



26 | 2018

KMLZ VAT NEWSLETTER

A look across the border

1. Australia

Australia intends to implement a taxation of sales and the commission of hotel rooms by non-established suppliers. Where the annual turnover from the provision of Australian hotel rooms exceeds AUD 75,000 p.a., the supplier will have to account for 10 % Australian GST.

2. Greece

With effect from 01.01.2019, invoice details shall be required to be electronically submitted to the fiscal authorities in real time. Initially, only limited liability companies and public law entities shall be affected. However, as from 01.01.2020, every taxable person shall be obliged to submit real time reports. As a consequence, the invoice data must be electronically and simultaneously transmitted to both the recipient and the fiscal authorities. Paper invoices would then be abolished.

VAT developments abroad

AUSTRALIA plans to tax non-established providers of hotel rooms +++ GREAT BRITAIN intends to simplify input VAT deduction of import VAT +++ GREECE is about to introduce real-time reporting obligations and plans to ban paper invoices +++ HUNGARY unofficially grants grace period for real-time reporting +++ INDIA intends to simplify VAT returns +++ ITALY postpones the obligation to issue electronic invoices +++ KUWAIT schedules the introduction of a VAT system for 2021 +++ MALAYSIA abolished GST +++ NEW ZEALAND plans to abolish the exemption limit for imports +++ RUSSIA reduces the exemption threshold for imports +++ SWITZERLAND publishes broadcasting fees +++ SPAIN expands real-time reporting obligations

3. Great Britain

Due to Brexit, the importation of EU goods shall be simplified. As Great Britain is leaving the EU VAT System, importation of EU goods will be subject to 20 % import VAT. Although import VAT is deductible in the VAT returns, it would, nevertheless, result in liquidity costs. In order to prevent such disadvantages, import VAT incurred during a certain reporting period shall not be due before the following VAT return is due.

4. Hungary

Since 01.07.2018, invoice data must be submitted to the fiscal authorities within 24 hours of invoicing. The Hungarian Finance Minister, however, has encouraged the tax offices not to impose penalties for late reports, in instances where the company is already registered in the reporting system and the invoice data is submitted by 31.07.2018.



Contact: Ronny Langer
Certified Tax Consultant, Dipl.-FW (FH)
Phone: +49 89 217501250
ronny.langer@kmlz.de



5. India

The VAT System, which was implemented on 01.07.2017, should be simplified by the end of the year. Currently, there are three VAT returns to be submitted each month. The extensive reporting obligation should be replaced by a single summarizing VAT return which is due once a month. Furthermore, small companies will only be obliged to submit VAT returns on a quarterly basis.

6. Italy

The planned obligation to issue electronic invoices for the supply of fuel at Italian petrol stations, which was planned for 01.07.2018, has been postponed until 01.01.2019.

7. Kuwait

The implementation of a VAT System in Kuwait has been postponed until 2021. Saudi Arabia and the United Arab Emirates have already implemented such a system. The Oman, Qatar and Bahrain plan to implement it in 2019.

8. Malaysia

The Goods and Service Tax, which was implemented on 01.04.2015, effectively ceased operation on 01.06.2018, when the tax rate was decreased from 6 % to 0 %. In a further step, it is planned to replace the GST by a Sales and Service Levy.

9. New Zealand

As from 01.10.2019, the import VAT threshold shall be abolished. Currently, import VAT is not due if the value of the imported goods is below NZD 400. In order to fight tax fraud

and to limit the competitive advantages of foreign companies, it is planned to impose an import VAT of 15 % on each importation, regardless of the value of the goods. However, this only applies if the registration threshold of NZD 60,000 p.a. is exceeded.

10. Russia

The exemption threshold for the importation of goods will be reduced by the end of the year. The previous exemption threshold of EUR 1,000 was reduced to EUR 500 on 01.07.2018. With effect from 01.01.2019, a further reduction to EUR 200 is planned.

11. Switzerland

As from 01.01.2019, every company registered in the Swiss VAT Register will be obliged to pay an annual broadcasting fee. The broadcasting fee will be based on the company's worldwide turnover and can amount to a maximum of CHF 35,590.

12. Spain

As from 01.01.2019, companies which are registered for VAT purposes in the Canary Islands will be obliged to submit real time reports (SII reports). The invoice information will be required to be submitted within 4 working days after receipt of the purchase invoice or after the sales invoice is issued.