

## 04-2020

24/04/2020 - European Court of Justice, “CTT - Correios de Portugal”, Case C-661/18 – Changing of deduction method

The ECJ has ruled that the Article 173(2)(c) of the Council Directive 2006/112/EC, conjugated with the principles of fiscal neutrality, legal certainty and proportionality must be interpreted as not precluding a Member State from prohibiting a taxable person from altering the deduction method once the final proportion of recoverable input VAT has been fixed.

On the other hand, the ECJ has ruled that the Articles 184 to 186 of the same Directive, conjugated with the principles fiscal neutrality, effectiveness and proportionality, must be interpreted as precluding national legislation of denying the opportunity of correction the deduction method previously used, by using the actual use method in a situation where certain conditions are met (notably if the taxpayer considered in good faith that a transaction was VAT-exempt whereas it was in fact taxable).

24/04/2020 **Italy** - Communication of data on Supplies of Fuel

Under the recently issued Protocol No. 171426/2020 the communication of data on daily considerations received for supplies of fuel and gasoline intended to be used as motor fuel must be submitted electronically as from 1 September 2020, or as from 1 January 2021, depending if the taxable person has supplied in 2018 more, or less than 1.5 million litters of fuel and gasoline, respectively.

24/04/2020 **Greece** - COVID-19 crisis: Set-off on Certified VAT Liabilities

In the context of the Covid-19 crisis, the Independent Authority for Public Revenue has clarified that, a set-off on certified VAT liabilities is granted, when they have a payment date from 1 May 2020 onwards, are equal to 25% of the March VAT payable, and provided that the later amount is paid on time.

Since measures concerning Covid-19 are rapidly changing, this article is for information purposes only. Any companies intending to act upon this article should first contact us for specific advice concerning these elements.

24/04/2020 **Spain** - COVID-19 crisis: Zero and reduced VAT rate on certain supplies

In the context of the Covid-19 crisis the Spanish government announced the decreased of the following VAT rates:

- 4 % VAT rate applicable on supplies of digital books, newspapers and magazines, when they do not contain mainly advertisement ; and
- 0 % VAT rate on supplies of medical equipment intended to be used in the treatment of Covid-19 patients.

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24/04/2020 **Belgium** - COVID-19 crisis: Deadline for claiming VAT refund and filing VAT Return for April 2020

The Belgian Federal Service announced that the deadline for the submission of the April 2020 VAT Return is extended until 5 June 2020 and the period which certain taxable persons have for claiming a monthly refund is extended from 20 May 2020 until 24 May 2020.

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24/04/2020 **Poland** - COVID-19 crisis: 0% VAT rate on certain goods

In order to mitigate the effects of the Covid-19 crisis, the Polish Tax Authorities clarified that the 0% VAT rate will be applied until 31 August 2020 on certain medical equipment supplied to those recipients who have a higher risk of infection by Covid-19 and if the equipment is donated free-of-charge.

In addition a 0% VAT rate will be also applied until 30 June 2020 on supply of laptops and tablets donated by taxpayers to educational institutions.

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24/04/2020 **Hungary** - COVID-19 crisis: VAT Measures Introduced

With the aim of reducing the impact of the Covid-19 crisis, the Hungarian

government announced that refunds will be made within 30 days for small and medium-sized companies (instead of 75 days), provided that they are not considered risky taxpayers and will be made within 20 days for reliable taxpayers. Since measures concerning Covid-19 are rapidly changing, this article is for information purposes only. Any companies intending to act upon this article should first contact us for specific advice concerning these elements.

24/04/2020 **United Kingdom** - COVID-19 crisis: 0% VAT rate on supplies of personal protective equipment

In order to mitigate the effects of the Covid-19 crisis, HMRC announced that the 0% VAT rate applies from 1 May 2020 until 31 July 2020 to the supplies of personal protective equipment.

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24/04/2020 **Bulgaria** - COVID-19 crisis: Customs duties and VAT exemption of certain imported goods

In order to mitigate the effects of Covid-19 crisis, the National Revenue Agency announced the exemption from import VAT and customs duties of certain medical products required to combat the Covid-19 pandemic.

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24/04/2020 **Portugal** - COVID-19 crisis: Extension of submission and payment of VAT

The Portuguese tax authorities have extended the deadline for filing of VAT returns, as follows:

- For taxpayers within the monthly VAT regime, the filing deadline will be the 18 May and the 18 June regarding the April and May 2020 VAT returns, respectively. The payment must be made until 25 of the month of delivery of the return.
- For taxpayers within the quarterly VAT regime, the filing deadline will be 22 May

regarding the first quarter of 2020 VAT return. The payment must be made until 25 May 2020.

