

INDIRECT TAX:

OVERVIEW OF THE VAT MEASURES
RELATING TO THE COVID-19 PANDEMIC
IMPLEMENTED IN EUROPE, NORWAY,
SWITZERLAND AND THE UK

LAST UPDATED:
18 AUGUST 2021

INTRODUCTION

The information contained in this summary is for general guidance only. The application and impact of laws can vary widely based on the specific facts involved.

Accordingly, the content of this summary is provided for information purposes. As such, it should not be used as a substitute for consultations with professional tax, legal or other competent advisers.

Given the current context, there may be delays, omissions or inaccuracies in the information contained in this summary. For updated developments regarding the measures implemented in each country, please refer directly to our local firms' websites and governmental official websites.

CONTENTS

- ❖ Austria
- ❖ Belgium
- ❖ Bulgaria
- ❖ Croatia
- ❖ Cyprus
- ❖ Czech Republic
- ❖ Denmark

- ❖ Estonia
- ❖ Finland
- ❖ France
- ❖ Germany
- ❖ Greece
- ❖ Hungary
- ❖ Ireland

- ❖ Italy
- ❖ Latvia
- ❖ Lithuania
- ❖ Luxembourg
- ❖ Malta
- ❖ The Netherlands
- ❖ Norway
- ❖ Poland

- ❖ Portugal
- ❖ Romania
- ❖ Slovakia
- ❖ Slovenia
- ❖ Spain
- ❖ Sweden
- ❖ Switzerland
- ❖ United Kingdom

AUSTRIA

GENERAL INFORMATION

Despite the current situation and simplification measures, please note that filing of monthly/quarterly VAT returns is still mandatory and has to be done within the deadline (even on basis of best estimation). Until now a suspension / deferral of the filing date for these periodic returns is not possible. Only the filing date for the annual VAT return 2019 was postponed until 31 August 2020.

FILING DUE DATE

Monthly/quarterly returns --> 15th day of the second following month
Annual VAT return for the year 2019 has to be filed by 31 August 2020 (instead of 30 April 2020).

PAYMENT DUE DATE

If taxable person is faced with liquidity problems due to the Corona crisis and a VAT payment on time is not possible, an application for deferral or payment in instalments of VAT shall be filed, referring to the information published by the Austrian Ministry of Finance. When applying for a deferral or payment in instalments, the taxable person has to demonstrate that he is individually affected by the consequences of the SARS-CoV-2-Virus (due to an effective liquidity shortage resulting from a loss of revenue). Even if a taxable person has filed application for deferral or payment in instalments of VAT (or other taxes) for a certain period, excess input VAT for another period will be refunded upon application.

LATE PAYMENT INTEREST

Deferral interest ("Stundungszinsen"; 3.88% p.a.) may be reduced (even to zero); however only upon application by the taxable person.

PENALTIES FOR LATE PAYMENT

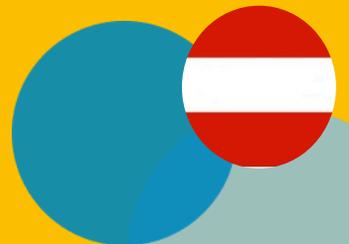
Late payment surcharge ("Säumniszuschläge"; generally 2%) may be reduced (even to zero); however only upon application by the taxable person.

EC SALES

No adjustments.

COUNTRY-SPECIFIC TOPICS

A "super-reduced" or "zero-rate" was temporarily implemented for local supplies and iC acquisitions of protection masks. The zero-rate shall be applicable with retroactive effect for supplies and iC acquisitions carried out between 14 April 2020 and 31 July 2020.



AUSTRIA

TEMPORARY REDUCED VAT RATE OF 10 % FOR OPEN NON-ALCOHOLIC BEVERAGES

For the period of **1 July 2020 to 31 December 2020** a reduced VAT rate of 10 % is applicable for the **supply of open non-alcoholic beverages**. This regulation came into force on **17 June 2020**.

TEMPORARY REDUCED VAT RATE OF 5 % FOR CERTAIN SUPPLIES OF GOODS AND SERVICES

For the period of **1 July 2020 to 31 December 2020** a reduced VAT rate of 5 % is applicable for supplies of Newspapers and periodical prints (inclusive electronic format).

For the period of **1 July 2020 to 31 December 2021** a reduced VAT rate of 5 % is applicable for supplies of goods and services in certain sectors:

- **Gastronomy:** sale of food and beverages (alcoholic as well as non-alcoholic) in order to be immediately consumed onsite;
- **Tourism:** accommodation in hotels and holiday apartments, private room rental, renting of camping sites (including usual ancillary services);
- **Publications:** supply, imports and iC acquisitions of books, picture albums or painting books for children and sheet music, supply of electronic publications (e-books, audio books);
- **Culture:** import of art (paintings, sculpture, textiles), revenues from the activity of an artist, operating a theatre, music/film performance, circus/showman, operating a botanical garden or a nature park.

This regulation was published on 7 July 2020 and came into force **with retroactive effect on 1 July 2020**. The period for certain sectors was **extended to 31 December 2021** in December 2020 (with the exception of Newspapers and periodical prints).

TAX DEFERRAL

Additionally the Austrian government approved the possibility to defer tax until 30 June 2021. The possibility to defer tax was not prolonged and thus, ended on 30 June 2021.

PROTECTIVE MASKS

An exemption from import duties and import VAT for protective masks imported from a third country by certain beneficiaries (e.g. state organizations), if these masks are provided free of charge, has been (based on commission decision C(2021) 2693 of 19.4.2021) extended until 31 December 2021.

A “super-reduced” or “zero-rate” is applicable for local supplies and iC acquisitions of protection masks carried out between **23 January 2021 and 31 December 2021**.

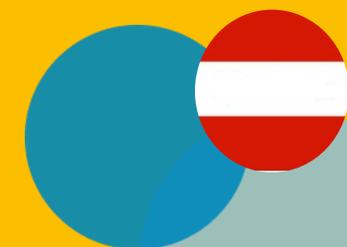
COVID-19-IN-VITRO-DIAGNOSTICS AND COVID-19-VACCINES

For the period of **1 January 2021 to 31 December 2022** an exemption with right to deduct input VAT for the supply, iC acquisitions and import for COVID-19-in-vitro-diagnostics and COVID-19-vaccines as well as closely related supply of services is applicable (with option to taxation).

CONTACT



Hannes Gurtner:
hannes.gurtner@leitnerleitner.com



BELGIUM

GENERAL INFORMATION:

The Federal Public Service Finance has initiated several supportive measures for enterprises (both individuals and legal entities)

- 1) Supportive measures for enterprises facing with financial difficulties due to the impact of the corona crisis (enterprises which structurally experience financial difficulties in abstraction of the corona crisis will not be eligible for any facilitation) : - payment plan of the VAT due, - exemption of late-payment interests or - remission of fines due to late-payment. The application for these measures must be filed at the latest by 30 June 2020. 2) Supplementary measures to further ease the financial difficulties resulting of the corona crisis. These additional measures are granted automatically and consist in : - postponement for the filing of the VAT periodical returns, intracommunity listings and VAT-taxpayers listing - postponement of the VAT payment resulting from the returns related to February to April (monthly filing) or to the first three months of 2020 (quarterly filing).

FILING DUE DATE

(granted automatically) VAT return & EU listing Feb-2020 : 6 April 2020 (instead of 20 March 2020) VAT return & EU listing March-2020 : 7 May 2020 (instead of 20 April 2020) VAT Q1 -2020 & EU listing : 7 May 2020 (instead of 20 April 2020) VAT return % EU listings April 2020: 5 June 2020 (instead of 20 May 2020) Annual VAT taxpayers listing : 30 April 2020 (instead of 31 March 2020).

