

12-2020

23/12/2020 **Norway** - VAT Exemption for Electric Zero-Emission Vehicles extended

EFTA Surveillance Authority authorized Norway to continue to apply the VAT exemption on electric zero-emission vehicles. This authorization is valid until 31 December 2022.

23/12/2020 **Greece** - Extension of the Reduced VAT Rates for Certain Islands

The application of reduced VAT rates of 17%, 9% and 5% in the islands of Samos, Leros, Chios, Lesbos and Kos has been extended until 30 June 2021.

23/12/2020 **Austria** - COVID-19 crisis: Tax Measures

The draft bill on regarding COVID-19 tax measures has been approved by the Austrian parliament. Such bill prolongs the application of the already existing measures to support taxpayers during the COVID-19 pandemic and provides other amendments to tax laws, such as the introduction of an interest deduction limitation rule to enter into force on 1 January 2021.

23/12/2020 **Ireland** - VAT eCommerce Rules

It has been recently published by the Revenue the Tax and Duty Manual VAT eCommerce Rules - 1 July 2021, which provides an overview of the amendments made on the VAT Directive relating to the VAT eCommerce rules that will become effective as from 1 July 2021. Among other changes, it is foreseen the abolishment of the current VAT exemption for goods in small consignments of a value of up to EUR 22.

In addition a new Import One Stop Shop scheme (IOSS) will be introduced to simplify the importation of low value goods into the European Union - i.e. goods imported into the European Union from a third country in consignments that do not exceed an intrinsic value of EUR 150. Where the IOSS is used, the supplier will charge VAT to the customer at the time of the supply and the goods will not be subject to VAT at the time of importation; and where the IOSS is not used, a second

simplification mechanism will be available for imports. Import VAT will be collected from customers by the customs declarant (e.g. postal operator, courier firm, etc.) which will make payment to the customs authorities via a monthly payment.

23/12/2020 **Croatia** - VAT Obligations for Distance Sales of Goods and abolishment of the VAT exemption for import of small parcels

Croatia has transposed into national legislation the Directive (EU) 2019/1995, concerning the EU VAT obligations regarding distance sales of goods. In this context, taxpayers, operators of electronic interfaces will be responsible for collecting and remitting VAT for sales of goods by taxpayers established outside of the European Union to consumers within the European Union.

In addition, Croatia has announced the abolishment of the VAT exemption for small parcels, with a value of less than EUR 22, imported into the European Union. The above measures will become effective on 1 January 2021.

23/12/2020 - Reduced and Zero VAT Rate on COVID-19 Vaccines and In Vitro Diagnostic Medical Devices

The Council of the European Union announced that the zero VAT rate shall be applied to COVID-19 vaccines and a reduced or zero VAT rate to in vitro diagnostic medical devices, with effects as from 12 December 2020 until 31 December 2022.

16/12/2020 **United Kingdom** - VAT Treatment of Overseas Goods Sold to UK Customers

HMRC has recently published a guidance regarding overseas suppliers who will sell goods after 31 December 2020, with a value equal or lower than 135 GBP, directly to customers in Great Britain. In this context, this guidance foresees that such suppliers will have to charge and account for UK VAT at the point of sale (i.) when goods are outside of Great Britain at the time of sale, (ii.) when goods are sold in a single consignment and (iii.) when goods sold valued at up to 135 GBP.

In light of the above, the sellers will have to register for VAT in the UK, keep the respective records and apply the accurate VAT rate.

On the other hand, in the cases where goods have a higher value than 135 GBP, the normal rules for import of goods will apply and at the point of sale in Great Britain such goods will be liable to UK VAT at the relevant VAT rate and overseas

businesses will need to register for VAT in Great Britain.

16/12/2020 **Slovenia** - VAT Payment Deferral option and Import VAT relief

The Slovenian parliament has recently introduced, under the "Law Determining the Intervention Measures to Mitigate the Consequences of the Second Wave of the COVID-19 Epidemic", VAT payment deferral options and import VAT relief for supplies of protective and medical equipment.

Such measures became effective on 28 November 2020.

16/12/2020 **Bulgaria** - New rules regarding certain VAT obligations

Bulgaria has recently implemented new rules regarding certain VAT obligations for supplies of services and regarding distance sales of goods. Under such new rules, it is foreseen that for the period between 1 December 2020 and 31 December 2021, take-away food provided by restaurants will be subject to a 9% reduced VAT rate and that the provision of insurance and re-insurance services, including related services provided by insurance brokers and agents, is exempt from VAT.