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17/04/2020 **Belgium** - COVID-19 crisis: Deadline for claiming March 2020 VAT refund

The Belgian tax authorities announced that the March VAT return, in which a VAT refund would be reclaimed, must be submitted until 3 May 2020, and not until 7 May 2020.

Notwithstanding the general deadline for the submission of the March VAT return remains extended until 7 May 2020.

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17/04/2020 **Italy** - COVID-19 crisis: Clarifications and guidelines provided by Tax Authorities

In the context of the Covid-19 crisis the Italian Tax Authorities issued Circular No. 7/E of 27 March 2020, Circular No. 8/E of 3 April 2020, Circular No. 9/E of 13 April 2020 and Circular No. 10/E of 16 April 2020, providing several guidelines and clarifications on the application of Law Decree No. 18 of 17 March 2020 and Law Decree No. 23 of 8 April 2020.

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17/04/2020 **Greece** - COVID-19 crisis: Customs duties and VAT exemption to imported goods

The Greek Public Revenue Authority published circular E.2045, in which is granted the relief of import duties and the VAT exemption on specific products required to combat of the Covid-19 pandemic.

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17/04/2020 **Spain** - COVID-19 crisis: Extension of submission and payment of VAT

The deadline for filing VAT returns and payment of VAT may be extended from 20 April 2020 to 20 May 2020, for companies that fulfil certain conditions, such as not having exceeded 600 000 EUR of turnover in the previous year, i.e. 2019.

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17/04/2020 **Denmark** - COVID-19 crisis: Measure to improve liquidity on SMEs

In order to improve the liquidity of small and medium enterprises, the Government has announced that the VAT payments made in March 2020 related to operations performed in the last quarter/semester of 2019 may be received back, as a loan without interest.

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17/04/2020 **Italy** - COVID-19 crisis: Electronic Invoicing

The Italian Tax Authorities have recently published Protocol No. 166579/2020, which foresees technical specifications that may be applied by qualifying taxable persons regarding electronic invoices issued and received as from 1 October 2020.

Notwithstanding the above, considering the Covid-19 crisis, such taxable persons can continue applying the current technical specifications until 31 December 2020.

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17/04/2020 **Austria** - COVID-19 crisis: 0% VAT rate applicable to respirator masks

In the context of the Covid-19 pandemic, the Austrian Ministry of Finance announced that from 13 April 2020 until 1 August 2020 the supplies and intracommunity acquisitions of respirator masks will be subject to a 0% VAT rate. Since measures concerning Covid-19 are rapidly changing, this article is for information purposes only. Any companies intending to act upon this article should first contact us for specific advice concerning these elements.

#### 17/04/2020 **Greece** - COVID-19 crisis: set off of specific VAT liabilities

The recently published Legislative Act FEK A' 84/13-04-2020 foresees a provision of a set-off of specific tax liabilities, which have a payment date from 1 May 2020 onwards, equal to 25% of March VAT payable, provided that the later amount is timely paid.

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#### 17/04/2020 **Spain** - COVID-19 crisis: Decrease in VAT rate for certain goods

According to Law Decree 15/2020, supplies of goods, imports and intra community acquisitions of health products are subject to the 0% VAT rate until 31 July 2020, provided that some requirements are met, such as the recipients of those goods must be public law entities, for instance clinics or hospital centres, or private entities of a social nature.

In addition, it is foreseen that the VAT rate applicable to digital books, newspapers and magazines is reduced to 4% provided that it does not contain predominantly advertising.

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#### 17/04/2020 **Estonia** - COVID-19 crisis: Decrease in VAT rate for certain goods

In order to mitigate the effects of Covid-19 crisis, the Estonian parliament adopted the bill which foresees the application of 9% VAT rate from 1 May 2020 to all books, educational literature and certain press publications.

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#### 17/04/2020 **Romania** - COVID-19 Crisis: VAT refunds

In the context of the Covid-19 crisis, several tax measures have been announced. Among others it is foreseen that VAT refunds will be done and, depending on a risk analysis, a tax audit may take place afterwards.

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#### 10/04/2020 **Luxembourg** - COVID-19 crisis - VAT Deferral

The Luxembourg Tax Authorities announced that a deferral of the VAT payment can be requested by taxpayers that, among other conditions, are financially affected by the Covid-19 crisis.

