



VAT NEWSLETTER

German Ministry of Finance extends transitional regulations to cover online retailers' registration certificate

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1 Background

In its circular of 28.01.2019, the German Ministry of Finance commented on the liability regulations for online marketplaces and provided for a transitional regulation for marketplace operators' recording obligations (see KMLZ newsletter 08/2019). The German Ministry of Finance has now, in a circular dated 21.02.2019, extended this transitional rule to cover registration certificates.

2 Transitional rule for registration certificate

Online retailers must prove they are registered in Germany for VAT purposes by providing their respective marketplace operators with a registration certificate. The marketplace operator is then, in turn, obliged to record the details of the registration certificate.

According to the transitional rule, as set out in the Ministry's abovementioned circular of 28.01.2019, marketplace operators must record the details of the registration certificates for all online retailers located in third countries as of 01.03.2019 and for all other online retailers as of 01.10.2019. In its circular of 21.02.2019 extending the transitional rule to registration certificates, the German Ministry of Finance states that no complaints will be raised before 15.04.2019, provided that marketplace operators have at least received their online retailers' applications submitted by 28.02.2019 for the issuance of registration certificates.

The extension of the transitional rule reveals the dilemma of fiscal authorities, which do not seem to have sufficient resources to deal with the predictable flood of applications.



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