



A look across the border

1 Bahrain

On 01.01.2019, Bahrain established a portal for electronic registration as part of the introduction of VAT on the Arabian Peninsula. Non-resident companies must register via the online portal if they carry out taxable transactions in Bahrain. There is no registration threshold for this. In order to register, the names and personal tax numbers of a company's management, as well as its last (audited) annual financial statement, are to be included in the company's registered information.

2 Brasil

The newly formed committee, founded by President Bolsonaro for the purposes of implementing a tax reform, has published first details. According to this publication, Brazil intends to replace the current large number of indirect taxes by a value added tax, which corresponds to European VAT. Brazil is planning to abolish the existing varying taxes of the individual federal states and municipalities bit by bit and to harmonise them over the next twelve years.

3 India

With effect from 01.01.2019, India reduced the standard rate of its Goods and Service Tax (GST) from 28% to 18% for particular supplies, including the supply of televisions, video cameras, game consoles and engine spare parts.



Ronny Langer
Certified Tax Consultant,
Dipl.-FW (FH)

+49 (0) 89 217 50 12-50
ronny.langer@kmlz.de

4 Croatia

As from 01.01.2019, the reverse charge mechanism for local supplies is no longer applicable in Croatia if the supplying taxable person is registered for VAT purposes. Thus, the obligation to submit INO PPO declarations has ceased to exist. Previously, all transactions falling within the scope of the national reverse charge mechanism had to be declared separately. However, with the abolition of the INO PPO declaration, companies are now obliged to electronically submit a complete list of the received incoming invoices together with their VAT returns.

5 Austria

In order to avoid tax losses, Austria plans to make electronic marketplaces more responsible. Operators of electronic marketplaces should record detailed information about the individual traders using their site and forward the information to the Austrian tax office. The information shall include, for example, annual turnover, customer names and records concerning stocks. The new regulations should enter into force on 01.01.2020, at the earliest.

6 Poland

As from 01.01.2019, the deadline for reducing the tax base due to bad debts was reduced. Previously, receivables were considered uncollectible if they were not settled within 150 days of their due date. Since 01.01.2019, receivables are now considered uncollectible 90 days after their due date.

7 Portugal

Portugal has expanded the application of the reduced VAT rate of 6% to cover e-books, as well as entry entries to cultural events.

8 Czech Republic

The Czech Republic is the first EU Member State planning to extend the reverse charge mechanism to all local supplies. The general reverse charge mechanism should to be introduced on 01.07.2020.

9 UK

The UK is continuing to push its Making Tax Digital initiative (see KMLZ Newsletter 53/2018). From 01.04.2019, companies domiciled in the UK or having a fixed British establishment must generate their VAT returns directly from the accounting system. For companies that are only registered in the UK, this obligation only applies from 01.10.2019. All companies having a turnover in excess of GBP 85,000 p.a. will be affected by the regulations.

10 USA

Like South Dakota, (see KMLZ Newsletter 27/2018), New York State and Texas now also oblige online retailers to levy and pay sales tax. In New York State, online retailers will have to register if their gross annual turnover of supplies to New York State is in excess of USD 300,000.00, and if the online retailer makes more than 100 supplies per year. In Texas, online retailers are required to register if their gross turnover to customers in Texas exceeds USD 500,000 p.a. The regulations in New York State enter into force with immediate effect. In Texas, the registration obligation will be introduced as from 01.10.2019.