Belgian VAT authorities publish FAQ on the VAT treatment of vouchers

On 7 December 2018, the VAT authorities published a Circular (2018/C/127) containing Frequently Asked Questions (“FAQ”) relating to the VAT treatment of ‘sold’ vouchers. The EU VAT Directive on the VAT treatment of vouchers should ultimately be transposed into Belgian law on 31 December 2018. In preparation for these changes, the FAQ briefly explains the new rules, which will be effective as of 1 January 2019.

In the FAQ, the Belgian VAT authorities mainly repeat the EU definitions of a voucher, a single-purpose voucher (“SPV”) and a multi-purpose voucher (“MPV”), which will be subject to the new rules. The document also provides a number of concrete examples on the existence and use of a SPV (for which VAT is due upon issuance) and a MPV (for which VAT is only due when redeemed).

In addition, the FAQ confirms that pre-paid telephone cards (for which VAT is due upon use, as per Circular no. 41/2004) are not affected by the new rules.

There are a number of attention points in relation to this FAQ:

- The authorities explicitly confirm that VAT can never be reclaimed for unredeemed SPVs, whereas VAT will never be due for unredeemed MPVs. For refunded SPVs (i.e. returned by the customer), it remains possible to reclaim VAT.
The new rules are applicable to vouchers “issued” as of 1 January 2019. The criterion in this respect is the date of the voucher’s “first transfer”. As such, the voucher’s physical transfer is what should be considered.

For example, when distributing vouchers via an intermediary (who sells in the name and on behalf of the issuer), the date on which the vouchers are first provided to the intermediary is decisive. Hence, if vouchers were provided to such an intermediary before 1 January 2019, then the new rules will not be applicable on those vouchers, even if the voucher’s actual sale occurs after this date.

For the taxation of a MPV (if redeemed with a party other than the issuer), potential issues may arise if no nominal value is mentioned on the voucher. In this respect, the authorities state that the taxable basis will then need to be determined “considering all facts and circumstances”.

The authorities do not elaborate on any practical aspects relating to voucher processing in cash registers or on invoices.

Contacts

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