



# KMLZ VAT NEWSLETTER

## A look across the border

### 1. Bulgaria

Fuel resellers will have to provide a security deposit to the Bulgarian tax authorities if the monthly threshold of BGN 25,000 is exceeded. The deposit can take the form of either a bank guarantee or a cash deposit. The security deposit must constitute at least 20% of the fuel supply's tax base.

### 2. Czech Republic

Effective immediately, the tax base for taxable supplies and supplies of services may already be reduced at the time at which insolvency proceedings are commenced against the particular recipient. However, this will only be the case if the claim has already been in existence for a period of at least six months.

Further, with effect from 01.08.2016, the exchange rate applicable for Intrastat declarations is the same exchange rate, which is applicable for the VAT return.

### Planned amendments by the end of the year

BULGARIA demands security deposit for fuel supplies  
+++ FRANCE eliminates prefinancing of import VAT  
+++ ITALY plans voluntary self-disclosure and offers invoices to be issued by the authorities  
+++ THE NETHERLANDS plans simplification on VAT refunds due to bad debt  
+++ POLAND requires security deposit for VAT registrations  
+++ ROMANIA reduces standard tax rate  
+++ SLOVAKIA pays interest input VAT refunds  
+++ CZECH REPUBLIC regulates input VAT correction in the case of insolvency  
+++ HUNGARY grants EKAER simplification for AEO

### 3. France

For companies established within the European Union, the reverse-charge-mechanism may be applied to import VAT. Thus, pre-financing of import VAT may be avoided by registering with a central customs portal. Then, import VAT due and input VAT may be declared simultaneously. Only import VAT from fuel supplies is not covered and will have to be paid at the time of customs clearance. Further information regarding the actual implementation, is expected to be published by the French tax authorities in the not too distant future.

### 4. Italy

As of 01.01.2017, VAT registered companies will be able to submit purchase and sales transaction details using a single document interface exchange system and have the tax authorities calculate the monthly VAT liability. Furthermore, the tax authorities will offer to electronically create, store and send the respective invoices on behalf of the taxpayer.



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The exchange system is already obligatory for invoices raised to government bodies. As a result of the service, the Italian tax authorities expect VAT fraud to be reduced. As an incentive, companies using the portal will no longer have to submit yearly VAT returns or Intrastat declarations and will also no longer have to provide information regarding supplies to so called “blacklist” countries. Furthermore, the tax authorities will ensure the reimbursement of input VAT refunds within three months.

As of 2017, voluntary self-disclosure may be possible for the first time. Further details are expected to be published soon.

#### **5. The Netherlands**

The Ministry of Finance has published a legislative proposal simplifying the procedure for requesting a VAT refund if an invoice remains unpaid. The Ministry of Finance has proposed that a claim be deemed irrecoverable if it remains unpaid for one year. Furthermore, in contrast to the current situation, where there is a separate application form for VAT refunds due to irrecoverable claims, the refund-application will be part of the monthly VAT return.

#### **6. Poland**

As of 01.01.2017, a deposit in the amount between PLN 20,000 and 200,000 will be required to be made in the case of a new registration. Furthermore, VAT returns will have to be filed electronically.

#### **7. Romania**

Due to an amendment of the Romanian VAT Act, as of 01.01.2017, the standard VAT rate will be reduced from 20%

to 19%. Besides Germany, Luxemburg, Malta and Cyprus, Romania would be one of the few member states applying a standard tax rate of less than 20%. However, this amendment may be annulled as a result of the rising budget deficit and given that, after November's election, a change of government is highly probable. Over the past years, legislative changes at the end of the year have become something of a tradition in Romania.

The requirements for the list of local sales to be submitted on a monthly basis will additionally be increased. As of 01.10.2016, information must also be provided regarding supplies to private individuals. At the outset, only supplies of more than RON 10,000 will have to be included. But as of 01.01.2017, all supplies will have to be reported, regardless of the sales price. In future, the deadline for submitting the customer list will be the 30th day of the month instead of the 25th.

#### **8. Slovakia**

As of 01.01.2017, interest of 1.5% p.a. will be payable on input VAT refunds, in cases where the refund has not been paid within six months of the time at which the right for deduction arose.

#### **9. Hungary**

For the first time since the implementation of the EKAER-system, there is a simplification. Allowed economic operators (AEO) can now make a simplified EKAER declaration. For AEOs, it is sufficient to provide information regarding the supplier, the recipient and the license plate of the transport vehicle when applying for the EKAER number.