PAYMENT DUE DATE

(granted automatically) An automatic deferral of payment of 2 months without having to pay fines or interest applies to:

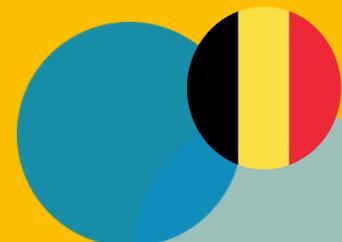
- ❖ VAT return Feb-2020: 20 May 2020 - VAT return Mar-2020: 20 June 2020 - VAT return Q1 2020: 20 June 2020
- ❖ VAT return Apr-2020: 20 July 2020

LATE PAYMENT INTEREST

(to be applied for before 30 June 2020) Furthermore, taxpayers can also apply for instalment payments, additional payment periods, an exemption from default interest and/or remission of fines for late payment.

PENALTIES FOR LATE PAYMENT

No penalties.



BELGIUM

EC SALES

Postponement of the filing of the intracommunity listings (see Filing due date).

COUNTRY-SPECIFIC TOPICS

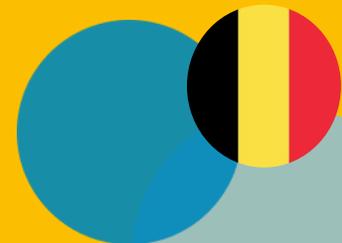
Donations of goods by a VAT taxable person are, in principle, treated as a taxable supply of goods. To ensure that this would not discourage VAT taxable entities who are willing to donate supplies (i.e. protective equipment such as face masks or disinfectant gels as well as medical devices) to certain healthcare institutions (not only hospitals but also retirement homes, nurseries or institutions for disabled people), the federal government decided on 24 March 2020 and 21 April 2020 to exclude said donations from VAT. For example, the donation of face masks and disinfectant gels to institutions referred in these circulaires donated by a taxable producer of such goods will be excluded from VAT. Moreover, a further COVID measure has been taken by a Royal Decree dated from 5 May 2020 published in the Belgian State Gazette of yesterday (7 May).

During the period from 4 May 2020 to 31 December 2020, supplies, intra-community acquisitions and importations of both face masks and hydroalcoholic gels are subject to the reduced VAT rate of 6 % (instead of the normal rate of 21%). Accelerated refund of VAT credit for monthly filers. Period concerned : 02/2020, upon request (through the return) and provided that VAT return will be filed by the 3 April 2020 / refund by the 30 April 2020 at the latest (instead of 29 May 2020 or even 30 June 2020).

CONTACT



Stéphane Wilmet:
s.wilmet@arteo.law



BULGARIA

GENERAL INFORMATION

Despite the current situation and simplification measures, please note that filing of monthly VAT returns is still mandatory and has to be done within the deadline (even on basis of best estimation). Until now a suspension / deferral of the filing date for these periodic returns is not possible.

FILING DUE DATE

No amendments/Monthly returns --> 14th day of the following month.

PAYMENT DUE DATE

No adjustments/ by 14th day of the following month.

LATE PAYMENT INTEREST

No adjustments/main interest rate of the Bulgarian National Bank plus 10%.

PENALTIES FOR LATE PAYMENT

No adjustments/based on adjudgment of the authorities according to Tax Insurance Procedure Code

EC SALES

No adjustments.

COUNTRY-SPECIFIC TOPICS

No adjustments.

CONTACT



Ioannis Kesisis:
ioannis.kesisis@eurofast.eu



CROATIA

GENERAL INFORMATION

Payment of VAT upon collection - Deferred payment of VAT for taxpayers who determine the tax liability on the basis of issued invoices, namely for VAT recorded in the VAT return for March 2020 (or for the first quarter of 2020 for quarterly payments) and the VAT return for April 2020. If the special circumstances last longer, the payment deferral can be extended for another 3 months. One of the criteria to be eligible for this measure is that the taxpayer meets the predefined conditions (i.e. decline in revenue). In addition, the taxpayer must prove that the VAT liability arises from invoices that could not be collected and incoming invoices that have not been settled.

Payment of VAT on imports - Postponed accounting via VAT return is extended to all imports presuming that the taxpayer registered for VAT purposes records the VAT liability on the import as a liability in the VAT return. This measure is available for the import of goods performed until 20.6.2020. VAT exemption for imports of goods for donation purposes - The import of goods required to combat the effects of the COVID-19 disease pandemic shall not be subject to VAT in accordance with the conditions laid down in the Commission Decision (EU) 2020/491 of 3.4.2020. VAT exemption for supplies for donation purposes - The exemption is available for supplies of goods and services, made free of charge, which are necessary to combat the effects of the COVID-19 disease pandemic and are available for supplies made until 20 June 2020.

FILING DUE DATE

No amendments about filing dates. Filing of monthly VAT returns is still mandatory and has to be done within the deadline - 20th day of the following month.

PAYMENT DUE DATE

In case all preconditions are fulfilled, entrepreneurs might apply for deferred payment of VAT which are due within 3 months, beginning with the liability as due in April 2020. Payment deferrals apply for a period of three months from the statutory due date of each individual tax liability. An additional period of three months may be granted for deferred tax liabilities.

LATE PAYMENT INTEREST

The applicant, who will not be able to pay the deferred tax liability on its deferred maturity date, will be able to apply for an interest-free payment in instalments. The instalment payment can be approved in monthly instalments, up to a maximum of 24 months.

PENALTIES FOR LATE PAYMENT

No penalties

COUNTRY-SPECIFIC TOPICS

No amendments.

CONTACT



Ante Pavić:

ante.pavic@leitnerleitner.com



CYPRUS

PAYMENT DUE DATE

VAT payment can be delayed without any penalty and interest for all businesses except those with economic activity codes who basically fall within the category of those that are fully operational during this period (pharmacies, supermarkets, etc) provided that the tax returns are filed within their prescribed deadlines the VAT liability to be paid by 10 November 2020.

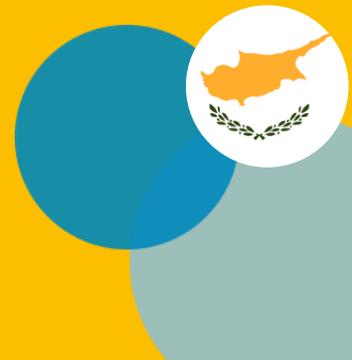
PENALTIES FOR LATE PAYMENT

No penalties until 10 November 2020

CONTACT



Chris Damianou:
ceo@eurofast.eu



CZECH REPUBLIC

GENERAL INFORMATION

Taxable person can apply for a remission of (i.) interest for late VAT liability payment and (ii.) penalty for late submission of VAT reports; provided that the reasons for the late fulfilment was caused among others by COVID-19. The application will be assessed by tax office who may accept it in full, accept it partly or refuse it. The penalties for late submission of VAT control statement (CZK 1,000) will be remitted automatically for periods from March till July 2020. VAT payers are exempt from VAT on supplies of goods or services carried out without consideration in the context of the Coronavirus pandemic. The exemption is applicable to supplies in the period from 12 March 2020 until the end of the state of emergency.

FILING DUE DATE

No adjustments; By 25th day of the month following the VAT period.

PAYMENT DUE DATE

No adjustments; By 25th day of the month following the VAT period.

