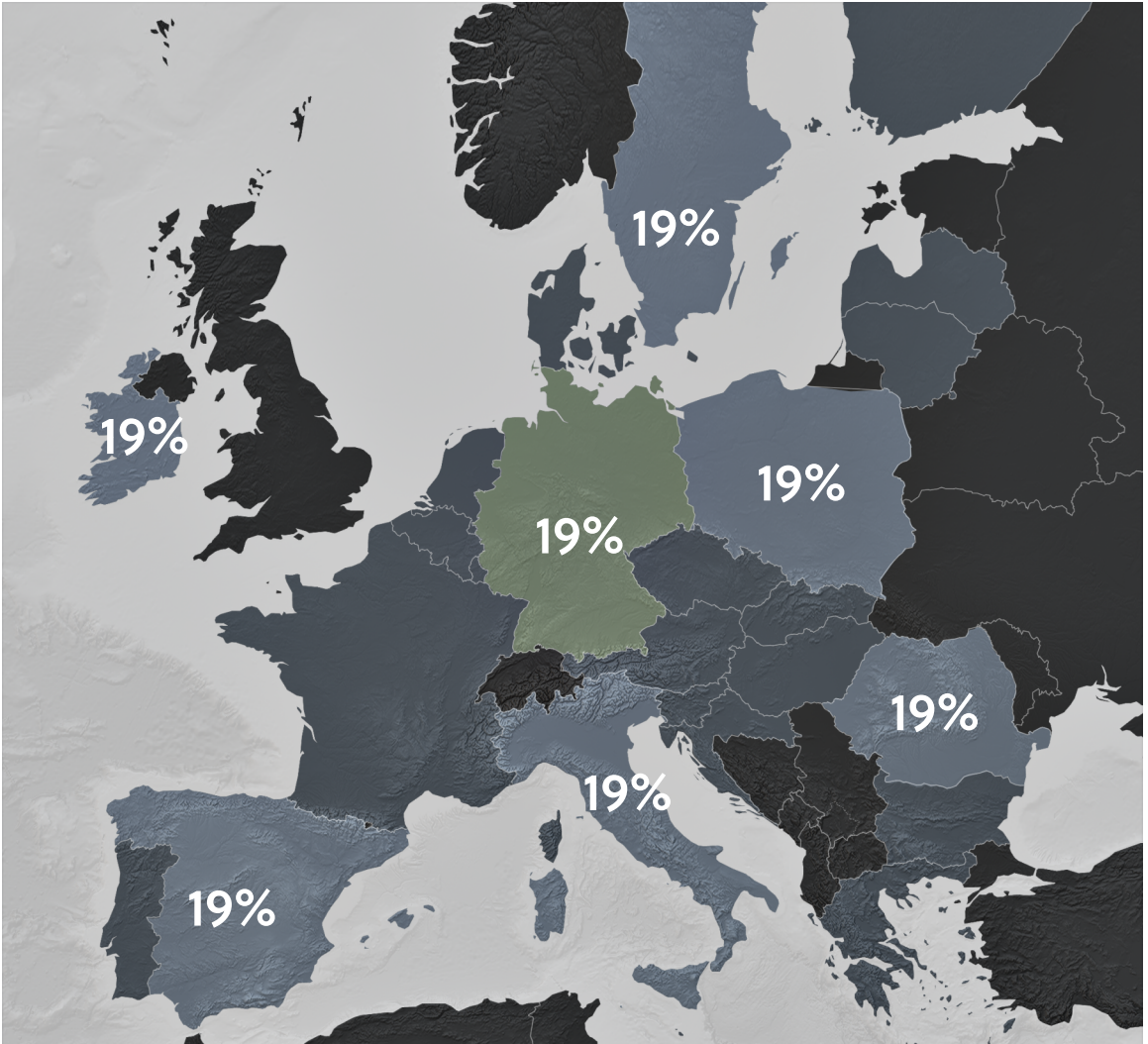


*Consumers in other EU countries should be charged VAT, but not businesses*

When selling physical goods to consumers (B2C) from other EU countries, you should always **charge VAT**. Which VAT rate to apply, depends on the type of VAT registration you have.

## Selling as a “micro-business”

If your taxable turnover during a calendar year outside your home country but still within the EU does not surpass a threshold of €10,000 (excluding VAT), you qualify for the “micro-business” exemption. Once you apply for it at your local tax authority, you will **charge the VAT rate of the country your business is based in.**



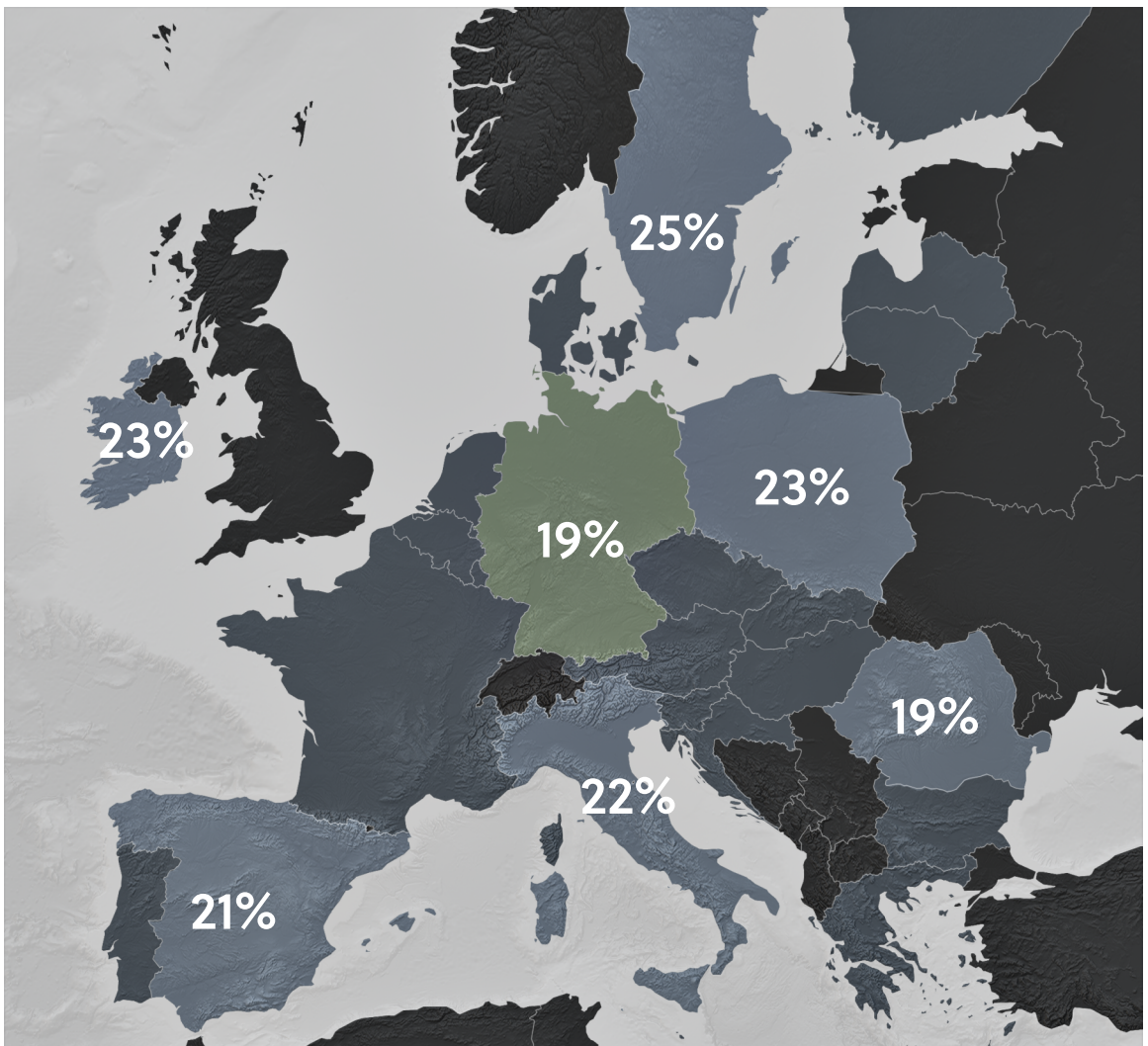
*As a “micro-business”, a German store would charge customers in different EU countries the German VAT rate*

