VAT'S UP

VAT NEWSLETTER

A look across the border

31 I 2019

1 Portugal

By 31.10.2019 all companies must be registered in the central register of beneficial owners. This obligation now also applies to companies only registered for VAT purposes in Portugal. As part of the registration process, provision of data relating to the identity of a company's shareholders, its administrative bodies and its beneficial owners, as well as data relating to the person registering the company is required. The purpose behind this data request is to prevent terrorist financing and money laundering within the EU. Non-compliance may result in sanctions and fines of up to EUR 50,000 being imposed.

Additionally, as of 01.01.2020 companies will be required to issue invoices using software certified by the Portuguese tax authorities. According to the latest available information, this obligation also applies to companies **that are not established in Portugal but are registered for VAT purposes in Portugal and have a taxable (worldwide) annual turnover of more than EUR 75,000. The obligation to use certified invoicing software is only waived if the reverse charge scheme applies or if self-billing invoices are issued. Non-compliance may result in sanctions and fines of up to EUR 37,500 being imposed.

2 Hungary

VAT shown in purchase invoices, which a taxable person received prior to their registration date, may only be claimed in the first Hungarian VAT return filed. This new regulation came into effect on 01.01.2019. However, the input VAT must be claimed within the five-year limitation period - if necessary, by correcting the first VAT return.

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3 Chile

Chile has discontinued its plan to levy a digital tax of 10% on the online B2C services of non-established companies. The tax was to have been levied on downloadable media and streaming content and was intended to have been withheld by credit card companies registered in Chile. Now, instead of this digital tax, the Chilean Minister of Finance has suggested taxing these types of services with the regular Chilean VAT rate of 19%. This would indicate that non-established providers of online services to Chilean customers now need to register for VAT purposes in Chile in order to be in a position to pay their taxes.

4 Greece

Greece plans to implement real time reporting and e-invoicing with effect as of January 2020. This will include the daily reporting of B2B and B2C invoices via the online portal TAXISnet of the Greek tax authorities.

5 Austria

Austria plans to levy a 5% tax on digital advertising revenues as of 01.01.2020. This special tax would only affect companies with a global revenue in digital advertising of more than EUR 750m and a digital advertising revenue in Austria of more than EUR 25m.

Furthermore, Austria has, once again, postponed the extension of the margin scheme on travel services for B2B transactions from 01.05.2019 to 01.05.2020. As a result, the EU-Commission has announced its intention to commence infringement proceedings against Austria.

6 Poland

The Polish government has published a new draft law on the mandatory split payment. It is proposed that the separate payment of invoices should be mandatory as of 01.09.2019. The tax amount due should be transferred by the performance recipient to a separate tax account of the performance provider. Foreign companies would be obliged to open a bank account in PLN with a bank established in Poland. However, the Polish tax authorities would, upon request, reimburse the costs associated with the establishment of such a bank account. The split payment requirement would primarily be applicable to transactions that are currently subject to reverse charge. A detailed list of the goods and services subject to the obligatory split payment can be found in the Annex to EU Implementing Regulation 2019/310. In addition, each transaction should exceed a gross amount of PLN 15,000. It will be mandatory to indicate the application of the split payment on the invoice (in Polish: "mechanizm podzielonej płatności"). If this reference is not included on the invoice or if the split payment regulation is not applied despite fulfilling the conditions, the Polish tax authorities may impose a penalty payment equivalent to the amount of the VAT due. However, no fines will be imposed in this regard until 01.01.2020.

Furthermore, the new Standard Audit File Tax (SAF-T), which it is envisaged will replace the current VAT return and the additionally filed SAF_VAT, may not come into force for large companies until 01.01.2020. According to the new draft law, fewer boxes will have to be completed. Additionally, the new draft law will more precisely regulate in which cases fines may be imposed on the taxpayer for incorrectly created Standard Audit Files.

7 Slovakia

As of 01.01.2019 the reduced VAT rate of 10% became applicable to accommodation services in Slovakia. Accommodation services include standard hotel accommodation, as well as other accommodation services, e.g. those provided on camping sites.

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