LATE PAYMENT INTEREST

Taxable person can apply for a remission of interest for late VAT liability payment provided that the reasons for the late fulfilment was caused among others by COVID-19. The application will be assessed by tax office who may accept it in full, accept it partly or refuse it.

PENALTIES FOR LATE PAYMENT

Taxable person can apply for a remission of interest for late VAT liability payment provided that the reasons for the late fulfilment was caused among others by COVID-19. The application will be assessed by tax office who may accept it in full, accept it partly or refuse it.

EC SALES

No adjustments; By 25th day of the month following the VAT period.

COUNTRY-SPECIFIC TOPICS

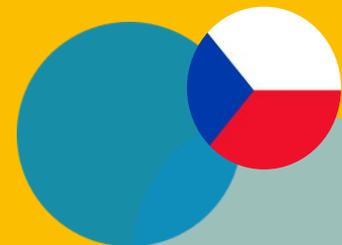
The penalties for late submission of VAT control statement (CZK 1,000) will be remitted automatically for periods from March till July 2020.

CONTACT



Martin Valášek:

martin.valasek@leitnerleitner.com



DENMARK

GENERAL INFORMATION

The due date of filing and payment of VAT have been suspended.

FILING DUE DATE

❖ VAT settlement monthly

A 30-days-suspension of VAT filings for businesses with a turnover higher than DKK 50 million for the periods March, April and May 2020. The deadline for the period June have not been suspended. However, the deadline for the period July have been suspended from 25 August 2020 to 9 September 2020 and the deadline for the period August have been suspended from 25 September 2020 to 2 October 2020.

❖ VAT settlement quarterly

For small and medium-sized companies (paying VAT each quarter) the periods consisting of the first and second quarters of 2020 are combined, so that the deadline for both periods is 1 September 2020. The periods consisting of the third and fourth quarters of 2020 have also been combined, so that the deadline for both periods is 1 March 2021.

❖ VAT settlement half-yearly

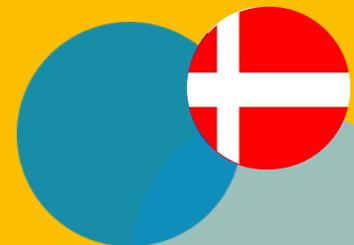
For small and medium-sized companies (paying VAT every six months) the periods consisting of the first and second six months of 2020 are combined, so that the deadline for both periods is 1 March 2021. Please note that two separate statements must still be filed, and two payments must still be made. The company can choose not to combine the two periods by paying VAT after the end of the first period. Negative VAT will be settled according to current rules.

PAYMENT DUE DATE

The suspended filing and payment dates are the same. Please refer to the previous column.

LATE PAYMENT INTEREST

No specific updates due to Covid-19. Late payment interest is as usually subject to a prime rate + 0.7 percentage point. The prime rate for 2020 is 0 percent.



DENMARK

PENALTIES FOR LATE PAYMENT

No specific updates due to Covid-19. The Danish Tax Authorities can make an estimated settlement. Further, the business will be subject to a fine of DKK 800 for each estimates settlement.

EC SALES

No adjustments.

COUNTRY-SPECIFIC TOPICS

From 5 May 2020 until 15 June 2020 small and medium sized businesses had the option to obtain compensation in the form of an interest free loan for paid VAT due on 2 March 2020. The loan will not be due for repayment until 1 April 2021. The scheme was extended so that small and medium-sized businesses that did not apply in the first round could apply no later than 18 December 2020 with repayment no later than 1 November 2021.

Further, Danish Parliament has now passed a bill extending the scheme after which small and medium sized businesses can apply for an interest free loan to include VAT due 1 March 2021. It is possible to apply for the loan between 17 March and 14 April 2021 and it must be repaid via the tax account no later than 1 February 2022.

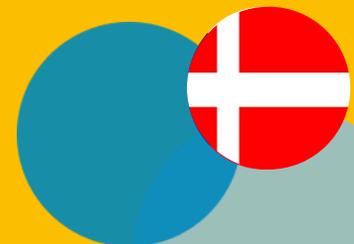
The purpose of the interest free loan is to improve the liquidity of the businesses comprised, thus improving their chances of resistance of the financial challenges in the crisis, e.g. in relation to obtaining financial aid in form of ordinary loans elsewhere.

Further, export VAT rules are reintroduced giving exporting businesses a possibility to a cash flow advantage under technical conditions.

CONTACT



Thomas Frøbert:
Thf@bechbruun.com



ESTONIA

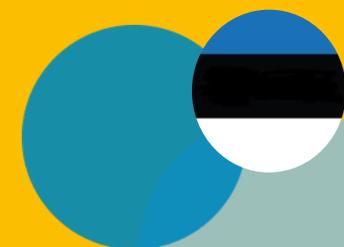
GENERAL INFORMATION

No specific VAT updates from the Government yet. All companies may defer their tax payments up to 18 months. Late payment interest calculation is suspended for the period from 1 March until 1 May 2020. It is not clear if the measures concern VAT as well.

CONTACT



Tbc
Tbc



FINLAND

GENERAL INFORMATION

Tax Administration announced that it will temporarily ease the requirements for qualifying for a payment arrangement for unpaid taxes.

DUE DATE

No adjustment.

PAYMENT DUE DATE

No general adjustment. Payment arrangement can be requested in case of hardship. Payment arrangement will not be granted if the taxpayer has not fulfilled its filing duties, e.g. VAT returns and employer duties, on time. Also, payment arrangement will not be granted in case the taxpayer has any tax debt in debt recovery procedure.

LATE PAYMENT INTEREST

The government plans to propose a temporary reduction of the late payment interest rate to 4% (currently 7%). This reduced rate would only be applicable to taxes due on or after 1 March 2020 which are part of an approved payment arrangement.

PENALTIES FOR LATE PAYMENT

The late filing penalty can be removed due to a specific reason, such as a case of illness which has caused the late filing.

EC SALES

No adjustment.

CONTACT



Henna Jovio:
Henna.Jovio@borenius.com



FRANCE

GENERAL INFORMATION

The FTA confirmed that the deferral measures cannot concern indirect taxes (including VAT). Nevertheless, actions may be taken on a case-by-case basis (with proven difficulties). The state of health emergency has been extended to 1 June 2021.

TEMPORARY REDUCED RATE ON MASKS AND PERSONAL HYGIENE PRODUCTS

The VAT rate applicable to protective masks and products intended for personal hygiene is reduced to 5.5% until December 31, 2021 (Order CPAE2011014A, JORF n°0113 of May 8, 2020 fixes the characteristics of those equipment's). The FTA clarified that this measure applies retroactively. VAT collected in the wrong VAT rate in the past (i.e. 20%) can be refunded by reporting it as deductible VAT on the VAT return by 31 December 2022 at the latest. A corrected invoice will only be required for BtoB sales (BOI-TVA-LIQ-30-10-55 dated August 4, 2020 n°170, 180 and 190).

TEMPORARY ZERO-RATE ON VACCINES AND DIAGNOSTICS DEVICES

Article 46 of the Finance act for 2021 exercising the option opened by Article 129 bis of the VAT Directive (from the EU/2020 Directive of 7 December 2020) provides for the application of a 0% VAT rate (exemption with a right to deduct input tax) to the following :

- ❖ COVID-19 in vitro diagnostics device (nucleic acid tests conducted by nasopharyngeal sampling; antigen tests conducted by nasopharyngeal sampling ; antibody tests conducted on a blood sample)
- ❖ All types of vaccines against Covid-19 that are placed on the market under European and national authorisation

This measure would apply retroactively from 15 October 2020 until 31 December 2022. However, these measures could be extended as the health situation evolves.

