

12-2019

31/12/2019 **United Kingdom** - Limitation on deduction of input VAT on hired and leased cars

The Council Implementing Decision 2019/2230 authorised the United Kingdom, until 31 December 2022, to continue restricting to 50% the right to deduct the VAT incurred with hired or leased vehicles, which is not exclusively used for business purposes.

31/12/2019 **Luxembourg** - Mandatory electronic VAT filing

As from 1 January 2020, VAT returns and summary statements for Intra Community supplies and services must be electronically filed through the eCDF platform.

27/12/2019 **Slovenia** - Reduced VAT rate applicable to printed and electronic publications

As from 1 January 2020, a 5% VAT rate became applicable to printed and to electronic publications.

27/12/2019 **Bulgaria** - Amendments to VAT Rules

As from 1 January 2020 the following conditions became also mandatory for the application of the 0% VAT rate to Intra community supplies:

- The customer must provide its VAT number;
- The intra community supply must be correctly reported in the respective EC Sales List; and

The suppliers must have a document, such as an invoice, for the intra community supply and a document evidencing the transport of the goods to the other EU Member State.

27/12/2019 **Luxembourg** - VAT registration threshold

The recently published Council Implementing Decision 2019/2210 authorised Luxembourg to apply a VAT registration threshold of 35 000 EUR to locally incorporated businesses.

The above measure substantiates a specific derogation of article 285 of the VAT Directive and was granted to Luxembourg until 31 December 2022.

27/12/2019 - Clarifications provided regarding the VAT quick fixes

The VAT quick fixes entered into force on 1 January 2020 and in such context a final version of the respective explanatory notes has been recently published by the European Commission.

20/12/2019 **Greece** - Clarifications provided regarding domestic reverse charge mechanism

The Public Revenue Authority has recently published circular A.1439, which provides clarifications regarding the application of the reverse charge mechanism, namely regarding the set up for the use of the electronic application which determines whether the recipient is a taxable person with the right to deduct input VAT.

20/12/2019 - Adoption of Implementing Regulation regarding distance sales and supplies facilitated by electronic interfaces

The Council Implementing Regulation (EU) 2019/2016, amending Implementing Regulation (EU) No 282/2011, has been recently adopted and shall be applied as from 1 January 2021. This regulation provides binding rules regarding supplies of goods and services provided through electronic interfaces and regarding the special scheme for taxable persons who perform distance sales and certain domestic supplies of goods.

20/12/2019 **Italy** - Limitation on deduction of input VAT on motorised road vehicles

Italy has been recently granted with an extension of the authorisation to continue limiting to 40% the right to deduct the input VAT incurred on motorised road vehicles which are not exclusively used for business purposes.

The extension is granted until 31 December 2022.

20/12/2019 **Bulgaria** - VAT registration threshold

On 1 January 2020 the threshold for mandatory VAT registration of 50 000 BGN became no longer applied for foreign persons performing taxable supplies in Bulgaria.

In this context, if a VAT registration obligation arises for such persons, the application for VAT registration must be submitted to the National Revenue Agency at least 7 days before the VAT becomes due for the first supply (or advance payment) in Bulgaria.

13/12/2019 **Lithuania** - Measures on VAT for cross-border trade

The EU Directive 2018/1910 on harmonization and simplification of VAT for cross-border trade was approved and will come into force in 1 January 2020. Some of the measures foreseen are related with specific rules that attribute the intra-Community transport of the goods to a concrete supply within a chain of transactions, introduction of requirements for the application of the VAT exemption on intra EU supplies and are also related with simplification measures related to call-off stock arrangements.

13/12/2019 **Luxembourg** - Measures on VAT for cross-border trade

The EU Directive 2018/1910 on harmonization and simplification of VAT for cross-border trade was approved in the parliament on November 2019 and will come into force on 1 January 2020. The new regulations concern to simplifications measures related to call-off stock arrangements, which will, under certain conditions, shift the payment of the VAT to the customer and therefore will no longer make the VAT registration compulsory in the Member State of the customer.

Other measures are related with the introduction of a provision stating that the VAT exemption on intra community supplies can only be applied (i.) if the VAT number of the purchaser is identified, (ii.) if the intra community transport is provided and (iii.) if the supply has been properly and timely included in the respective IC Sales Listing declaration.

Finally, other measures concern to new rules for the attribution of the intra-Community transport of the goods to a concrete supply within a chain of transactions.

13/12/2019 **Czechia** - Generalised reverse charge mechanism

The Council Implementing Decision (EU) 2019/1903 was published in the Official Journal of the European Union and authorized the Czech Republic to apply the Generalised Reverse Charge Mechanism. However, it has not yet been transposed into the national legislation.

13/12/2019 **Switzerland** - Interest rates to be applied in 2020

As from 1st January 2020 will be applied an interest rate of 3% to the tax arrears and to VAT refunds. However, for advance payments the interest compensation will be 0%.

06/12/2019 **Germany** - Amendments to VAT rules

On 29 November 2019, the Federal Council approved the draft bill with the following amendments related with VAT:

- Implementation of the EU Directive 2018/1910, specifically by (i.) including a provision on the call-off stock arrangements, (ii.) harmonizing the rules on chain transactions and (iii.) providing rules that clarify that the IC Sales Listing declaration is a mandatory requirement for the application of the VAT exemption on intra community deliveries of goods.
- Implementation of a provision that foresees that the fact that any of the taxable persons involved on an intra community acquisition knew or ought to have known that in the chain transaction was committed VAT fraud, will preclude the right to deduct the respective VAT or the application of the VAT exemption.
- Application of the reduced VAT rate to electronic books.

06/12/2019 - VAT e-commerce rules published

The EU Directive [2019/1995](#) has been published in the Official Journal of the EU and it amends the provisions related with distance sales of goods and certain domestic supplies of goods. Specifically, this Directive includes a VAT reporting and payment obligation for electronic interface operators, who facilitate sales of goods between suppliers and non-taxable person customers.

These rules will enter into force on 1 January 2021.

06/12/2019 **Croatia** - Amendments to VAT rules

The below changes will be applicable as from 1 January 2020:

- Implementation of the “quick fixes” foreseen in the EU Directive 2018/1910, regarding the harmonization and simplification of VAT for cross-border trade. The new measures are related with call-off stock arrangements, chain transactions and the VAT exemption for intra-Community supplies of goods.
- The preparation and supply of meals, including desserts, inside and outside a catering facility will be subject to the 13% VAT rate.

A taxable person’s VAT liability can be remitted based only upon the collection of the consideration for supplies made, if it has a seat, permanent address or temporary residence in Croatia, and its value of supplies has not exceeded HRK 7,5 million of net VAT, in the previous year.