

Tax Alert

KPMG IN POLAND

June 2015

Amendments to the VAT Act - 1 July 2015

Starting 1 July 2015, amendments to the VAT Act published in May in the Journal of Law (pos. 605) will come into force.

The key amendments are described below.

Transactions taxed by the purchaser under the reverse charge mechanism

The amendment to the VAT Act introduces additional requirements that should be met in order to apply the reverse charge mechanism to supplies of goods listed in Appendix no. 11 to the VAT Act - for instance, the supply of goods to an entity which is not registered for VAT in Poland would not benefit from this simplification. In such a case VAT will have to be settled by the supplier.

The amendment extends the list of goods included in Appendix 11 to the VAT Act by the new products such as, for example:

- “Unwrought aluminum” – classified under PKWiU grouping 24.42.11.0;
- “Unwrought lead” – classified under PKWiU grouping 24.43.11.0;
- “Unwrought zinc” – classified under PKWiU grouping 24.43.12.0;

- “Unwrought tin” – classified under PKWiU grouping 24.43.13.0;
- “Unwrought nickel” - classified under PKWiU grouping 24.45.11.0;
- laptops, notebooks, tablets, mobile phones, including smartphones and video game consoles.

The supply of electronic devices (i.e. tablets, laptops, mobile phones etc.) will be subject to the reverse charge mechanism only if the total value of goods delivered on the basis of a uniform business transaction exceeds PLN 20 000.

New obligation for taxpayers supplying goods/services subject to the reverse charge mechanism on Polish territory

As of July 2015 taxpayers supplying goods or services subject to the reverse charge mechanism on Polish territory will be obliged to submit additional sales listings covering domestic supplies, where VAT is settled by the purchaser under the reverse charge mechanism.

Bad debt relief

The amendment introduces the possibility of application of so-called “bad debts relief” by affiliated parties.

Moreover, the regulation that obliges the purchaser to correct previously deducted input VAT would not apply if the purchaser is in the course of a bankruptcy/ liquidation procedure on the last day of the month in which - according to the general rule- such correction should be performed.

Buyer's joint and several liability for VAT

The amendment increases the amount of the guarantee deposit related to the purchase of fuel.

The list of goods set out in Appendix 13 to the VAT Act, which are covered by the buyer's joint and several liability for tax arrears of the seller, will be extended by goods such as silver and platinum (raw materials and semi-finished products) as well as digital cameras, parts and accessories for photocopiers. At present, the joint and several liability applies mainly to the sale of fuels, steel and gold (provided that certain conditions have been met).

The amendment to the VAT Act also introduces some changes to the guarantee deposit regulations, in particular to the method of interest calculation.

If you have any questions regarding the amendment, feel free to contact us.

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