



KMLZ VAT NEWSLETTER

Entry certificate: Non-objection deadline extended

1. Amended “non-objection provision”

Due to the amended “non-objection provision”, it will not be questioned if evidence for supplies up until 31 December 2013 are provided in their original form (meaning without an entry certificate). Thanks to this fact, companies gain urgently needed time for the implementation.

2. Entry certificate sent by e-mail

If entry certificates are sent by e-mail, it is harmless if these entry certificates are sent from a domain that does not point to the customer’s member state of residence or to the supplier’s member state of destination. Therefore, it is possible to receive an entry certificate for an intra-Community supply from a “.de” e-mail address. Furthermore, the entrepreneur carrying out the supply does not need to know the e-mail address beforehand.

The Federal Ministry of Finance still requires that the e-mail is archived. It is sufficient to archive the e-mails on paper.

Federal Ministry of Finance issued circular on entry certificates

The Federal Ministry of Finance’s final circular has been released and provides much needed relief in many aspects. However, the fiscal authority does not accommodate the tax payer in all aspects. The amended “non-objection provision” stands out as being the most potentially important change.

However, this may not, in practice, be feasible. Companies that carry out a lot of intra-Community supplies should also electronically store entry certificates in any case.

3. Languages allowed

The Federal Ministry of Finance makes it clear that entry certificates in German, English and French are permitted. However, the Federal Ministry of Finance also states that it is compulsory to provide certified translations of entry certificates in every other language. From our perspective, this could prove rather problematic. However, companies could overcome this problem by formulating the entry certificate in two languages. That is to say, the entry certificate should be sent to the customer in the customer’s native language. If the customer’s native language is not German, English or French, the entry certificate should be formulated in two languages. In any event, there is a need for extensive discussions with customers in this regard.



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4. Composite alternative proof

The amended regulation provides a total of seven alternative forms of proof. The Federal Ministry of Finance's circular makes clear that the entry certificate can consist of several documents. This is to explicitly apply for all alternative forms of proof. The prerequisite is that all of the necessary information can be found in the group of documents, as a whole.

5. Courier services

The Federal Ministry of Finance's circular provides further considerable relief regarding courier services. It is no longer essential to state the individual item's value in the written order. This would have been unfeasible. Furthermore, it is sufficient to refer to the invoice regarding the question of the item's usual trade description. This affords considerable relief, however, there will often be no invoice ready at the time of the goods' dispatch. It is incomprehensible as to why one cannot refer to a delivery note.

Furthermore, it is not required that the entrepreneur carrying out the supply receives confirmation proof from the recipient

after the receipt of the goods. It is sufficient to have concluded a written framework agreement concerning regular transports of goods for the written or electronic order.

Moreover, the Federal Ministry of Finance grants a simplification rule for shipments not exceeding EUR 500.00. In this case, a written or electronic order and proof of payment for the item's supply is sufficient. This regulation serves to offer considerable relief with respect to "small amount shipments".

6. Carrier confirmation

The original draft of carrier confirmation in the Federal Ministry of Finance's circular provided a guarantee by the carrier that he, himself, did indeed have an entry certificate. This guarantee was not included in sec. 17a of the German VAT Implementation Code. Carriers would have exposed themselves to considerable liability risks if they had signed such a guarantee. Therefore, it is very pleasing that this sentence has not ultimately been included in the carrier confirmation. This should make it much easier to encourage carriers to issue carrier confirmations.