TEMPORARY MEASURES WITH REGARDS TO VAT PAYMENT

- ❖ At the beginning of 2020, the French government introduced specific tolerances regarding the date of payment of VAT. These measures are no longer applicable.
- ❖ However, small businesses that have still not paid VAT due for the months of February to April 2020 may request a specific payment plan (i.e., "COVID-19 payment plan"), which can be extended over a period of up to 36 months. This payment plan can not concerned VAT due after April 2020.



FRANCE

EC SALES

In the event of a delay in the filing of French Intrastat / DEB (i.e. déclarations d'échange de biens) due to the health crisis, the French tax authorities invite companies to contact their tax centre (CISD or DNSCE) as soon as possible, preferably by e-mail.

COUNTRY-SPECIFIC TOPICS

The French tax authorities have taken certain measures which, in the absence of any indication to the contrary, should apply until the end of the state of health emergency, i.e., 1 June 2021.

- ❖ Invoice issued in paper form and then scanned, may be sent by email by any supplier to his customer without the need to send the corresponding paper invoice by post. A reliable audit trail must be put in place. It is accepted that the customer may keep the paper form invoice received by email in PDF format. The client can keep it on paper (printing or scan) according to A. 102 B 2 of the LPF.
- ❖ The regime of exemption from VAT regularization is extended to donations of health equipment (masks, hydro-alcoholic gels, protective suits, and respirators) manufactured, purchased (including intra-Community acquisitions) or imported by companies for the benefit of health establishment. No certificate is required for this type of donation.
- ❖ For VAT registration (and modifications or cessation of activity) the FTA accepts dematerialized files subsequently joined with the elements in paper form. The application process for EU companies is estimated at between 2 and 3 months.
- ❖ In the context of the COVID-19 crisis, requests for VAT credit refunds will be processed as quickly as possible, according to the French tax authorities.

CONTACT



Nathalie Habibou:
nathalie.habibou@arsene-taxand.com



GERMANY

GENERAL INFORMATION

The Central Customs Authority and Federal Central Tax Office have been instructed to make appropriate concessions to taxpayers. With decree of 19 March 2020 the Federal Ministry of Finance has instructed the tax authorities of the federal states to grant tax deferrals. The provision of medical supplies and personnel without consideration for medical purposes by entrepreneurs to institutions which make an indispensable contribution to overcome the corona crisis is not subject to VAT until 31 December 2020 (e.g. to hospitals, clinics, medical practices, emergency services, nursing and social services, old people and nursing homes and other public institutions such as police and fire brigade).

The Federal Ministry of Finance also clarified that these services and the provision of rooms by charitable organisations to other charitable organisations for consideration can be exempt from VAT under further conditions because they can be seen as services closely connected to other exempt services. Medical supplies for containment of Corona pandemic can be treated as exempt from import VAT and duties if they are provided to benefiting institutions without consideration.

FILING DUE DATE

No adjustments in general; however, the application for the deferred filing scheme can be granted without special advance payment (see also Payment due date)

PAYMENT DUE DATE

There is the possibility to apply for a payment deferral for VAT that is due until 31 December 2020, in case an entrepreneur suffers economically from the corona crisis. Additionally, the competent tax office can refund the special advance payment upon application. The special advance payment is a payment that has to be paid by an entrepreneur to the tax authorities beginning of a year in order to benefit from the deferred filing scheme. The due date of the import VAT will be postponed to the 26th of the following month. This has positive liquidity effects for companies affected.

LATE PAYMENT INTEREST

There shall be no interest payments due with regard to the tax deferral.

PENALTIES FOR LATE PAYMENT

Late payment penalties will be waived until 31 December 2020, if the debtor of a pending tax payment is directly affected by COVID-19. Under this condition, enforcement measures for pending taxes can also be waived until 31 December 2020.



GERMANY

EC SALES

No amendments

CHANGE OF VAT RATES AS OF 1 JULY 2020:

A legal regulation is being introduced to reduce the VAT rate to 7 % for restaurants, cafés and other catering businesses instead of applying the regular VAT rate (19 %). The regulation will be limited in time from 1 July 2020 until 30 June 2021. The reduction does only apply to food not to drinks.

The German government has surprisingly announced to reduce VAT rates for six months between 1.7.2020 – 31.12.2020 from 19% to 16% (regular VAT rate) and 7% to 5% (reduced VAT rate). It is still unclear whether there will be any non-complaint regulations in view of the short preparation time until the new law comes into force on 1.7.2020. Entrepreneurs are therefore well advised to adapt their ERP systems and cash register systems to the changed tax rates very promptly. For the amount of the VAT rate, only the time of performance is decisive.

CONTACT



Barbara Fleckenstein-Weiland:
barbara.fleckenstein-weiland@fgs.de



GREECE

GENERAL INFORMATION

Suspension of payment of VAT, whose deadline for payment expires in the period from 11.03.2020 until 30.04.2020. The suspension applies to businesses that have been affected by the COVID-19 outbreak as per a relevant list issued by the Ministry of Finance. If the VAT due by 30.04.2020 is timely paid and the above suspension is not used, the business is entitled to a 25% discount (calculated on the amount of VAT paid) in the subsequent payment of any other tax that becomes due after 01.05.2020, provided that the VAT that was due by 31.03.2020 has already been duly paid in full.

FILING DUE DATE

The VAT returns must be filed under the regular deadlines, only the payment of VAT has been suspended.

PAYMENT DUE DATE

A return of regularization will have to be filed at the end of the containment. This will include the actual elements drawn from the activity of the months for which a down payment was paid, after deduction of these amounts.

LATE PAYMENT INTEREST

No interest for late payment will be due, provided that the entity maintains the same number of employees.

PENALTIES FOR LATE PAYMENT

No penalty for late payment will be due, provided that the entity maintains the same number of employees.

EC SALES

No amendments.

COUNTRY-SPECIFIC TOPICS

(i) The tax administration will proceed with the Immediate refund of requested amounts of VAT not exceeding EUR 30.000 for which a VAT audit is pending (ii) For the following goods the VAT rate has been reduced to 6% until 31 December 2020: masks and gloves for medical and private use "antiseptic solutions, antiseptic wipes, and other antiseptic preparations soap and other preparations for personal hygiene ethyl alcohol designated to be used as raw material for the production of antiseptics pure ethyl alcohol non-denatured of agricultural origin with 95% alcohol volume available in bottled form in the retail market (iii) The purchase and intra-community acquisitions of goods and services are exempt from VAT when they are intended, among others, for donation to hospitals to combat the COVID-19 outbreak

CONTACT



Alex Karopoulos:
a.karopoulos@zeya.com



HUNGARY

GENERAL INFORMATION

As a COVID related VAT amendment, the deadlines for VAT refund had been speeded up. Normal taxpayers may get their VAT to be refunded within 30 days, reliable taxpayers in 20 days. No other specific VAT updates from the Government yet. Postponement and instalment payment may be claimed according to the general rules.

Additionally, corporate taxpayers may request a one-time tax reduction within 30 days following the end of the state of emergency if the payment would otherwise have negative impact on the taxpayer's business resulting from the Corona-crisis. The reduction is limited to one tax and is, with respect to the amount, capped by 20% or HUF 5 million (approx. EUR 14,000), whichever is lower. The remaining 80% of the tax must be settled

without claiming any further tax breaks. Furthermore, automatic tax relief has also been extended, any taxpayer can apply for a 12-month instalment payment or a six-month interest-free payment deferral for any tax type with a maximum amount of HUF 5 million.

