

09-2020

04/09/2020 **United Kingdom** - Clarifications regarding compensation or early termination fees

HMRC has recently clarified that charges defined as compensation or early termination fees are generally liable for VAT. This is in line with the position adopted by the ECJ on the cases MEO (Case C-295/17) and Vodafone Portugal (Case C-43/19).

04/09/2020 **Italy** - Clarifications on place of Supply of pleasure boats

The Italian Tax Authorities have recently clarified that as from 1 November 2020, the place of supply of supplies of leasing, hiring and similar of pleasure boats is deemed to be outside the European Union where it is proven that the respective use and enjoyment occurs outside the European Union.

04/09/2020 **Portugal** - Adoption of the EU VAT e-commerce package

The EU VAT e-commerce package, regarding distance sales of goods and certain domestic supplies of goods, provided under Council Directive (EU) 2017/2455 of 5 December 2017 has been adopted by Portugal and will enter into force on 1 January 2021.

In this context, several amendments are foreseen, such as (i.) the approval of a specific regime for taxable persons that supply services to non-taxable persons who make distance sales or certain local sales, and (ii.) the revocation of the specific VAT regime for telecommunications, broadcasting and electronic services companies, which are not established neither in the Member State in which these services are provided, nor in other EU Member State and that provide services to non-taxable persons domiciled in the European Union.

04/09/2020 - European Court of Justice, “Ramada Storax”, Case C-756/19 - VAT Adjustments for Bad Debt Relief

The ECJ has ruled that the articles 90 and 273 of the EU VAT Directive (2006/112) must be interpreted as precluding a national legislation to refuse the right of reduction of the VAT paid and relating to debts deemed irrecoverable following insolvency proceedings, when such debts have been considered as irrecoverable by

another member state.