

April 2016

Draft amendment to the VAT act aimed at limiting the scope of VAT abuse. Information on the Government's website

Notification of commencement of works on draft amendment to VAT act has been published in the Public Information Bulletin of the Council of Ministers. The planned amendment is supposed to limit the scope of VAT abuse.

Notification on the draft

Notification on the draft (no. UA21) was published in the register of legislative and programme works of the Council of Ministers in its Public Information Bulletin.

As of the publishing of this alert, the text of the draft amendment was not available yet. However the aim of the intended regulation – being the limitation of VAT abuses – as well as the specification of legislative changes which are intended to prevent frauds have been indicated.

Proposed amendments

According to the notification, changes aimed at limiting VAT abuse would comprise:

- a) abolishment of quarterly VAT settlement;
- b) imposing an obligation for some taxpayers to submit:
 - VAT returns,
 - monthly recapitulative statements
 in electronic form.

- c) introduction of the threshold which, when exceeded, would oblige taxpayers to apply the reverse-charge settlement in case of goods that are subject to the reverse-charge regime;
- d) extension of the scope of joint and several liability of the purchaser for the tax obligations of the seller;
- e) extension of the scope of joint and several liability so that it is borne also by a representative of the entity commencing the economic activity;
- f) possibility to refuse to register given entity as VAT-payer in case the inspection procedure reveals that such entity does not exist or cannot be contacted;
- g) clarification of the prerequisites conditioning removal of a taxpayer from the register of active VAT-payers;
- h) modification of the protective function of the binding ruling issued in respect of VAT provisions along with granting entities who follow the official instructions/ brochures published by the Ministry of Finance special legal protection;
- i) tightening of sanctions provided in the Fiscal Penal Code in relation to issuance or use of so-called “empty invoices”.

KPMG comments

The information published so far is of general nature only, however already at this stage some of the proposed changes should draw taxpayers' attention. These are, in particular, changes regarding the proposed abolishment of quarterly settlements, extension of the scope of the purchaser's joint and several liability for the seller's tax obligations as well as changes in respect of the protection resulting from a binding ruling received.

We will keep you informed on any progress in this matter. Should you have any questions concerning the issues discussed in this alert please do not hesitate to contact us.

Contact

Tomasz Grunwald

Partner

Tel. : +48 22 528 11 78

Fax: +48 22 528 10 59

tgrunwald@kpmg.pl

Tomasz Beldyga

Partner

Tel. : +48 22 528 11 98

Fax: +48 22 528 11 59

tbeldyga@kpmg.pl

Piotr Żurowski

Partner

Tel. : +48 22 528 10 13

Fax: +48 22 528 11 59

pzurowski@kpmg.pl



In order to simplify the process of knowledge sharing we have prepared a new innovative subscription system. If you would like to receive other information from KPMG in Poland directly to your email **we encourage you to register on our website:** kpmg.com/pl/subscriptions

KPMG Offices

Warszawa

ul. Inflancka 4a

00-189 Warszawa

Tel.: +48 22 528 11 00

Fax: +48 22 528 10 09

kpmg@kpmg.pl

Kraków

al. Armii Krajowej 18

30-150 Kraków

Tel.: +48 12 424 94 00

Fax: +48 12 424 94 01

krakow@kpmg.pl

Poznań

ul. Roosevelta 18

60-829 Poznań

Tel.: +48 61 845 46 00

Fax: +48 61 845 46 01

poznan@kpmg.pl

Wrocław

ul. Bema 2

50-265 Wrocław

Tel.: +48 71 370 49 00

Fax: +48 71 370 49 01

wroclaw@kpmg.pl

Gdańsk

al. Zwycięstwa 13a

80-219 Gdańsk

Tel.: +48 58 772 95 00

Fax: +48 58 772 95 01

gdansk@kpmg.pl

Katowice

ul. Francuska 34

40-028 Katowice

Tel.: +48 32 778 88 00

Fax: +48 32 778 88 10

katowice@kpmg.pl

Łódź

al. Piłsudskiego 22

90-051 Łódź

Tel.: +48 42 232 77 00

Fax: +48 42 232 77 01

lodz@kpmg.pl

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

© 2016 KPMG Tax M.Michna sp.k., a Polish limited partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.