FILING DUE DATE

VAT return filing deadline is 20th of the month following the tax assessment period - no adjustment.

PAYMENT DUE DATE

VAT payment deadline is 20th of the month following the tax assessment period - no adjustment.

LATE PAYMENT INTEREST

Calculated by the national bank rate plus 5 percentage points per annum.

PENALTIES FOR LATE PAYMENT

Late payment interest is due.

EC SALES

No adjustment.



HUNGARY

COUNTRY-SPECIFIC TOPICS

The Hungarian Government introduces new and new actions to save economy from the effects of the COVID-19 virus. Selected sectors e.g. tourism, entertainment, film industry, sports are privileged so far with focus on keeping the employment. "Kurzarbeit" provisions available regardless of sectors are also introduced.

Advantageous loan-programmes and state aid opportunities are also announced. Deferral or instalment payments are available if a taxpayer has temporary liquidity issues. Special opportunities for payment facilities and tax relief are listed by General Information. Also the tax advance payment obligations (e.g. corporate income tax and local business tax) may claimed to be reduced. Preferential rules for development reserves (accelerated depreciation for tax) in corporate income tax was introduced.

CONTACT



Judit Jancsa-Pék:

Judit.Jancsa-Pek@leitnerleitner.com



IRELAND

GENERAL INFORMATION

Revenue will be permitted to 'warehouse' VAT debt that arose on foot of the COVID-19 related restrictions. The Warehouse scheme contains 3 distinct Periods;

- ❖ Period 1 – "COVID-19 Restricted Trading Period" – period ending on 31 December 2021. There will be 0% interest applied to Period 1.
- ❖ Period 2 – "Zero Interest Period" commences from the end of Period 1 for 1-year duration, ending 31 December 2022. Interest rate applied is also 0%.
- ❖ Period 3 – "Reduce Interest Period" 3% interest will be applied to warehoused debt from the start of Period 3 to the date the debt is discharged.
- ❖ For the warehousing arrangement to apply, all returns must be filed in accordance with the Revenue guidance that has applied since the start of the current pandemic.

Revenue has confirmed that the Debt Warehousing Scheme for VAT remains available for businesses experiencing tax payment difficulties arising from the current COVID-19 public health restrictions.

FILING DUE DATE

Revenue note that it is imperative that all businesses should continue to submit all their returns by the due date.

PAYMENT DUE DATE

Taxpayers are advised to pay tax liabilities if at all possible, Revenue recognise that tax payment difficulties are an inevitable impact of the COVID-19 pandemic. Business other than SME who are experiencing difficulties in paying their tax liabilities are advised to contact the Collector General's office. Businesses can apply for a Phased Payment Arrangement (PPA) online through MyEnquiries/MyAccount or by using Revenue's Online Phased Payment Facility which is accessible through ROS.

LATE PAYMENT INTEREST

Revenue has suspended interest on the late payment of VAT for both SMEs (automatically) and larger businesses (on request). Please see General Info in respect of the Debt Warehousing Scheme.

PENALTIES FOR LATE PAYMENT

For those businesses that have no capacity at present to pay their current taxes or meet the PPA obligations, the taxpayer may defer the PPA payment by one month via the online facility. Alternatively, a taxpayer may seek a deferral in excess of one month and such requests will be considered on a case by case basis.

EC SALES

No adjustments.



IRELAND

COUNTRY-SPECIFIC TOPICS

Revenue confirmed a zero rate of VAT will apply, on a concessional basis, to the domestic supply and intra-EU acquisition of personal protection equipment (PPE) and medical equipment to the HSE, hospitals and other health care settings for use in the treatment of patients with COVID-19 during the COVID crisis. The supplies to any other operators even if they are intended for onward supply to a health care provider are liable at the standard rate.

Revenue listed the following goods that are permitted the zero rate of VAT to apply: personal protection equipment (PPE), thermometers, hand sanitiser, medical ventilators and specialist respiratory equipment such as respirators for intensive and sub-intensive care and other oxygen therapy apparatus including oxygen tents, and oxygen. This concessional treatment will apply from 9 April 2020 up to 31 December 2021, subject to review.

Commission Decision (EU) 2020/491 of 3 April 2020, as amended by Commission Decision (EU) 2020/1101 of 23 July 2020, Commission Decision (EU) 2020/7511 of 28 October 2020, and Commission Decision (EU) 2021/2693 of 19 April 2021, provides for the importation of goods to combat the effects of COVID-19 from outside the European Union (EU) without the payment of Customs Duty and Value-Added Tax (VAT). This relief applies from 30 January 2020 to 31 December 2021.

Revenue introduced the following measures for donations or gifts of goods and meals:

- ❖ No VAT will arise when a business donates goods where the value is less than EUR20; for goods in excess of EUR20 the self-supply rule applies; where no VAT was reclaimed by the business on input costs those supplies are considered outside the scope of VAT.
- ❖ Where a business donates goods free of charge to the HSE, hospitals, nursing homes, and other healthcare facilities for use in delivery of COVID-19 related health care services to patients, those supplies are liable to the temporary zero rate of VAT.
- ❖ Where a business donates hot meals free of charge to charities and health care providers involved in the response to the COVID-19 crisis, Revenue will concessionally disregard those supplied for the purposes of determining the business's entitlement to deductibility.
- ❖ Where a business donates food products and non-alcoholic drinks free of charge to charities and health care providers involved in the response to the Covid-19 crisis for distribution to vulnerable groups or frontline staff, Revenue will allow the business maintain an entitlement to deductibility in respect of those donations.

This concessional treatment will apply from 9 April 2020 until 31 December 2021, subject to review.

GOVERNMENT STIMULUS PLAN

Budget 2021 was announced on 13 October 2020. The VAT rate for tourism and hospitality related services and goods will be cut from 13.5% to 9%. The reduced VAT rate will apply from 1 November 2020 until 31 December 2021.



IRELAND

REVENUE PERMIT VAT ZERO-RATING MEASURE FOR VACCINES AND TESTING KITS

Revenue will now permit the application of the zero rate of VAT to the supply of Covid-19 vaccines, the supply of Covid-19 in-vitro diagnostic medical devices (testing kits) and services closely linked to both. This permission follows Council Directive (EU) 2020/2020 of 7 December 2020 which provides for the temporary zero-rating of supplies of Covid-19 vaccines and Covid-19 testing kits, subject to conditions. Covid-19 vaccines must be authorised by the State or the EU Commission and Covid-19 testing kits must conform with the essential requirements of all relevant European Medical Device Directives. Services are closely linked to the supply of Covid-19 testing kits and Covid-19 vaccines when they are directly linked and necessary for the supply of those vaccines and testing kits. This measure applies from 12 December 2020 until the enactment of the Finance Bill 2021.

IMPORTING GOODS

Critical pharmaceutical products and medicines will be given a Customs 'green routing' to facilitate uninterrupted importation and supply.

CONTACT



Sonya Manzor:

sonya.manzor@williamfry.ie



ITALY

GENERAL INFORMATION

Tax measures introduced by Law Decree No. 18/2020 (so-called “Cura Italia”) and by Law Decree No. 23/2020 (so-called “Liquidità”) for businesses and professionals with fiscal domicile, registered office or operations centre in Italy - without suspension for taxpayers not established but only VAT registered in Italy (through “direct” registration or a fiscal representative) - this could change during the conversion process into law.

FILING DUE DATE

Suspension of all the tax compliance fulfilments (including VAT annual tax return, VAT credit request related to Q1 2020, INTRASTAT forms, etc.) with a due date between 8 March 2020 and 31 May 2020 to 30 June 2020 with no penalties applying.