## Surpassing the “micro-business” threshold

If your taxable turnover during a calendar year outside your home country, but still within the EU, exceeds the threshold of €10,000 (excluding VAT), you **charge the VAT rate of the country you are shipping to**.

As a result, you will be charging different VAT rates to customers from other EU countries, varying from country to country (from 15% to 27%).

Shopify allows you to set these tax settings for individual VAT registrations and charge the correct taxes to your EU customers automatically.



*A German store charging customers in different EU countries their local VAT rate*

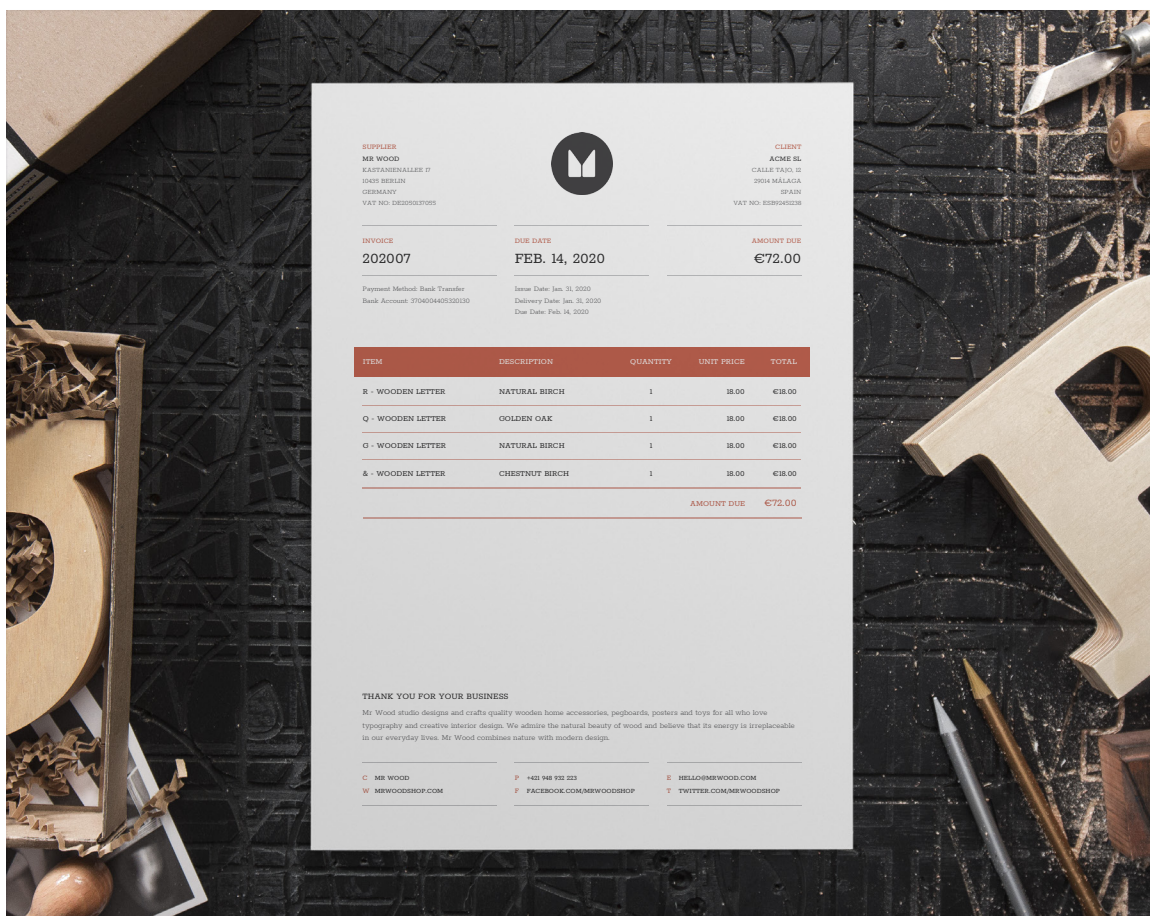
## Businesses

When selling to businesses with valid VAT registration numbers from other EU countries, you **do not charge VAT** for either physical or digital goods.

Such customers should be marked as tax-exempt in your Shopify store. Moreover, you should capture and validate your business customers' VAT registration number prior to allowing them to purchase your products.

*Sufio allows you to easily capture and validate EU VAT numbers from your business customers and, when applicable, automatically set them as tax-exempt.*

Additionally, Sufio creates invoices that include all the necessary details to make them compliant with your invoicing legislation. Invoices can serve as valid documentation to show that your products were shipped to another EU member country.



*Invoice with both the store's and the customer's VAT registration numbers*

## Customers outside the EU

When selling to customers outside of the EU, you **should not charge VAT** on any goods.



*EU stores should not charge VAT to any customers from outside the EU*

You will still need to report the sales VAT for taxation purposes, as sales with 0% VAT. Valid invoices, such as those created by Sufio, can serve as proof that the goods were shipped outside of the EU.

## Caution

As of January 1, 2021, the UK is no longer part of the EU. Consequently, new regulations apply to direct sales between the UK and the European Union.

When selling to consumers (B2C) or businesses (B2B) from the EU directly to the UK, you **must register for a UK VAT registration number**, and the applicable VAT rate is based on the total value of the order. Orders worth less than £135 are subject to 20% VAT at the point of sale. Orders worth over £135 are subject to import VAT rules.

# Set up EU taxes in your Shopify store

The most important distinction when it comes to charging VAT in your store is whether your business is **VAT-registered or not**.

If your business is VAT-registered and you want to sell to both consumers (B2C) and business customers (B2B) in different countries of the European Union, you will need to set up your **tax settings and tax rates** correctly.