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#### 10/04/2020 **Greece** - COVID-19 crisis - VAT exemption

Until 14 November 2020, the supply of goods in the form of donations for charitable purposes, which are made by legal persons or individuals subject to VAT, of movable and immovable property, such as protective equipment are VAT exempt.

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#### 10/04/2020 **Italy** - COVID-19 crisis - Deadlines for VAT payment suspended

On 8 April 2020, new measures were published in the Official Gazette, in order to mitigate the effects of the Covid-19 crisis.

In particular, the VAT due for April and May has been suspended for companies

which fulfil certain conditions. Such payments should now be satisfied by 30 June 2020, if done in a single instalment, or from June 2020, in case it is done up to 5 equal monthly instalments).

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#### 10/04/2020 **Belgium** - VAT rules applicable on intra community transactions

The Belgian tax authorities published Circular 2020/C/50 which is applicable retroactively from 1 January 2020. Among other measures, it is foreseen the transposition of the quick fixes rules, such as the introduction of the following mandatory requirements in order to apply the VAT exemption on intra-community deliveries: (i.) having the VAT number of the buyer stated on the intra community delivery invoice and (ii.) reporting the respective transaction in the EU Sales list.

#### 03/04/2020 - COVID-19 crisis – Relief from import duties and VAT exemption

The European Commission has recently published a decision which foresees the possibility to the Member States to consider certain goods free of import duties and exempt of VAT.

This measure relates to goods needed to combat the effects of the COVID-19 outbreak during 2020, imported as from 30th January until 31st July 2020, at least. Since measures concerning Covid-19 are rapidly changing, this article is for information purposes only. Any companies intending to act upon this article should first contact us for specific advice concerning these elements.

#### 03/04/2020 **Netherlands** - COVID-19 crisis – measures implemented

In order to mitigate the impact of Covid-19, the Dutch Tax Authorities clarified that the supplier of the electricity and/or natural gas will not charge VAT to companies during the periods of April, May and June 2020.

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#### 03/04/2020 **Greece** - COVID-19 crisis – VAT deferral



In the context of the measures implemented as a result of Covid-19 crisis, the Public Revenue Authority clarified that the VAT payment deadline can be extended. In addition, it has been also clarified that the payment of certified debts, which became or will become due between 11/03/2020 and 30/04/2020 and which are established through the filling of (debit ) VAT returns may also be suspended.

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### 03/04/2020 **Cyprus** - COVID-19 crisis - VAT payments deferral

As a result of Covid-19 crisis, the Cyprian Authorities have announced a deferral procedure of VAT payable amounts for the periods ending on 29th February 31st March and 30th April 2020, until 10th November 2020 provided that some conditions are met, notably that (i) a taxable person submits the relevant VAT return within the statutory due date, (ii) the VAT payable amount for the above periods is settled by 10th November 2020 and (ii) the economic activity of the taxable person in accordance with its registration certificate is not one expressly excluded from receiving that benefit.

There will be no additional tax on VAT payable amounts, the annual interest will not apply and any criminal sanctions against taxable persons for failure of VAT payments and submission of tax returns will be suspended for the above-mentioned periods.

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### 03/04/2020 **Spain** - COVID-19 crisis - measures implemented

During the state of emergency, the Spanish Authorities grant to self-employed and small and medium-sized companies the possibility to suspend payments of electricity, natural gas or piped LPG used during the emergency state. In parallel, with the aim of avoiding unduly financial costs for the energy distributors, VAT and excise duties settlements corresponding to the invoices of the electricity, natural gas or piped LPG whose payment has been suspended will be

waived. This arrangement will be maintained as long as the consumer has not fully paid the invoice or when 6 months from the end of the state of emergency have elapsed.

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#### 03/04/2020 **Italy** - Supplies of seaport services: ruling published

The Italian Tax Authorities provided clarifications on the VAT treatment applicable to supplies of services carried on in seaport areas: the VAT zero-rate regime applies to supplies of seaport services which are essential for the rapid movement of goods and means of transport.

Nevertheless, the purchase, rental and maintenance of machinery used for lifting, moving and transferring goods, sweepers, and trucks are subject to VAT according to the general rules.

#### 03/04/2020 **France** - COVID-19 crisis – no input VAT adjustment on certain products

The French Tax Authorities clarified that gifts of medical products (masks, hand sanitizers, protective clothes and ventilators) made to care facilities (hospitals, nursing homes, physicians, etc.) or to public authorities (state or local authorities) are not subject to any input VAT adjustment during the COVID-19 pandemic.

This measure applies to gifts made during the Covid-19 health emergency period, the end of which is currently set at 24 May 2020 (subject to further extension).

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