PAYMENT DUE DATE

Suspension of payments falling due in April and May 2020 for (i) businesses with revenues of up to EUR 50M in 2019, if their turnover has fallen by at least 33% in March and April 2020, compared with the same months last year (ii) businesses with revenues of more than EUR 50M in 2019, if their turnover has fallen by at least 50% in March and April 2020, compared with the same months last year. VAT payments can be made either in a single settlement by 30 June 2020 or in up to five equal instalments starting from June 2020.

LATE PAYMENT INTEREST

No interests on the five instalments.

PENALTIES FOR LATE PAYMENT

No penalties.

COUNTRY-SPECIFIC TOPICS

Simplification of the payment of stamp duty on e-invoices deferred to:

- 20 July 2020, if in Q1 2020, the amount is less than EUR 250;
- 20 October 2020, if in the Q1 and Q2 2020, the total is less than EUR 250.

CONTACT



Anna Elisa Landriscina:
alandriscina@led-taxand.it



LATVIA

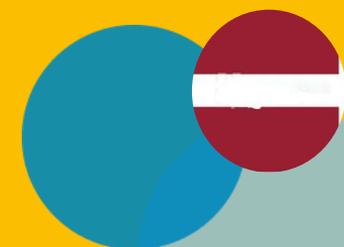
GENERAL INFORMATION

The tax authorities will refund confirmed excess input VAT to taxpayers within 30 days following filing of a VAT return, starting from 1 April 2020. A revision of the rate of VAT over payment is possible in 2021 if justified reasons are identified.

CONTACT



Tbc
Tbc



LITHUANIA

FILING DUE DATE

Filing extension.

PAYMENT DUE DATE

Measures 3 and 4 may be applied by companies and will be subject to a posteriori controls by the tax authorities.

LATE PAYMENT INTEREST

VAT payment deferment.

PENALTIES FOR LATE PAYMENT

Penalty waiver.

CONTACT



Tbc
Tbc



LUXEMBOURG

GENERAL INFORMATION

The Government encourages businesses to contact the tax authorities if they have any difficulties in paying taxes. Tax offices still open by appointment.

FILING DUE DATE

No adjustment.

PAYMENT DUE DATE

No adjustment.

PENALTIES FOR LATE PAYMENT

The VAT authorities have published a statement informing tax payers that the administrative tolerance for late filing is no longer applicable. VAT returns have to be filed within the usual deadlines.

COUNTRY-SPECIFIC TOPICS

None Available.

CONTACT



Thibaut Boulange:
Thibaut.Boulange@atoz.lu



MALTA

GENERAL INFORMATION

Taxpayers are expected to file their VAT returns within the normal deadlines, however, those taxpayers who suffered a “significant turndown in turnover” (a drop of circa 25% or more in sales) may apply for the deferral of the payment of VAT.

FILING DUE DATE

No changes.

PAYMENT DUE DATE

VAT due in March and April 2020 by taxpayers who suffered a drop in turnover of approximately 25% or more may apply for a tax deferral. The VAT due must be settled in two equal instalments with the two quarterly returns immediately following the quarter where the payment is deferred.

LATE PAYMENT INTEREST

The interest normally imposed on taxpayers will be forfeited provided the taxpayer has submitted the necessary application.

PENALTIES FOR LATE PAYMENT

No penalties.

EC SALES

No changes.

CONTACT



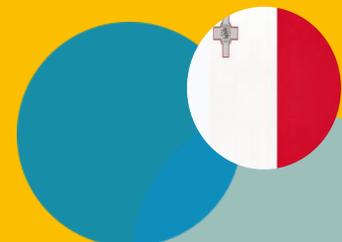
Walter Cutajar:

walter.cutajar@avanzia.com.mt



Mary Anne Inguanez:

maryanne.inguanez@avanzia.com.mt



THE NETHERLANDS

FILING DUE DATE

No adjustments.

PAYMENT DUE DATE

Payment deferral can be obtained for 3 months without documentary proof regarding the necessity of the deferral. A request for this payment deferral can be filed electronically until 1 October 2020.

The payment deferral can be granted for a period exceeding 3 months or can be extended if the taxpayer substantiates that a longer deferral is required due to payment difficulties caused by a significant decrease of the turnover due to the Covid-19 crisis. If the total outstanding tax debt of the taxpayer exceeds EUR 20,000, a statement of a third-party expert regarding the turnover decrease is required.

LATE PAYMENT INTEREST

Reduced to 0.01%

PENALTIES FOR LATE PAYMENT

No penalties will be imposed for late payment under Covid-19 extension measure (and penalties that are imposed will be waived). Filing omissions will however be penalized according to the normal rules.

EC SALES

No adjustments.

VAT ZERO-RATE FOR FACE MASKS

0% VAT on the sale of protective facemasks from 25 May 2020 until 1 September 2020.



THE NETHERLANDS

OUTSOURCING OF HEALTHCARE PROFESSIONALS

No VAT is charged on the outsourcing of healthcare workers to VAT-exempt medical institutions. Mark-up allowed under this arrangement is capped at 5% on gross wages. The VAT-free outsourcing is disregarded for calculating the pro rata and should therefore not have any effect on the outsourcers' VAT recovery right. This measure applies until 1 October 2020. Measure appears to be in conflict with other existing and more lenient arrangements.

COUNTRY-SPECIFIC TOPICS

Additional measures apply for other taxes, such as corporate tax and wage taxes.

CONTACT



Martijn Jaegers:
martijn.jaegers@taxand.nl



NORWAY

GENERAL INFORMATION

Low VAT rates for passenger transport, accommodation, public broadcasting and access to cinema, sporting events, amusement parks and adventure centres will be reduced from 12 per cent to 8 per cent from 1 April to 31 October 2020.

FILING DUE DATE

No changes to filing

PAYMENT DUE DATE

The deadline for payment of value added tax for the first term 2020 (14 April) is postponed to 10 June.

LATE PAYMENT INTEREST

No amendments.

PENALTIES FOR LATE PAYMENT

The tax authorities has notified they will not impose a compulsory penalty on late delivery of VAT notice. This applies to the following VAT messages: notifications with maturity from March and even June 10. VAT notifications that are delivered with an annual deadline (10 March) and an annual statement for the primary industry (14 April).

CONTACT



Are Fagerhaug:
A.Fagerhaug@selmer.no



POLAND

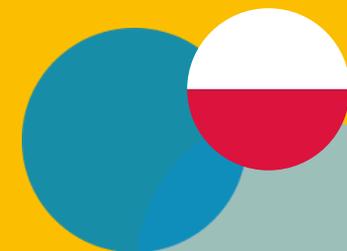
GENERAL INFORMATION

No specific VAT updates from the Government yet.

CONTACT



Roman Namyslowski:
Roman.Namyslowski@taxand.pl



PORTUGAL

GENERAL INFORMATION

Up to date, the Portuguese Government only approved a deferral regime on VAT payments due between April and June (please refer to Decree-Law no. 10-F/2020, March 26).

This regime is directed to the following VAT taxpayers: a) With a turnover lower than EUR 10M in 2018; b) Whose activity was opened in 2019; c) Whose establishments were mandatory closed by the Portuguese Government due to the emergency situation, listed in annex I of Decree no. 2-A/2020, March 20; d) Not fulfilling the abovementioned requirements but registering, at least, a 20% turnover decrease on the average of the preceding three months of the tax obligation as compared to the same period of 2019, confirmed either by a Statutory Auditor (ROC) or a certified accountant. Tax enforcement procedures are suspended until 30 June.

