KMLZ VAT NEWSLETTER

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A look across the border

Amendments in other EU member states in 2013

Due to the mandatory adaption of Invoicing Directive 2010/45/EU, all EU member states had to amend their national VAT laws by the end of 2012. In addition, VAT rates are rising again and some other amendments require reporting.

All EU member states were obliged to adapt their national VAT laws in response to Invoicing Directive 2010/45/EU which amended VAT Directive 2006/112/EC. The most significant amendments were as follows:

- Simplification of electronic invoicing
- Amendment of certain mandatory invoice content
- Implementation of a time limit to issue invoices for intra-Community supplies, namely by the 15th day of the following month
- Application of the invoicing rules for cross-border supplies
- Permission to apply the exchange rates published by the European Central Bank
- Permission to issue simplified invoices if the total amount does not exceed EUR 100.

The EU member states were required to adopt the amendments by 31 December 2012. Thus, most of them only just implemented the changes to their respective national VAT laws at the end of 2012. The limited scope of this newsletter means that we are unable to provide comments on these issues in the following overview of the amendments in the various countries.

1. Belgium

Previously, the date the invoice was issued was relevant when determining the tax point of a supply. This rule has been amended with effect from 1 January 2013. Now, the date at which the supply is carried out is decisive. If the supply has not yet been carried out, it is the date the invoice is issued or the date of payment that counts.

2. Cyprus

The standard VAT rate in Cyprus will be increased in two steps. With effect from 14 January 2013, the VAT rate will rise by 1 % to 18 %. As from 13 January 2014, the VAT rate will rise again to 19 %. The reduced VAT rate will also be increased, from 8 % to 9 %, effective from 13 January 2014.

3. Czech Republic

As planned, the standard VAT rate was increased from 20 % to 21 % and the reduced VAT rate was increased from 14 % to 15 % with effect from 1 January 2013. The implementation of a single uniform VAT rate of 17.5 % has been postponed until 2016.

4. Finland

The VAT rates have been increased in Finland with effect from 1 January 2013. Now, the standard rate is 24 % and the reduced rates are 10 % and 14 %.

5. France

Contrary to what had been promised during the Presidential election, the French government has now announced that the standard VAT rate will rise from 19.6 % to 20 % and the reduced VAT rate will rise from 7 % to 10 % with effect from 1 January 2014.

6. Italy

The rise in VAT rates on 1 July 2013, that had previously been decided, will no longer be 2 % but rather, only 1 %. The standard VAT rate will then go up to 22 % and the reduced VAT rate will go up to 11 %.

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Besides the mandatory adaption of Invoicing Directive 2010/45/EU, two additional amendments of the rules on invoicing have been implemented by decree no. 112/2012. With effect from 1 January 2013, invoices must be numbered with a specific and unambiguous reference. As a consequence, the invoice numbers shall not be progressive for each calendar year anymore. Furthermore, the VAT identification number of the customer always has to be mentioned in the invoice.

7. Portugal

With effect from 1 January 2013, all taxable persons registered for VAT in Portugal are required to report certain sales invoice information, on a regular basis, to the Portuguese tax authorities. For example, the tax numbers and the tax base, as well as the VAT amounts, have to be reported. The declarations have to be filed on a monthly basis by the 25th day of the following month. The filings can be made via a web service by using specific software, by submitting XML-files or by entering the data manually on the homepage of the tax authorities.

8. Poland

The intended amendment of the Polish VAT law was not fully implemented at the end of 2012 but will be realized in several phases. With effect from 1 January 2013, the following particular amendments have been implemented due to Invoicing Directive 2010/45/EU:

- Change to the provisions to decrease output and input VAT because of non-collectible invoices (particularly, reduction of the time limit to 150 days and abolition of formal requirements)
- Abolition of the obligation to issue internal invoices.

As a second step, further changes will become effective on 1 April 2013. The most relevant amendment will be the limitation of the reverse charge scheme for local supplies within Poland. The liability to pay the VAT will no longer be shifted to the customer if the supplier is not established in Poland but registered for VAT purposes. It will still be a requirement that the customer is established in Poland.

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