16/12/2020 **United Kingdom** - Guides on How to Reclaim UK VAT published

HMRC announced the extension of the time limit to submit a certificate of status to support the application of reclaiming the VAT incurred in the United Kingdom by an overseas business. In this context, the VAT reclaim application with all the supporting documents must be submitted until 31 December 2020.

16/12/2020 **Spain** - Ministry of Finance Amends SII Regime to Better Identify Call-Off Stock Arrangements

The VAT Immediate Supply of Information regime (SII) has been amended by the Spanish Ministry of Finance. Such amendments have the aim of identify the intracommunity transactions performed under the call-off stock arrangements regime and to monitor the performance of such arrangements.

The amendments are related to formal and technical aspects in relation to the VAT bookkeeping obligation of the SII regime and will become effective as from 1 January 2021.

16/12/2020 **Netherlands** - COVID-19 Crisis – Extension and new tax Measures

The government has announced the extension of the application of several measures until 1 April 2021, such as the 0% VAT rate on the supplies of face masks. In addition, it has been announced the introduction of the 0% VAT rate on the supplies of the Covid-19 vaccines and test kits.

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.

10/12/2020 **United Kingdom** - Policy Paper regarding VAT Accounting Processes updated

HMRC has recently updated the policy paper which outlines the VAT accounting processes, which will apply as from 1 January 2021 to goods moving between Great Britain and Northern Ireland.

10/12/2020 **Hungary** - Hungary Adopts EU VAT E-Commerce Package

The Law implementing the EU VAT e-commerce package has been published in Hungary and, among other measures it is foreseen the abolishment of the current import VAT exemption for goods in small consignments of a value of up to EUR 22 and the extension of the one-stop-shop system in order to facilitate the new VAT payment obligations.

The Law will apply as from 1 July 2021 and it will be possible to register to the one-stop-shop system in Hungary as from 1 April 2021.

10/12/2020 **Cyprus** - Settlement in instalments of VAT due

In regard to the amendment of the VAT Law related to the settlements in instalments of VAT due without interests applied, the Tax Department has clarified that the first instalment must be paid until 10 November 2020 and the subsequent five instalments must be processed no later than the 10 day of every month for the next 5 months. If the payments are not settled according to this announced rules, interest and 10% monetary charge in the tax due will be applied.

10/12/2020 **Portugal** - Extension of VAT Exemption for Sanitary Products

The application of the VAT exemption for intra-community deliveries and

acquisitions of sanitary products that are required to combat the pandemic, has been extended until 30 April 2021.

10/12/2020 **Greece** - VAT Payments expiring on November and December 2020

The deadlines for payment of certain VAT liabilities that expire between 1 November and 30 November 2020 has been extended until 30 April 2021, without the application of interest or surcharges.

02/12/2020 **United Kingdom** - Updated guidelines provided by HMRC regarding Brexit

HMRC provided guidelines and clarifications regarding the classification of goods applicable as from 1 January 2021. Within these guidelines it is foreseen the actions that businesses need to take (i.) if they have a Binding Tariff Information decision, (ii.) if they are applying for a ruling before 1 January 2021 and (iii.) if they are applying for a ruling after 31 December 2020.

02/12/2020 **Greece** - Extension of applicability of Reduced VAT Rate

The reduced VAT rate of 6% applicable to items of personal hygiene and protection, such as medical masks and gloves, soap, antiseptics and ethyl alcohol, has been extended until 30 April 2021.

02/12/2020 **Ireland** - Reducing of the threshold Under the VAT Retail Export Scheme

It has been recently announced by the Irish government a reduction, from 175 EUR to 75 EUR, of the threshold to apply the VAT Retail Export Scheme for VAT refunds on goods bought in the European Union and exported overseas.

It has been further clarified that the VAT Retail Export Scheme cannot be applied between Ireland and Northern Ireland, insofar as the EU VAT rules on goods apply to Northern Ireland under the Ireland-Northern Ireland protocol.

02/12/2020 **Belgium** - Belgium Extends Import VAT Exemption on Certain Medical Supplies

The Belgium Tax Authorities have recently announced that the import VAT exemption applicable to medical supplies of goods required to combat the pandemic will be extended until 30 April 2021.