## Tax settings

To charge VAT to some customers and not to others, Shopify allows you to choose from two possible configurations based on how you want to display product prices on your online store.

# Display product prices including VAT

If you are selling primarily to consumers (B2C) or the legislation in your country requires you to display tax-inclusive pricing, you can choose to have product prices as including VAT.

To display your prices including VAT, but still allow your business customers to have VAT deducted at checkout:

1. In your Shopify admin, go to the **Settings** → **Taxes** page.
2. In the **Tax calculations** section, check the **All prices include tax** and the **Include or exclude tax based on your customer's country** checkbox.
3. **Save** your changes.

All prices include tax

Taxes charged on shipping rates are included in the shipping price.


Include or exclude tax based on your customer's country

Your customer's local tax rate will be used for calculations. [Learn more](#) 

Charge tax on shipping rates

Include shipping rates in the tax calculation. This is automatically calculated for Canada, European Union, and United States.

Charge VAT on digital goods

This creates a collection for you to add your digital products. Products in this collection will have VAT applied at checkout for European customers. [Learn more](#) 

# Display product prices excluding VAT

In case your customers are predominantly businesses (B2B) you can choose to have your product prices displayed as excluding VAT.

To display your prices excluding VAT:

1. In your Shopify admin, go to the **Settings** → **Taxes** page.
2. In the **Tax calculations** section, uncheck the **All prices include tax** and the **Include or exclude tax based on your customer's country** checkbox.
3. **Save** your changes.

All prices include tax

Taxes charged on shipping rates are included in the shipping price.


Include or exclude tax based on your customer's country

Your customer's local tax rate will be used for calculations. [Learn more](#) 

Charge tax on shipping rates

Include shipping rates in the tax calculation. This is automatically calculated for Canada, European Union, and United States.

Charge VAT on digital goods

This creates a collection for you to add your digital products. Products in this collection will have VAT applied at checkout for European customers. [Learn more](#) 

# Tax rates in the EU

In the EU, you need to charge different tax rates depending on your taxable turnover on your online store. Shopify calculates the tax rate automatically based on the type of registration set in your tax settings.

## Selling within the "micro-business" threshold

If you sell to customers in the European Union and your **taxable turnover** during a calendar year to all other EU countries combined **does not exceed the threshold of €10,000** (excluding VAT), you qualify for the "micro-business" exemption. You should **charge your home country's VAT rates** on all the sales within the European Union.

To use the "micro-business" taxation scheme, you need to apply for the "micro-business" exemption at your local tax authority and have just one VAT registration within the European Union. Then, you can set up your tax settings in your Shopify admin. This task only needs to be performed once.

To set VAT rates for the "micro-business" exemption scheme and charge your home country's VAT rates on all orders:

1. In your Shopify admin, go to the **Settings** → **Taxes** page.
2. In the **Tax regions** section for the European Union, click **Set up**.
3. In the **Shipping within the EU** section, click on **Collect VAT**.
4. In the **Update VAT registration** window, select the **Micro-business exemption** option and click **Next**.
5. Select your home country and enter your VAT registration number. If you have applied for the VAT registration number but don't have one yet, leave this field blank. You can update it later once you receive it.
6. Save your changes by clicking on the **Collect VAT** button.

### Manage VAT registration ✕

Select how you're registered for VAT. Learn more about [VAT registrations](#) .

One-Stop Shop registration  
Select this if you plan to submit a single VAT return for all EU countries.

Micro-business exemption  
Select this if your business makes up to €10,000 EUR in sales to other EU countries and you only plan to submit a domestic VAT return. [Learn more](#) ↗

Country-specific registration  
Select this if you plan to submit a VAT return in each EU country that you ship to.

Now, your home country's VAT rates automatically apply to all EU sales.

## Surpassing the "micro-business" threshold

If you sell to customers in the European Union and your **taxable turnover** during a calendar year to all other EU countries combined **is equal to or exceeds the threshold of €10,000** (excluding VAT), you should **charge VAT at the rate applicable in the customer's shipping country**.

This means that customers from different EU countries should be charged with different VAT rates, varying from 15% to 27%.

Suppose you have a business based in Germany. However, during a calendar year, you have surpassed the VAT threshold of €10,000 selling outside Germany to other EU countries. Because of that, you need to charge VAT at the rate applicable in the country you are shipping to.

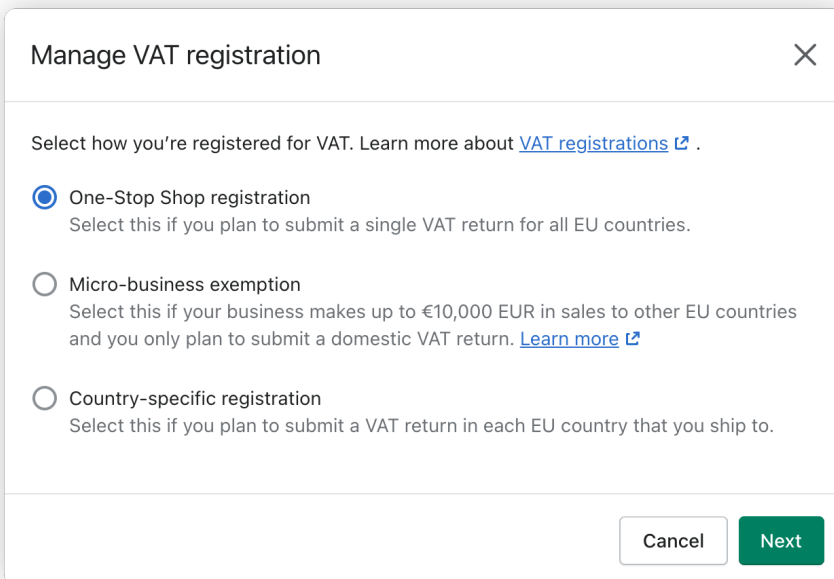
Consequently, you have applied for the OSS (or One-Stop Shop) scheme, allowing you to sell outside your country and file a single VAT return. More importantly, the German VAT rate of 19% is now applied to Germany only. Customers outside

Germany, within the European Union, are charged VAT at the rate applicable in their country.

In order to charge your EU customers with the correct VAT rate, you need to set your tax settings accordingly. Shopify gives you the option to select OSS as your VAT registration type, allowing you to charge correct VAT rates automatically.

To set VAT rates for the OSS scheme and charge your customers' shipping country VAT rates on all orders:

1. In your Shopify admin, go to the **Settings** → **Taxes** page.
2. In the **Tax regions** section for the European Union, click **Set up**.
3. In the **Shipping within the EU** section, click on **Collect VAT**.
4. In the **Update VAT registration** window, select the **One-Stop Shop registration** option and click **Next**.
5. Select your home country and enter your VAT registration number. If you have applied for the VAT registration number but don't have one yet, leave this field blank. You can update it later once you receive it.
6. Save your changes by clicking on the **Collect VAT** button.