FILING DUE DATE

- 1) Extension of the deadlines to submit the VAT periodic return (with no penalties) of February, from 10 to 17 April, of March, from 10 to 18 May, and of April, from 10 to 18 June. The corresponding VAT can be payed until 20 April, 25 May and 25 June, respectively. Extension of the deadline to submit the 1st quarterly VAT return from 15 to 22 May and the corresponding VAT can be paid until 25 May. This measure does not preclude the request to pay in instalments of the VAT due between April and June.
- 2) Simplification procedures for filing of VAT periodic returns of February, March and referring to the 1st trimester of 2020 with no support documentation as long as substitutive returns are afterwards presented in July and August, respectively. This measure is only applicable to taxpayers with a turnover lower than EUR 10M in 2019 or whose activity was opened in 2020.

PAYMENT DUE DATE

VAT payments due between April and June may be deferred and paid in 3 or 6 instalments without the need of providing guarantees. The request should be submitted online up to the due date. Please note that VAT should be paid in the subsequent 5 days of submission of the relevant VAT periodic return in one of the following deadlines: a) On a quarterly basis until the 15th day of the second month following the taxable event (if the annual turnover does not exceed EUR 650,000); or b) On a monthly basis until the 10th day of the second month following the taxable event (if the annual turnover exceeds EUR 650,000).



PORTUGAL

COUNTRY-SPECIFIC TOPICS

Same rules apply for the payments of CIT/PIT withholding taxes. Other VAT measures:

- 1) Extension of VAT exemption for donation of goods to the state, social security public institutions and non-profit non-governmental organizations for subsequent distribution to people in need, which now includes people who have received health care in the current pandemic context and are deemed as victims of catastrophe (please refer to Order no. 122/2020, of Secretary of State for Tax Affairs). This exemption does not limit input VAT deduction;
- 2) Exceptional recognition of PDF invoices as “electronic invoices” in April, May and June for every legal effect (please refer to Order no. 129/2020, of Secretary of State for Tax Affairs);
- 3) VAT on health related products: application of the reduced VAT rate (6% in Portugal Mainland, 5% in Azores and 4% in Madeira) to protective masks and disinfectant gel. Extension to national and EU-based operators of the VAT exemption on health equipment’s furnished to hospitals and non-profits health related organisation’s.

CONTACT



Isabel Vieira Dos Reis:
isabel.vieira.reis@garrigues.com



ROMANIA

GENERAL INFORMATION

- ❖ No late payment penalties and interest are computed for late payment of the tax obligations until 25 June 2020. Currently, there is a draft Order to be published which extends the deadline mentioned before until 25 October 2020.
- ❖ Certain simplifications have been introduced in respect to the procedures for settling VAT refunds requested until the 25 June 2020 through the VAT returns. The VAT amounts requested through the VAT returns will be approved for refund and the taxpayer shall be subject to a VAT audit at a later stage.
- ❖ VAT exemptions are granted until 1 September 2020 for the supply of certain medicines, protection equipment, other medical devices or equipment and sanitary materials that can be used in the prevention, limitation, treatment and control of COVID-19, to not for profit organizations, provided that these goods are used by foundations to prevent/treat COVID-19 or are donated further to other entities that use them for this purpose.
- ❖ Relief from import duties and VAT is granted for import of goods used to combat the effects of the COVID-19 outbreak during 2020.

FILING DUE DATE

No extension of the deadline for submission of the VAT statements (i.e. 25th of the month following the reporting period).

PAYMENT DUE DATE

Payment date for VAT is on 25th of the month following the reporting period, however no late payment interest and penalties will be computed if the payment is not performed until 25th of June (draft of Emergency Ordinance to be published)

LATE PAYMENT INTEREST

As confirmed, no late payment interest will be computed if the payment is not performed until 25th of June (draft of Emergency Ordinance to be published)

PENALTIES FOR LATE PAYMENT

As confirmed, no late payment interest will be computed if the payment is not performed until 25th of June (draft of Emergency Ordinance to be published)

COUNTRY-SPECIFIC TOPICS

Discussions via press release to implement new mechanism for VAT reimbursements and suspend all tax audits during the state of emergency. These aspects have not been implemented in practice nor enacted through a legal provision (not even a draft Order).

CONTACT



Cristian Radulescu:
Cristian.Radulescu@TaxHouse.ro



SLOVAKIA

GENERAL INFORMATION

The VAT measures announced at the beginning of the pandemic were not reflected in the approved changes by the Slovak government. Therefore, we further provide the information as they are currently applicable.

FILING DUE DATE

No change in regard of Covid-19 pandemic. Monthly or quarterly, by the 25th day of the following month. There is a possibility to request a remission of a missed period (under precisely defined conditions), which is subject to approval by the tax office and must be justified by serious reasons on the side of the taxable person. The declaration of a pandemic itself does not have to be considered as a serious reason.

PAYMENT DUE DATE

Same as the filing due date. There is a possibility to apply for permission to defer the payment of tax arrears or payment of tax arrears in instalments. In this case, however, several conditions must also be met and the application is subject to approval by the tax office.

LATE PAYMENT INTEREST

Late payment interests are charged at the standard amount.

PENALTIES FOR LATE PAYMENT

No change in regard of Covid-19 pandemic. However, for the purposes of execution, the amount of tax due will not be considered as a tax arrears, the due date of which expires during the pandemic period.

COUNTRY-SPECIFIC TOPICS

- I. Tax audits (including VAT audits) may be interrupted on request during a pandemic period.
- II. There were postponed deadlines for VAT registration/deregistration and filing of the application for VAT refund for the taxable persons from the third countries until the end of the month in which the government recalls the emergency situation (pandemic period).
- III. The taxable event (commencement date) by the lease of premises for the periods from April till June 2020 remains the same (end of the each month at the latest) even if the payment is postponed according to the ruling from the government until 31 December, 2020.

CONTACT



Hannes Gurtner:
hannes.gurtner@leitnerleitner.com



SLOVENIA

GENERAL INFORMATION

No specific VAT measures relating to the COVID-19 pandemic implemented. The tax authorities may allow deferral of tax payments for individuals and legal entities for a maximum of 24 months or payment in 24 instalments for reasons arising from COVID-19 without any (late) interest becoming due.

FILING DUE DATE

No extensions due to the COVID-19 pandemic; last working day of the following month; 20th day of the following month if obliged to file also EC Sales list.

PAYMENT DUE DATE

No extensions due to the COVID-19 pandemic; the last working day of the following month.

LATE PAYMENT INTEREST

No amendments due to the COVID-19 pandemic. 3% p.a. if declared by taxable person.

PENALTIES FOR LATE PAYMENT

No amendments due to the COVID-19 pandemic. - Companies (depending on the size of the company according to the Slovenian Companies Act): possible penalties between EUR 4,000.00 to 125,000.00

❖ For the responsible persons and bodies in the company : possible penalties between EUR 1,000.00 to EUR 10,000.00 - For an individual entrepreneur and person independently performing business activities: possible penalties between EUR 3,000.00 to EUR 50,000.00

EC SALES

No extensions due to the COVID-19 pandemic; 20th day of the following month.

CONTACT



Jerneja Štremfelj:
jerneja.stremfelj@leitnerleitner.com



SPAIN

GENERAL INFORMATION

Government has taken measures in order to allow the deferment of the payment of taxes as well as the extension of the filing of the VAT returns and payment deadline in specific cases.

