



KMLZ VAT NEWSLETTER

A look across the border

1. Austria

With the aim of combating VAT fraud, the scope of the reverse charge scheme is going to be extended to the following domestic supplies to taxable persons in accordance with Sec. 19 para 1d UStG with effect from 1 January 2014:

- supplies of game consoles (CN-position 9504), laptops and tablet computers (CN-subposition 84713000), if the invoice amount is not less than € 5,000
- supplies of gas and electricity to reseller
- transfer of certificates for gas and electricity
- supplies of metals (CN-section 71 and CN-section XV, with certain exceptions), if not subject to the reverse charge scheme for scrap metals or subject to the margin scheme
- supplies of gold if opted for taxation.

Fight against loss of tax revenue remains the predominant topic in the EU

As usual, the end of the year sees many countries amending their VAT laws. This newsletter addresses the most relevant changes within the EU. The predominant issue is no longer changes in VAT rates but rather the fight against loss of tax revenue. It is not surprising that the scope of the reverse charge scheme will be further extended. Entrepreneurs doing business in the countries concerned may have to amend their EDP systems for the tax finding processes and the new reporting requirements.

Entrepreneurs performing supplies to bodies of the federal government have to issue their invoices in a structured electronic format through a specific portal as from 1 January 2014.

2. Cyprus

As planned, the standard VAT rate will be increased from 18% to 19% and the reduced VAT rate will be increased from 8% to 9% with effect from 13 January 2014. The further reduced rate of 5% will remain unchanged.

3. Czech Republic

The regulation on the liability of the customer for VAT left unpaid by the supplier to the tax authorities, which was previously suspended, will become applicable as from 1 January 2014. The customer can be held liable:



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(a) if he knew or could have known at the date of supply that

- the VAT was intentionally left unpaid ,
- the supplier intentionally placed himself in a position according to which he could not pay the VAT, or
- tax fraud was to be committed.

(b) if the remuneration for the supply

- differs from the usual market price in the absence of commercial reasons therefore,
- is fully or partially paid to a bank account outside the Czech Republic, or
- is fully or partially paid to a bank account other than that which was published by the tax authorities, where the remuneration exceeds CZK 700,000.

(c) if the supplier, at the date of supply, was categorized by the Czech tax authorities as being unreliable.

(d) if the supplier, in the case of supplies of fuel, was not registered according to the law for fuel.

4. France

Now, the time has come. As decided months ago, the VAT rates are going to be increased from 19.6% to 20% and from 7% to 10% with effect from 1 January 2014. The VAT rate of 5.5%, will however, contrary to original plans, not be changed.

5. Greece

A new amnesty scheme has been introduced with respect to the payment of Greek VAT due by EU entities not established and not registered in Greece. The said entities that have effected taxable transactions in Greece, for which they are liable for VAT to the Greek tax authorities but which they have not yet paid, are now permitted to register for VAT in Greece and pay the VAT due without attracting any penalties. This amnesty follows the implementation of a procedure for direct VAT registration without the requirement to appoint a fiscal representative in May 2013. The amnesty only applies if the VAT registration is made by 31 December 2013 and the VAT is paid by 20 January 2014.

6. Slovakia

As explained in our newsletter 27/2013, a new declaration has to be filed as from 2014. It will have to contain detailed information of all invoices for purchases and sales with Slovak VAT and all purchase invoices for intra-Community supplies. The first declaration for January 2014 has to be filed by 25 February 2014. This requirement also has to be met by foreign entrepreneurs registered for VAT in Slovakia.

Furthermore, as planned, the scope of the reverse-charge scheme will be extended to supplies of agricultural crops, metals, mobile phones and integrated circuits for invoices amounting to € 5,000 or more.