Manage VAT registration ✕

Select how you're registered for VAT. Learn more about [VAT registrations](#) .

**One-Stop Shop registration**  
Select this if you plan to submit a single VAT return for all EU countries.

**Micro-business exemption**  
Select this if your business makes up to €10,000 EUR in sales to other EU countries and you only plan to submit a domestic VAT return. [Learn more](#)

**Country-specific registration**  
Select this if you plan to submit a VAT return in each EU country that you ship to.

Cancel Next

Now, your customers' shipping country VAT rates automatically apply to all EU sales.

## Caution

If you hold stock or have a physical location in a different EU country, you must register for VAT in that specific country and continue filing a local VAT return instead of the OSS. The One-Stop Shop (OSS) taxation scheme only applies to distance-selling.

## Selling with a country-specific registration

Some businesses may decide to continue to hold tax registration for each EU country they ship to. If that is your case, you need to add the local VAT registration number for every country you are registered in. Shopify will then automatically apply VAT rates based on your VAT registration.

To add the local VAT registration number:

1. In your Shopify admin, go to the **Settings** → **Taxes** page.
2. In the **Tax regions** section for the European Union, click **Set up**.
3. In the **Shipping within the EU** section, click on **Collect VAT**.
4. In the **Update VAT registration** window, select the **Country-specific registration** option and click **Next**.
5. Select your home country and enter your VAT registration number. If you have applied for the VAT registration number but don't have one yet, leave this field blank. You can update it later once you receive it.
6. Save your changes by clicking on the **Collect VAT** button.
7. To add the local VAT registration number for every country you are registered in, click on the **Add country** option and confirm the selection by clicking on the **Add country** button.

### Manage VAT registration ✕

Select how you're registered for VAT. Learn more about [VAT registrations](#) .

One-Stop Shop registration  
Select this if you plan to submit a single VAT return for all EU countries.

Micro-business exemption  
Select this if your business makes up to €10,000 EUR in sales to other EU countries and you only plan to submit a domestic VAT return. [Learn more](#)

Country-specific registration  
Select this if you plan to submit a VAT return in each EU country that you ship to.

In case you cannot select the additional country you are VAT-registered in, you will need to create a shipping zone for it first. To create a shipping zone:

1. In your Shopify admin, go to the **Settings** → **Shipping** and delivery page.
2. In the **Shipping** section, click **Manage rates** → **Create shipping zone**.
3. Type in the name of the shipping zone, add the country (or countries) you are VAT-registered in using the search bar, and when finished, click **Done**.
4. To make this zone available, add the shipping rates.
5. **Save** your changes.

## Note

If your Shopify store sells to both consumers and business customers, make sure your business customers are set as VAT-exempt in Shopify.

# Invoices

Once your tax rates are set up correctly in your online store, Sufio will automatically create valid invoices with a detailed breakdown of the charged VAT. Invoices can be created in multiple languages and include all the necessary details to make them compliant with invoicing legislation within the EU.

*Issuing invoices with the correct tax breakdown is essential for your bookkeeping and tax purposes.*

If you are selling to businesses (B2B), Sufio invoices display all the required information including VAT identification numbers of your store and your business customers.



*“Very useful app. The invoices look great and are very easy to use. Great customer support as well. We needed some customisations which the Sufio team implemented in just a day.”*

Ana Mariya Boneva – Marcellamoda NYC

# VAT-exempt EU business customers in Shopify

If your Shopify store is based in the European Union and your business is VAT-registered, you **should not charge VAT to business customers** from other EU countries besides your own.

This means that **business customers should be set as VAT-exempt** so they are not charged tax during the checkout.

*Sufio allows you to capture and validate EU VAT registration numbers from your business customers and, when applicable, automatically set them as tax-exempt.*

To make your invoices valid and compliant with accounting legislation, you may also include VAT numbers from business customers. Additionally, you can add a note stating that *services are subject to the reverse charge and VAT is to be accounted for by the recipient as per Article 196 of Council Directive 2006/112/EC.*

## Enable VAT exemptions

To enable VAT exemptions:

1. Go to **Settings** → **Taxes** in your Sufio account.
2. Check the **Enable EU VAT Exemptions** checkbox.
3. **Save** your changes.

If you also want to validate all VAT numbers using the official VIES VAT number validation service, make sure the **Validate VAT Numbers** checkbox is also checked.

### Note

The VIES VAT number validation is available in our **Standard** and **Premium** plans.

# Update your store theme

To allow your customers to enter their VAT registration number and become automatically tax-exempt, you will need to add a new input field to your Shopify store.

You can capture VAT numbers on the **customer registration** page, **customer account** page or the **cart** page. Online stores running on Shopify Plus plan are allowed to capture VAT numbers on the **checkout** page.

In order to capture VAT numbers from customers you will need to modify the relevant theme template and add appropriate code snippets. You can find comprehensive step-by-step guides at [sufio.com/vat-exemptions](https://sufio.com/vat-exemptions).

### Create Account

First Name

Last Name

Email

VAT Registration Number

Password

*Example of a Customer Registration form with the VAT number field.*

### Shipping address

First name (optional)

Last name

Address

Apartment, suite, etc. (optional)

Postal code

City

Country/Region

VAT number

*Example of a checkout page with the VAT number field.*



# Taxes in Canada

# GST/HST guide for Shopify stores in Canada

If you own a Shopify store based in Canada, you need to understand when to charge **Federal** and **Provincial** taxes.

Many businesses in Canada start without a GST/HST number and are classified as a **small supplier** until they surpass a minimum threshold of CAD \$30,000 within a calendar quarter.

## My business is not GST/HST registered

If your quarterly revenue is equal to or under \$30,000 you are not required to register for GST/HST. You are classified as a small supplier and **do not charge GST/HST** to your customers.

## My business is GST/HST registered

When your quarterly revenue surpasses the \$30,000 minimum threshold, you are required to register for GST/HST within 29 days. You also need to **charge GST** on the supply that made you exceed that threshold and henceforth.

In order for your invoices and receipts to be valid, they have to include your GST/HST number, also known as your business identification number.