FILING DUE DATE

In general terms, filing of quarterly or monthly VAT returns is still mandatory and has to be done within the general deadlines - 20th or 30th day of the following month respectively. Nonetheless, specific measures have been taken in order to extend the filing and payment deadline for certain tax returns and self-assessments. This extension is limited to returns to be filed between 15 April and 20 May 2020 that may be filed until this last date, unless payment by direct debit has been chosen, in which case the deadline for filing is extended until May 15. This benefit will only be applicable to taxpayers whose turnover during 2019 did not exceed Euro 600,000. Some entities are excluded from this measure, namely: a. Entities belonging to a tax groups for corporate income tax purposes .b. Entities belonging to a VAT group. Note that this measure does not apply to the declarations governed by Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code or its implementing legislation.

PAYMENT DUE DATE

The deferment of the payment of the tax debt will be granted (due to the COVID-19 measures approved by the Government) to all declarations whose presentation ends from 14 March and until 20 May 2020, both included. This specific provision only applies for debts under Euro 30,000 and to taxpayers whose volume of transactions during the previous calendar year did not exceed Euro 6,010,121.04. Taxpayers that not meet the abovementioned requirements, could still ask for a deferment of the payment as long as it can be proved that the charged VAT has not been paid by the client. The debts should need to be duly guaranteed.

LATE PAYMENT INTEREST

The term of the deferral granted due to COVID-19 will be six months. For the first three months of deferment, no late payment interests will be accrued. For the last three months, 3,75% of late payment interest will be applied. For the deferrals not included in the COVID-19 measures, the deferral would imply the accrual of late-payment interests (3,75%) from the day after the expiration of the term payment in the voluntary period.

PENALTIES FOR LATE PAYMENT

No penalties.

EC SALES

No adjustments

CONTACT



Carlos Gomez Barrero:
carlos.gomez.barrero@garrigues.com



SWEDEN

GENERAL INFORMATION

The Government have take measures to support financially affected businesses with late penalty and interest fine easements on VAT payments for up to one year. The new rules apply from 7 April 2020, but can be applied retroactively from 1 January 2020. An expanded opportunity to get deferred with payment of taxes and fees was introduced on 30 March 2020 for companies affected financially by the effects of the corona virus. It gives traders/companies an opportunity to apply for a temporary deferral of payments of deducted tax, employer fees and VAT. Rental discounts in some industries On 16 April, the Swedish Government made a decision and on, April 17, published the regulation on state aid when certain lessees receive a discount on the rent and the aid has been approved by the EU Commission. The support requires, inter alia, that the lessor

and lessee have entered into a written agreement for a discount on fixed rent by 30 June 2020, and the rebate refers to rent from 1 April to 30 June 2020, and the total aid does not exceed an amount equivalent to EUR 800,000. In addition, in brief.

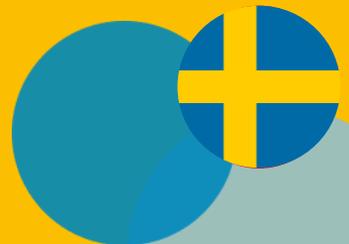
The support is granted with 50 percent of the rental discount, and the support amounts to a maximum of 25 per cent of the fixed rent. Change of accounting method for output- and input VAT Taxable persons who reports VAT according to the invoice method, i.e. reports VAT with the invoice date / date of issue as the starting point for the accounting, can through application to the STA change to the year-end method (cash method) if the total annual sales in Sweden is estimated to a maximum of SEK 3 million. Change of accounting period The STA is now eliminating the time requirements that normally apply when notifying the change of accounting period for VAT. Changing the accounting period for VAT means that a taxable person who reports VAT on a quarterly basis can change to a accounting period of one taxable year if the taxable basis is estimated to decrease to a maximum of SEK 1 million or that the person who reports VAT on a monthly basis can change to a quarterly reporting period if the taxable basis will reduce and amount to a maximum of SEK 40 million for the tax year.

FILING DUE DATE

No amendments re filing dates. Filing of quarterly or monthly VAT returns is still mandatory and has to be done within the usual deadline.

PAYMENT DUE DATE

No amendments.



SWEDEN

LATE PAYMENT INTEREST

No amendments.

PENALTIES FOR LATE PAYMENT

No amendments.

EC SALES

No amendments.

COUNTRY-SPECIFIC TOPICS

No amendments.

CONTACT



Pär Sundberg:
par.sundberg@skeppsbronskatt.se



SWITZERLAND

GENERAL INFORMATION:

Taxpayers can apply for a payment deferral (90d or more) even if their business is not directly affected. No necessity to the to demonstrate that business is individually affected by the imposed COVID-19 measures. Taxpayers having a credit in their favour against the FTA are recommended to submit the VAT returns as soon as possible. According to the FTA, the reimbursement should be made in less than the statutory 60 days upon request.

FILING DUE DATE

No extension of filing deadlines (monthly, quarterly, semi-annually VAT filing + 60 days).

PAYMENT DUE DATE

No extension of payment deadlines (monthly, quarterly, semi-annually VAT filing + 60 days)Request for payment deferral (postponement for 90 days): Application for payment deferral with no justification on Request for payment deferral (postponement for more than 90 days): Substantiated application for payment deferral necessary.

LATE PAYMENT INTEREST

Interest payment of 4% per year is abolished by way of Ordinance. Late payment of VAT will not lead to any late payment interests. This is applicable for both Swiss and foreign entities registered for VAT purposes in Switzerland.

COUNTRY-SPECIFIC TOPICS

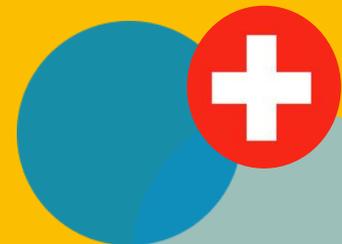
Same rules for late payment of VAT (i.e. no interest in case of late payment until Dec. 2020) applies to late payment of - import VAT- Customs duties- Excise duties (alcohol, tobacco, beer)- Car Tax- Heavy vehicle charges- No import duties on the import of medicines, protective equipment, other medical devices or medical equipment and materials used for prevention, limitation, treatment and combating purposes of the COVID - 19 infection for imports between 10 April and 9 October 2020. Import VAT will be levied at the respective VAT rate.

..

CONTACT



Laurent Lattmann:
laurent.lattmann@taxpartner.ch



UNITED KINGDOM

GENERAL INFORMATION

HMRC has agreed a VAT payment deferral for all businesses which is optional and no need to apply for it. HMRC has also redirected numerous officers to their “Time to Pay” helpline and introduced a new number with more capacity. HMRC will allow deferrals for all taxes.

FILING DUE DATE

VAT returns must be filed as normal.

PAYMENT DUE DATE

VAT payments due between 20 March 2020 and 30 June 2020 can be deferred on an optional basis. There is no requirement to apply. No interest and penalties will apply. The deferred VAT payment must be paid on or before 31 March 2021. This applies to all UK VAT registrations (irrespective of location of the business). It does not apply to MOSS registrations. If you normally pay by direct debit and wish to take advantage of the deferral, you need to cancel the direct debit. But do not forget to reinstate it for future payments. The earliest normal payment date for post this deferral is 7 July 2020 (depending on your VAT filing periods)

LATE PAYMENT INTEREST

Not applicable on Covid-19 measures.

PENALTIES FOR LATE PAYMENT

Not applicable on Covid-19 measures and agreed deferrals.

EC SALES

As normal.

COUNTRY-SPECIFIC TOPICS

If businesses are struggling with filings and payments due to Covid-19 challenges, HMRC are being flexible with businesses at the moment.

CONTACT



Máiréad Warren de Burca:
mwarrendeburca@alvarezandmarsal.com

