



VAT NEWSLETTER

A look across the border

45 | 2020

1 Ireland

Ireland is reducing its regular VAT rate from 23% to 21% from 01.09.2020 to 28.02.2021. Which VAT rate applies, depends on the time of VAT accrual. Accordingly, VAT on local sales is incurred when the invoice is issued. An invoice must be issued, at the latest, by the 15th of the month following the supply of goods or provision of services.

2 Austria

Austria has reduced the applicable VAT rate for certain services for the period 01.07.2020 to 31.12.2020. A reduced VAT rate of 5% applies to hospitality services (supply of food and beverages in restaurants, catering), the tourism sector (accommodation in hotels, campsites) and to art and cultural events (admission to theatres, cinemas, concerts), as well as to the sale of magazines and books.

3 Bulgaria

Bulgaria has reduced its VAT rate for the period 01.07.2020 to 31.12.2021 on the sale of books and magazines, as well as for hospitality services (restaurant, catering) to 9%. For the same period, certain products for babies and infants are also subject to the reduced VAT rate of 9%.

Bulgaria has also introduced an electronic register for call-off stocks. The obligation applies to all taxable persons in Bulgaria to whom goods are supplied via call-off stock from other EU Member States, as well as to Bulgarian taxable persons who themselves supply goods to other EU Member States via call-off stock.



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4 Czech Republic

The Czech Republic has reduced the VAT rate for certain services due to the corona pandemic. From 01.07.2020, the reduced VAT rate of 10% applies to accommodation services, access to cultural and sporting events and to wellness/spa services.

As of 01.01.2021, the Czech Republic also plans to reduce late payment penalties on belated VAT payments.

5 UK

Similar to other EU countries, the UK has decided to temporarily reduce the applicable VAT rate on certain supplies of services. In the period 15.07.2020 to 12.01.2021, a reduced VAT rate of 5% applies to the following services: hospitality (restaurants and catering, excluding alcoholic beverages), culture/tourism (e.g. admission to theatres, circuses, zoos, amusement parks, concerts, no sporting events) and accommodation services (hotel, campsite).

In addition, the UK plans to extend the MTD reporting obligation to companies that have a turnover below the current registration threshold (GBP 85,000), but have registered voluntarily for VAT purposes. This obligation is to apply from 01.04.2022. These companies will then also be obliged to keep digital records and to ensure the "digital link" in the MTD reporting. The obligation to keep digital records and the "digital link" will apply to all other companies subject to the MTD as of 01.04.2021 (postponed by one year due to the corona pandemic, originally planned to apply as of 01.04.2020).

6 Poland

The Polish tax authorities have modified the rules for the application of the White List (KMLZ newsletter [38/2019](#)) on 01.07.2020, thus simplifying the process for the taxpayer. The new application rules are to be applied retroactively as of 01.01.2020:

- Notification of a transfer to an account not listed on the White List must be sent to the tax authorities within 7 days of the transfer order. The previous deadline of 3 days is thus significantly extended. During the corona pandemic, currently an even longer period of 14 days is applied.
- The notification must be sent to the tax office of the purchaser (i.e. the service recipient making the payment) and not to the tax office of the service provider.
- If the supply or service provided is subject to split payment (KMLZ newsletter [31/2019](#)), the White List rules do not apply and the joint liability is no longer applicable.

If the bank account of a supplier is listed on the White List and, hence, no risk of being held liable for VAT exists, can be checked with our VAT-ID Verifier now. As of version 1.5 the data bases in Czechia and Poland are connected to it.

Additionally, the implementation of the new SAF-T structure, as well as the new VAT reporting process (instead of the classic VAT return only transmission of an extended SAF-T file is required) has now been postponed until 01.10.2020.

7 Serbia

Serbia has extended the deadline for filing input VAT refund claims for 2019 from 30.06.2020 to 30.09.2020.

8 Norway

Also in Norway, the deadline for filing input VAT refund claims for 2019 has been extended to 30.09.2020.