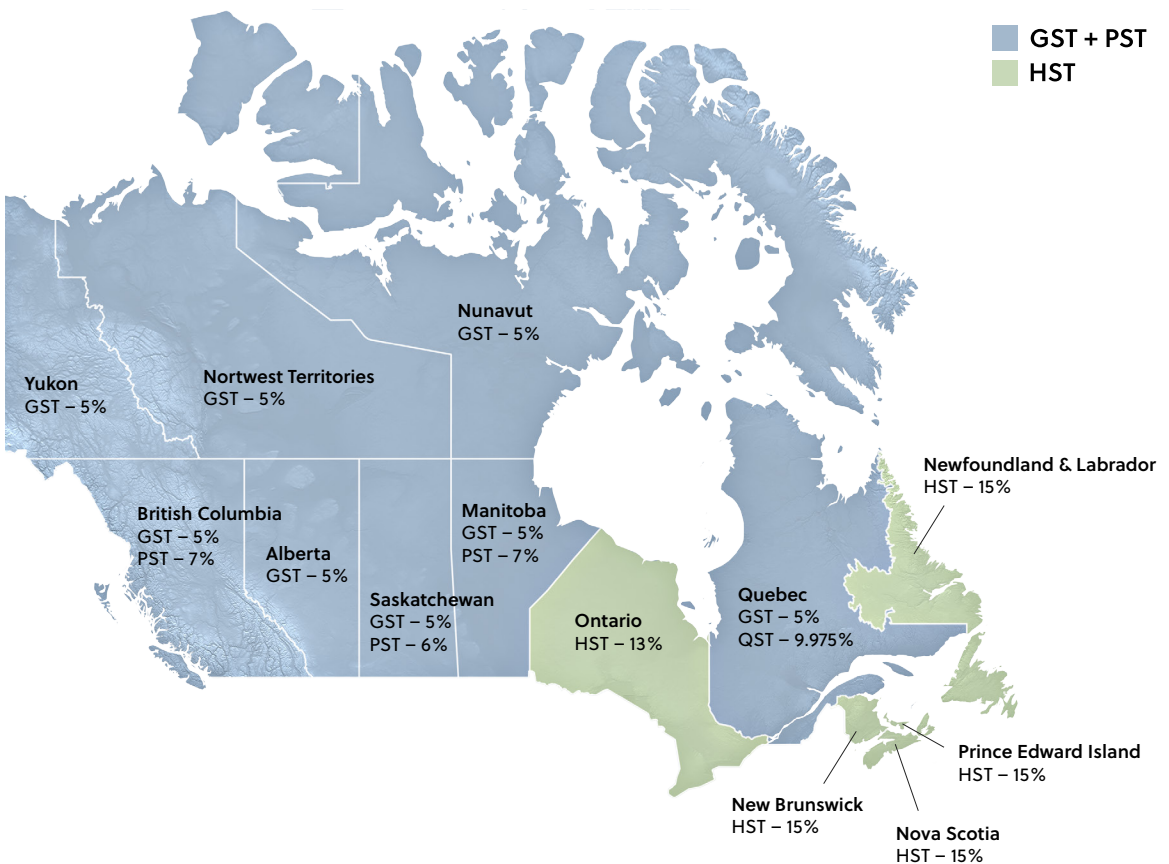
## Do I charge GST, PST, or HST?

As a registered business in Canada, you will either charge the **Goods and Services Tax (GST)** and **Provincial Sales Tax (PST)**, or the **Harmonised Sales Tax (HST)**, depending on where the supply is made.

Provinces that charge GST + PST are called **non-participating**, whilst provinces that use HST are **participating**.

- **Participating (HST) provinces:** New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island.
- **Non-participating (GST + PST) provinces:** British Columbia, Manitoba, Northwest Territories, Quebec, Saskatchewan, Yukon.

The only exception is Quebec, where the Provincial Sales Tax (PST) is named **Quebec Sales Tax (QST)**. Hence, GST + QST is charged.



*Taxes and tax rates charged in each province.*

Province	Tax charged
Alberta	GST 5%
British Columbia	GST 5% + PST 7%
Manitoba	GST 5% + PST 7%
New Brunswick	HST 15%
Newfoundland & Labrador	HST 15%
Northwest Territories	GST 5%
Nova Scotia	HST 15%
Nunavit	GST 5%
Ontario	HST 13%
Prince Edward Island	HST 15%
Quebec	GST 5% + QST 9.975%
Saskatchewan	GST 5% + PST 6%
Yukon	GST 5%

### Note

The tax charged is dependent on where the order is placed from (the billing address of the customer), not where your business is based.

## Selling to consumers and businesses

When you are selling goods or services within Canada, you must charge taxes to both consumers (individuals) and businesses.

Certain customers, such as governments, diplomats or indigenous people may be eligible for tax exemption. This means they may be able to claim rebate after the transaction has been made.

## International orders

If you are selling goods internationally, you do not charge any GST/HST tax, provided that the delivery is outside of Canada. However, you still have to report the sales tax as 0% for taxation purposes.

Sufio will ensure that your invoices remain legal and compliant, and serve as a documentation that the order was shipped outside of Canada.

## Zero-rated and tax-exempt goods

Certain goods are classified as **zero-rated**, which means you do not charge GST on them. However, you still have to display 0% tax on invoices for taxation purposes.

Furthermore, there are goods that are **tax-exempt**, which means that neither GST, PST or HST applies to them. See this page for examples of zero-rated and tax-exempt goods in Canada.

## Selling digital goods

Digital goods are intangible products that exist only in digital form such as e-books, music, or online courses.

If you're selling digital goods, the same tax rules apply. GST/HST is charged depending on the billing address of the customer. If the customer is located outside of Canada, no tax is charged, however, the invoice must display GST as 0% for taxation purposes.

# Set up Canadian taxes in your Shopify store

This brief guide will help you set up taxes in your Shopify store based in Canada.

Firstly, it is important to note that you are obliged to register and charge GST/HST to your Canadian customers if your quarterly revenue is above CAD \$30,000.

The tax you charge depends on the billing address of the customer who's making an order, not the place of your business.

## Tax settings

To set-up taxes, for Canada:


1. Go to **Settings** → **Taxes** in your Shopify admin. You should set tax rates for all Canadian provinces you are shipping to.
2. If you do not see Canada in the **Tax rates** list, you will need to add it as a shipping zone first. Go to **Settings** → **Shipping** → **Shipping profiles** and click **Create new profile**.
3. Click **Create Shipping zone** and select **Canada**.

Canada's federal country tax is GST. Each province and territory has a different tax system — a **participating** province charges **HST (instead of federal tax)**, and a **non-participating** province charges **GST + PST (added to federal tax)**.

To set up tax rates for Canadian provinces:

1. Go to **Settings** → **Taxes** in your Shopify admin and click on **Canada**.
2. Enter the current 5% GST rate in the **Country Tax** field.
3. For each province, enter the current provincial/harmonized (PST/HST) tax rate.
  - When using HST, choose **instead of 5% federal tax** from the drop-down.
  - When using PST, choose **added to 5% federal tax** from the drop-down.
4. Leave provinces with no PST with **0% tax** and choose **added to 5% federal tax** from the drop-down.



**COUNTRY TAX**

5 



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**REGIONS**



Alberta

0  PST added to 5% federal tax 



British Columbia

7  PST added to 5% federal tax 



Manitoba

7  PST added to 5% federal tax 

New Brunswick

15  HST instead of 5% federal tax 

Newfoundland

15  HST instead of 5% federal tax 

*A preview of tax settings for an Canadian Shopify store.*

## Zero-rated and tax-exempt goods

If you are selling **zero-rated** or **tax-exempt** goods (goods for which no tax is charged), you will need to set up tax overrides.

