



KMLZ VAT NEWSLETTER

A look across the border

1. France

As from 1 December 2015, the Direct Debit Scheme will be obligatory. This applies to all taxable persons registered for VAT in France who hold a bank account with a foreign bank residing in a country accepting the SEPA B2B payment method. This includes all 28 EU member states as well as Switzerland, Liechtenstein, Monaco, Norway and Iceland.

The threshold for distance sales will be reduced from EUR 100,000 to EUR 35,000 with effect from 1 January 2016.

2. Romania

In Romania, the reverse charge scheme will be extended to supplies of integrated circuits with effect from 1 January 2016. It applies to integrated circuits that are not incorporated into end products. Contrary to most other EU member states, Romania will presumably not be limiting the application to certain customs tariff numbers. A detailed descrip-

Changes at year end in other countries

Once again, the fight against loss of tax revenue is the predominant issue for the coming year. Hungary and the Czech Republic are tightening reporting obligations, Romania is extending the reverse charge scheme and France will be the first EU member state to require taxable persons to use the Direct Debit Scheme. Additionally, some countries are focusing on stimulating the economy. Romania is hoping to achieve this aim by dramatically reducing its VAT rates. Italy is delaying the intended increase in its VAT rates. Meanwhile, Austria and Norway are planning to raise revenue by increasing their VAT rates.

tion of the goods, to which the reverse charge scheme applies, is expected to be published at the end of November.

The standard VAT rate will be reduced from 24% to 20% with effect from 1 January 2016. A further reduction is planned to come into effect on 1 January 2017.

3. Slovakia

In Slovakia, the penalties for additional tax payments resulting from a field tax audit or a voluntary self-disclosure will be increased. Instead of flat rate penalties calculated on total tax payments, the penalties will be calculated based on the annual tax payments as from 1 January 2016. The penalties for tax payments resulting from field tax audits will be triple the ECB key rate (max. 10%). The penalties for tax payments resulting from voluntary self-disclosures will be one and a half times the ECB key rate (at least 3%). In



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future, a voluntary self-disclosure will be possible within 15 days after a field tax audit commenced.

The reverse charge scheme will be extended to the supply of goods carried out by taxable persons not established in Slovakia to taxable persons established in Slovakia with effect from 1 January 2016.

4. Hungary

As of 1 January 2016, further requirements will apply on invoicing software. These will have to contain a data export function that allows invoice information to be extracted in xml format for a certain period or a certain invoice number interval. The data export must be possible for all invoices issued as from 1 January 2016.

5. Czech Republic

All taxable persons will be required to file VAT control statements, in addition to VAT returns, as from January 2016. The statements must contain the following information:

- invoice number
- tax base
- VAT amount
- VAT number
- tax point
- bad debt relief.

The VAT control statements will have to be filed electronically in xml format. A penalty of up to EUR 18,000 can be assessed if the statements are filed with delay or if additional tax authority questions are not answered within the required time.

6. Italy

The intention to increase the standard VAT rate from 22% to 24% and the reduced VAT rate from 10% to 12% will not be exercised. The increase will be delayed until 1 January 2017. The standard rate will then be 24% and the reduced rate will be 13%. A further increase to 25% is planned for 1 January 2018.

7. Austria

With effect from 1 January 2016, the reduced VAT rate will be increased from 10% to 13% for the following supplies:

- flights within Austria
- entry to artistic events and cinemas
- entry to swimming pools and thermal pools
- supply of agricultural products.

With effect from 1 May 2016, the reduced VAT rate will also be increased to 13% for the rental of accommodation.

8. Norway

The reduced VAT rate will be increased from 8% to 10% with effect from 1 January 2016. This will have an impact on transport services, entertainment services, such as the supply of cinema and event tickets, as well as the supply of TV licenses.