

VAT novelties

As from 1 January 2019, a number of VAT novelties can be expected. While the most important change (VAT on immovable letting) is a national measure, a number of changes are internationally inspired.

Electronic services, communication and telecommunication

As from 1 January 2019 a new optional threshold of 10.000 euro will be introduced for companies providing electronic services to private individuals. Normally such service providers should charge VAT in the EU country where their client lives. When they remain under the 10.000 euro threshold during the current or previous calendar year, they can continue to charge VAT of their country of residence. By doing so, companies with few foreign clients can limit their administrative hassles.

Moreover, the service provider will only need one document to justify the residence of the client. Proof which will be accepted by the tax authorities consist of bank details, country code of the SIM card, billing address, IP address.

Finally this: irrespective which VAT is charged (of client's country or the service provider's country), the service providers can draft their invoices following the rules of their home country.

Certified taxable person (CTP)

A certified taxable person is a reliable tax payer. These tax payers are considered to be reliable because they:

- are creditworthy,
- didn't commit any tax infringements in the past,
- have good internal controls.

A tax payer which is recognised as a CPT in his home country, can use this quality label in the European Union. Herewith they can use simplified administrative procedures.

This system is comparable with the AEO (authorised economic operator) in the Customs legislation.

It is not clear when these rules will be introduced.

What about Brexit?

During the last weeks, important steps were taken towards 'Brexit'. As from 30 March 2019 we are again with 27 Member States and the UK is no longer a part thereof. This has a number of tax consequences: goods which are shipped to the UK will be subject to export rules, while goods coming from the UK will have to be imported. We still have to wait to know the exact impact. Both the necessary legal modifications and changes in practice will become clear after March 2019.

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