To set up tax overrides in Shopify:

1. Go to **Settings** → **Taxes** in your Shopify admin and by **Canada** click **Edit**.
2. Scroll down to **Tax overrides**.
3. Add a collection of products from your store that are subject to zero-rate and tax-exempt rules and set their **Tax Rate** to **0%**.

# Invoices

Sufio invoices are compliant with account legislation in Canada. They also serve as valid documentation for both GST/HST taxed and GST/HST-free orders exported in and out of Canada.

*Issuing invoices with a correct tax breakdown is vitally important for your bookkeeping and tax purposes.*

If you are selling to businesses (B2B), Sufio invoices display all the required information including your GST number and the GST number of your customers.



*“Over the great platform and offered services, Sufio really makes the difference in terms of customer service. They have been flexible and worked with us to find the best fit for our website. I highly recommend the service, money well spent for ease of use...”*

Sacha Prost – 8JS



# Taxes in Australia

# GST guide for Shopify stores in Australia

If you run a Shopify store in Australia, you must know when to charge GST to your customers.

Goods and Services Tax, also known as **GST** is a 10% tax charged in Australia on the majority of products.

## My business is not GST-registered

Until your business exceeds an annual minimum turnover of AUD \$75,000, you are not required to register for GST. In this case, you **do not charge GST** to your customers.

## My business is GST-registered

If your annual turnover surpassed the threshold of \$75,000, you are required to register for GST using your Australian Business Number (ABN). You also need to **charge GST** to your customers.

GST registered businesses are also required to complete a Business Activity Statement (BAS) on a quarterly basis and report it to the Australian Taxation Office (ATO).

*Invoices created in Sufio are compliant with Australian legislation. They include your ABN number and detailed breakdowns of GST charged, and serve as a valid documentation for both you and your customers' bookkeeping.*

# Selling outside of Australia

If you are a non-registered business that sells outside of Australia, you **do not charge taxes** on your products.

For GST-registered businesses selling outside of Australia, a different concept applies. If you export goods from Australia within 60 days of receiving any payments or issuing invoices, the transaction is GST-free.

However, if the product remains in Australia for 60 days or more after receiving an international payment or issuing an invoice, you have to charge 10% GST.

## Taxable, GST-free sales and input-taxed sales

In Australia, GST is a unified tax applicable to all states; there are no further state taxes. The majority of the goods sold are 10% GST taxable, however, there are some exceptions that are GST-free.

A GST-free sale is mainly applicable to medical, health, and educational products. These sales do not include GST in the price but you can still claim GST credits.

Finally, an input-taxed sale refers to services such as lending money or renting out properties; none of which are taxable. No GST is charged and you cannot claim any GST credits.

## Selling digital goods

Digital goods are intangible products that exist only in digital form such as e-books, music, or online courses.

As of July 1, 2017, Australia has implemented the GST on all digital goods, also known as the “Netflix tax”. Therefore, a business with an annual turnover over \$75,000 will be required to charge GST on all digital products.

# Set up Australian taxes in your Shopify store

Note that you are required to charge GST only if your annual turnover is over AUD \$75,000.

All orders within Australia are GST-taxable aside from a few exceptions. Sales outside of Australia are also taxable unless the goods or services are exported within 60 days from payment.

## Tax settings

You can set taxes for your store in **Settings** → **Taxes** of your Shopify admin.

If you are missing Australia in the **Tax rates** list of countries, you will need to add it as a shipping zone first.


1. If you do not see Australia in the **Tax rates** list, go to **Settings** → **Shipping** → **Shipping profiles** and click **Create new profile**.
2. Click **Create Shipping zone** and select **Australia**.

Once you have Australia included in your **Tax rates** list, you can set up its taxes.

To set up tax rates for Australia:



1. Go to **Settings** → **Taxes** in your Shopify admin and click **Australia**.
2. Set-up the 10% GST tax by entering **10** into the **Country Tax** field.
3. Leave the states and territories with **0% tax** and choose **added to 10% federal tax** from the drop-down.

**COUNTRY TAX**



10 

**REGIONS**



Australian Capital Territory

0  VAT added to 10% federal tax 



New South Wales

0  VAT added to 10% federal tax 



Northern Territory

0  VAT added to 10% federal tax 

Queensland

0  VAT added to 10% federal tax 

South Australia

0  VAT added to 10% federal tax 

*A preview of tax settings for an Australian Shopify store.*

## Input-taxed or GST-free sales

If you are selling **input-taxed** or **GST-free** sales where no GST is charged, you will need to set-up tax overrides.

To set-up tax overrides in Shopify:

1. Go to **Settings** → **Taxes** in your Shopify admin and click Australia.
2. Scroll down to **Tax overrides**.
3. Add a collection of products from your store that are subject to input-tax or GST-free sales and set their **Tax Rate** to 0%.

# Invoices

Sufio invoices are compliant with accounting legislation in Australia. They also serve as valid documentation for both GST taxed and GST-free orders shipped both within Australia and overseas.

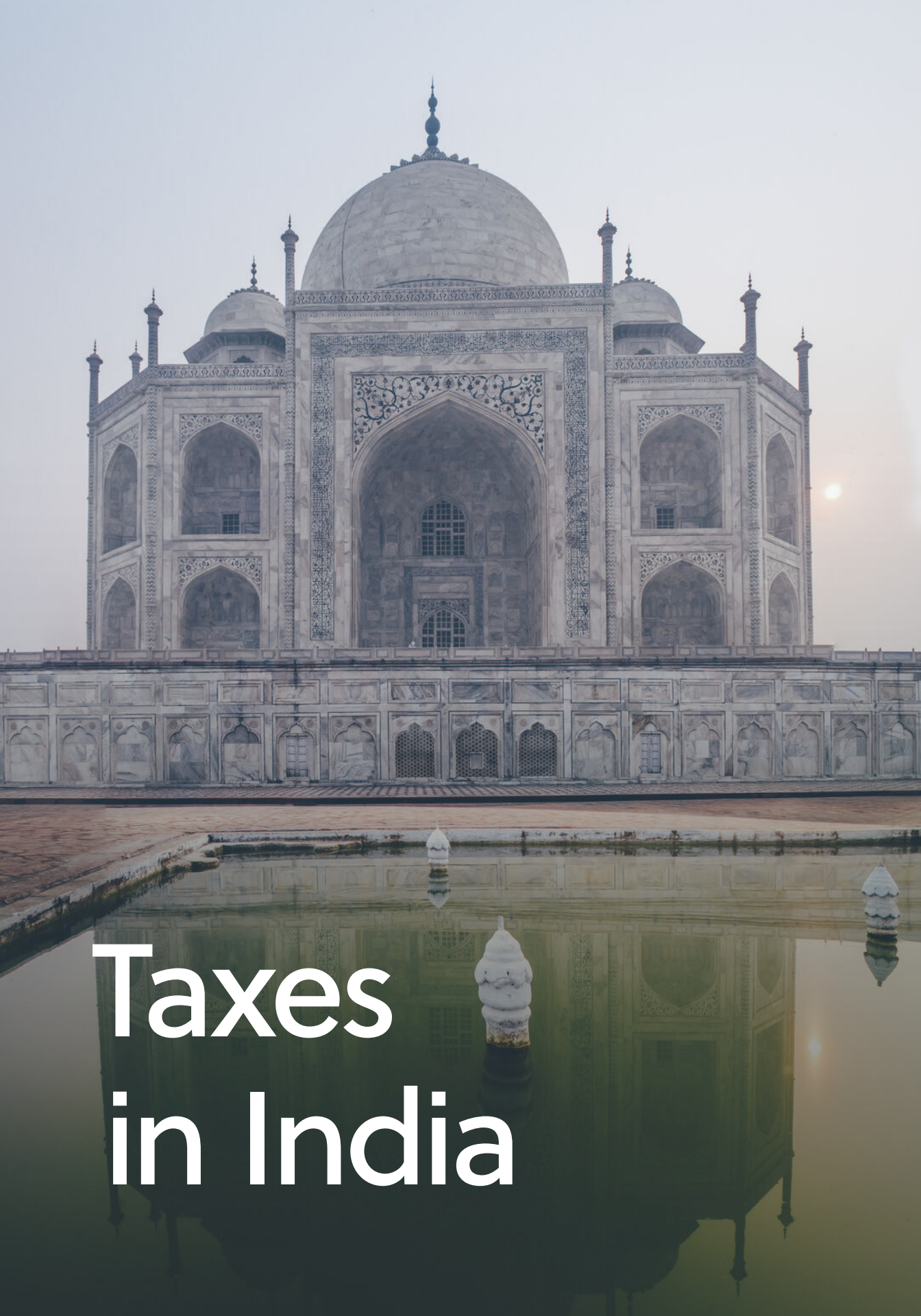
*Issuing invoices with a correct tax breakdown is vitally important for your bookkeeping and tax purposes.*

If you are selling to businesses (B2B), Sufio invoices display all the required information including your ABN (Australian Business Number) and the your customers' ABN.



*“Asked for some help in customising Sufio alongside another app, and Sufio’s customer support service has been great. They manage to fix everything and helped me promptly. Will definitely recommend to anyone!”*

Matteo Rossi – Italian Bathrooms



# Taxes in India

# GST guide for Shopify stores in India

As of July 1, 2017, Goods and Services Tax (GST) has to be charged on all goods and services provided by online stores in India. GST replaces previous taxes collected by the Central government and the State and brings them together under one unified tax.

*Since India is a federal country, GST is still collected by both the Central government and the respective State.*

There are three different taxes united under GST: State Goods and Services Tax (SGST), Central Goods and Services Tax (CGST) and Integrated Goods and Services Tax (IGST).

## What is SGST, CGST and IGST?

- State GST (**SGST**) is a GST collected by the **State** on **intra-state** sales.
- Central GST (**CGST**) is a GST collected by the **Central government** on **intra-state** sales.
- Integrated GST (**IGST**) is a GST collected by the **Central government** on **inter-state** sales. IGST also applies on imported goods and services.

Intra-state sales are transactions carried out within one federal state (e.g. Maharashtra). Inter-state sales are those transactions that happen in between states (e.g. selling from Maharashtra to Goa).

For example, a **store based in Maharashtra** selling items taxed at 18% will charge:

- **SGST 9% + CGST 9%** to a customer in **Maharashtra (intra-state)**.
- **IGST 18%** to a customer in **Goa (inter-state)**.

Online stores based in union territories (such as Delhi) should charge Union Territory GST (**UTGST**) instead of **SGST** on intra-state sales.

There are **four different tax rates** (tax slabs): 5%, 12%, 18% and 28%. These tax rates vary depending on what kind of products you sell.

# Set up Indian tax rates in Shopify

First, please note that you're obliged to charge taxes only if your business is registered for GST.

In most Indian states, you are required to register for GST if your annual turnover exceeds 19 lakhs. In the North Eastern Indian states, the threshold is 9 lakhs.

## Tax settings

You can set **tax rates** for your store on the **Settings** → **Taxes** page in your Shopify admin.

If you do not see India in the list of countries in the **Tax rates** list, you will need to add it as a shipping zone first.


1. If you do not see India in the **Tax rates** list, go to **Settings** → **Shipping** → **Shipping profiles** and click **Create new profile**.
2. Click **Create Shipping zone** and select **India**.

Once you have India included in the **Tax rates** list, you can set up the individual tax rates of each state.

To set-up tax rates for India:

1. Go to **Settings** → **Taxes** in your Shopify admin and click on **India**.
2. Enter the 9% CGST tax rate into the **Country Tax** field.
3. For the state your store is based in, add the SGST (or UTGST) rate and choose **added to 9% federal tax** from the drop-down.
4. For all other states, add the IGST rate and choose **instead of 9% federal tax** from the drop-down.



**COUNTRY TAX**

9 



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**REGIONS**



Andaman and Nicobar

18  IGST instead of 9% federal tax 



Andhra Pradesh

9  SGST added to 9% federal tax 



Arunachal Pradesh

18  IGST instead of 9% federal tax 

Assam

18  IGST instead of 9% federal tax 

Bihar

18  IGST instead of 9% federal tax 

*An example of tax settings for a Shopify store based in Andhra Pradesh.*





## Different tax rates

If you sell products that are taxed at different tax rates (slabs), you will need to add tax overrides.

To set up tax overrides in Shopify:

1. Go to **Settings** → **Taxes** in your Shopify admin and click **India**.
2. Scroll down to **Tax overrides**.
3. Add a collection of products from your store that should be taxed differently and set their **Tax Rates** for both India and individual states.

### Reduced Tax [edit](#)

India	<input type="text" value="2.5"/>	<input type="text" value=""/>	%	instead of 9% federal tax	
Andaman and Nicobar (18)	<input type="text" value="5"/>	<input type="text" value=""/>	%	instead of 9% federal tax	
Andhra Pradesh (9)	<input type="text" value="2.5"/>	<input type="text" value=""/>	%	added to 9% federal tax	
Arunachal Pradesh (18)	<input type="text" value="5"/>	<input type="text" value=""/>	%	instead of 9% federal tax	
Assam (18)	<input type="text" value="5"/>	<input type="text" value=""/>	%	instead of 9% federal tax	
Bihar (18)	<input type="text" value="5"/>	<input type="text" value=""/>	%	instead of 9% federal tax	
Chandigarh (18)	<input type="text" value="5"/>	<input type="text" value=""/>	%	instead of 9% federal tax	

*An example of tax overrides for a Shopify store based in Andhra Pradesh.*

## Caution

Please be aware that changing your tax settings in Shopify will only affect orders and invoices created after the change was done. Taxes on your existing invoices will remain unchanged.

## Invoices

When you set your tax rates correctly in your store, Sufio will automatically create valid invoices with the breakdown of different GST taxes charged.

Issuing invoices with a correct tax breakdown is vitally important for your bookkeeping and tax purposes.

If you are selling to businesses (B2B), Sufio invoices display all the required information including your GSTIN (Goods and Services Tax Identification Number) and your customers' GSTIN.

Also, if your online store has an annual turnover of more than Rs. 1.5 crores, it is necessary that you include HSN codes of your products on invoices. Sufio will automatically display these codes in the Description section of your invoices.



*“It is by far the best customer care experience in Shopify community I have experienced. I love how the app looks, but even more I love the speed of how country specific issues, like translations or required fields get resolved. The communication with Sufio team is great - these guys deserve their success. Kudos!”*

Olga Bukowska – Plants For Humans



# Taxes in the GCC

# VAT guide for Shopify stores in the GCC

If you own a Shopify store that is based in one of the countries of the GCC (Gulf Cooperation Council), it is important that you learn how to charge taxes correctly to your customers with respect to the new tax rules in this region.

On January 1, 2018, VAT (Value Added Tax) was introduced in the United Arab Emirates (UAE) and Saudi Arabia (KSA) with more GCC countries to follow in the near future.

*Your obligation to charge taxes on your online sales is dependent on whether your business (the company that runs your store) is VAT-registered or not.*

You are **required to register for VAT** within 30 days if you are a GCC based business selling goods or services in the UAE or KSA and either:

1. Your turnover was more than AED/SAR 375,000 in the last 12 months; or
2. You expect that your yearly turnover will exceed AED/SAR 375,000.

You can **voluntarily register for VAT** if you are a GCC based business selling goods or services in the UAE or KSA and your turnover or expenses (which will be subject to VAT) were more than AED/SAR 187,500 in the last 12 months.

Each VAT registered business is assigned a **TRN (tax registration number)** or **TIN (tax identification number)** from the tax authority.

A standard VAT rate in the United Arab Emirates and Saudi Arabia is 5%. This rate is uniform across all emirates such as Dubai or Abu Dhabi.

# My business is not VAT-registered

If your annual turnover is below the VAT registration threshold, that is if your business is not VAT registered, you **do not charge VAT on your sales** regardless of where your customers come from.

# My business is VAT-registered

If your business is VAT registered, you have to charge VAT to some customers. You also need to include your TRN on your invoices and receipts in order for them to be valid.

*There are two factors that affect whether you should or should not charge taxes — what country the customer is from and whether they are a consumer (B2C) or a business (B2B).*

Customers from	Consumers	Businesses
Same GCC country	VAT	VAT
Different GCC country	VAT	No VAT
Outside the GCC	No VAT	No VAT

## Customers from the same GCC country

When selling to consumers and businesses in your home country, you should always **charge VAT** and use the **VAT rate of your country**. This applies to selling both physical and digital goods.



*A UAE-based store selling within the UAE.*

## Customers from different GCC countries

When selling to customers from other GCC countries that have VAT (UAE and KSA at the moment), you need to distinguish between selling to **consumers** and **businesses**.



*Consumers in other GCC countries should be charged VAT, but not businesses.*

## Selling to consumers

If you are selling to consumers (B2C) from another GCC country where there is VAT, you should **charge the VAT rate of the country your business is based in.**

## Selling to businesses

If you are selling to VAT registered businesses that are based in another GCC country, you should **not charge them VAT.**

You are required to always issue proper invoices to your business customers. The invoices need to display the **TRN/TIN number of both your business and that of your business customer** and need to clearly demonstrate that **no tax has been charged.**

## Customers outside the GCC

When you are selling to customers outside of the GCC, you **should not charge VAT** on any goods or services.

You will still need to report the sales for VAT and taxation purposes, but show them as sales with 0% VAT. Valid invoices, such as those created by Sufio, can serve as documentation that the goods were shipped outside of the GCC.



*Stores based in the GCC should not charge VAT to any customers from outside the GCC.*

# Set up UAE taxes in your Shopify store

Please note that you're obliged to charge taxes only if your business is VAT-registered.

## Tax settings

You can set taxes for your store in the UAE in **Settings** → **Taxes** of your Shopify admin.

If you do not see the UAE and Saudi Arabia in the **Tax rates** list of countries, you will need to add it as a shipping zone first. you will need to add it as a shipping zone first.

1. If you do not see **United Arab Emirates** or **Saudi Arabia** in the **Tax rates** list, go to **Settings** → **Shipping** → **Shipping** profiles and click **Create new profile**.
2. Click **Create Shipping zone** and select **United Arab Emirates** and **Saudi Arabia**.

Once you have both countries included in your Tax rates list, you can set up their taxes.

To set up tax rates:

1. Go to **Settings** → **Taxes** in your Shopify admin and click on **United Arab Emirates** and **Saudi Arabia**.
2. Enter the **5% tax rate** into the **Country Tax** field.
3. Leave the regions (emirates such as Dubai and Abu Dhabi) with **0% tax** and with the setting **added to 5% federal tax**.

< Taxes

## United Arab Emirates

### Base taxes

All applicable taxes for United Arab Emirates. These taxes will be used unless overrides are specified below.

Reset to default tax rates

### COUNTRY TAX


5 

### REGIONS

Abu Dhabi

0 


VAT

added to 5% federal tax 

Ajman

0 

VAT

added to 5% federal tax 

Dubai

0 


VAT

added to 5% federal tax 

Fujairah

0 


VAT

added to 5% federal tax 

Ras al-Khaimah

0 

VAT

added to 5% federal tax 

Sharjah

0 

VAT

added to 5% federal tax 

Umm al-Quwain

0 

VAT

added to 5% federal tax 

*A preview of tax settings for United Arab Emirates.*

< Taxes

## Saudi Arabia

### Base taxes

All applicable taxes for Saudi Arabia. These taxes will be used unless overrides are specified below.

Reset to default tax rates

### COUNTRY TAX

5 

*A preview of tax settings for Saudi Arabia.*

# Zero-rated and tax-exempt goods

If you are selling **zero-rated** or **tax-exempt** goods (goods for which no tax is charged), you will need to set up tax overrides.

To set up tax overrides in Shopify:

1. Go to **Settings** → **Taxes** in your Shopify admin and click **United Arab Emirates** and **Saudi Arabia**.
2. Scroll down to **Tax overrides**.
3. Add a collection of products from your store that are subject to zero-rate and tax-exempt rules and set their **Tax Rate** to **0%**.

## Invoices

Sufio invoices are compliant with account legislation in the United Arab Emirates. They also serve as a valid documentation for both VAT taxed and VAT-free orders shipped both within and outside the UAE.

*Issuing invoices with a correct tax breakdown is vitally important for your bookkeeping and tax purposes.*

If you are selling to businesses (B2B), Sufio invoices display all the required information including your TRN number and the TRN numbers of your customers.



★★★★★

*“Very useful app. The invoices look great and are very easy to use. Great customer support as well. We needed some customisations which the Sufio team implemented in just a day.”*

Ana Mariya Boneva – Marcellamoda NYC

Sufio

[sufio.com/shopify](https://sufio.com/shopify)