Deloitte.

Global Tax & Legal | Global Indirect Tax | April 2016

Perspective = everything

Global Indirect Tax News

Your reference for indirect tax and global trade matters

Welcome to the April 2016 edition of GITN, covering updates from the Americas, Asia Pacific and EMEA regions.

Highlights of this edition include further updates from China on the implementation of the VAT Reform, the publication of the European Commission's Action Plan on VAT, and a CJEU case on the VAT treatment of outsourced insurance claims handling.

If you have any queries or comments about the GITN, I would be delighted to hear from you.

David Raistrick
Deloitte Global
Indirect Tax Global Leader

April 2016

Country summaries

Asia Pacific

EMEA

Eurasian Economic Union

Related links:

Global Indirect Tax

GITN archive

Deloitte tax@hand

Contact us:

Deloitte Global & Regional Indirect Tax Contacts

Back to top

Country summaries

Asia Pacific

China

Seven bulletins have been issued on the implementation of the VAT Reform following the release of Circular 36.

A new mechanism for import taxes has been introduced to encourage cross border e-commerce.

China Customs has opened the Electronic Data Interface for the QuickPass system.

India

The Union Budget for 2016 has been delivered.

There has been an increase in the VAT rates in the States of Maharashtra and Chhattisgarh.

Entry tax will be levied in Gujarat on inter-State e-commerce transactions.

Amendments were introduced to the Point of Taxation Rules, 2011 to determine the point of taxation for a person liable to pay service tax under the reverse charge where there is change in the liability or extent of liability.

Bundled support services provided to an overseas client were not considered to be an intermediary service, and therefore not subject to service tax.

It has been held that service tax did not apply to the non-exclusive transfer of the right to use goods.

With the intention of facilitating trade, the Central Board of Excise and Customs has developed the 'Integrated Declaration' under which all information required for import clearance by the concerned government agencies has been incorporated into the electronic format of the Bill of Entry.

New Zealand

Non-resident suppliers of cross-border intangibles and services will need to charge GST from 1 October 2016.

Back to top

EMEA

European Union

The European Commission has published its Action Plan on VAT.

Belgium

There have been changes to the application of the VAT distance sales rules.

Incorporated directors will be obliged to charge VAT on their fees as from 1 June 2016.

A draft law has been introduced to change the VAT rules for cost sharing associations from 1 July 2016.

Denmark

The VAT authorities have published a draft binding instruction regarding the distance selling rules.

The National Tax Board has confirmed that the supply and purchase of bitcoins in return for regular currency is exempt from Danish VAT.

The VAT authorities have published a ruling regarding VAT exemption for repair services provided to vessels.

Finland

The Supreme Administrative Court has published four rulings regarding the VAT treatment of parking services.

The Tax Administration has published updated guidance on the right to deduct VAT.

France

There has been a case regarding the VAT treatment of the recharge of an insurance policy taken out by a group parent company.

There has been a case regarding a request for refund of French VAT reported in US dollars on invoices.

Italy

The Director of the Italian Tax Authorities has issued two Acts regarding the completion and e-submission of the new forms for 'Black Lists' and 'Spesometro'.

The Ministry of Economy and Finance has published the data related to VAT revenues accrued in the first two months of 2016.

The Customs and Monopoly Agency have provided Notes on pre-clearing and certain excise duties, and updated e-customs declarations taking into account the application of the Union Customs Code on 1 May.

Netherlands

The Supreme Court has ruled on the VAT recovery of pension fund costs in the *PPG* case.

Poland

The CJEU has ruled that outsourced insurance claims handling is not VAT exempt.

A general binding ruling has been issued on the taxpoint for construction services.

Portugal

Following the approval of the State Budget Law for 2016, the Portuguese tax authorities have published a Circular Letter which includes guidance/ clarifications with regards to the VAT and excise duty changes.

Russia

A Draft Law stipulates exemption from VAT of operations on the supply of secondary aluminum and its alloys.

A Draft Law stipulates the conditions of exemption from VAT on the import of the raw materials and components for the production of medical goods.

There has been a decision of the Russian Supreme Court on the inclusion of royalties in the customs value of imported goods.

Changes have been introduced to the procedure for levying excise duty.

There have been changes to the completion of the free customs zone customs procedure on the territory of the Special Economic Zone in the Kaliningrad region.

The Ministry of Economic Development is working on a Draft Law on technological plain.

The Plan of Action for the Russian Government aimed at ensuring the stable social and economic development of Russia in 2016 has been approved.

A revised Moscow Investment Strategy 2025 has been published.

Spain

There has been a case regarding the deductibility of input VAT incurred by a company engaged in the promotion and advertising of the City of Madrid.

United Kingdom

The tax authorities have published the new scale rates to be applied to determine the VAT to be accounted for by businesses that provide fuel for private use by staff.

Back to top

Eurasian Economic Union

Eurasian Economic Union

Anti-dumping duty has been introduced on certain hot-rolled iron rods from Ukraine.

There has been a decrease in the rates of import customs duties on certain goods.

Back to top

Asia Pacific

China

Bulletins issued on implementation of VAT Reform

Pursuant to the release of Circular 36, on 31 March 2016, the State Administration of Taxation issued seven tax bulletins, numbered 13 to 19 as follows:

- One bulletin on the new VAT return template:
    - Bulletin on certain issues concerning VAT filing after the full rollout of the VAT Reform (SAT Bulletin [2016] No.13)

- Five bulletins for the real estate and construction service sectors in connection with:
  - The 'Provisional measures of VAT collection and administration for transfer of immovable properties by taxpayers' (SAT Bulletin [2016] No.14)
  - The 'Provisional measures for phased credit of input VAT of immovable properties' (SAT Bulletin [2016] No.15)
  - The 'Provisional measures of VAT collection and administration for services of operating lease of immovable properties by taxpayers' (SAT Bulletin [2016] No.16)
  - The 'Provisional measures of VAT collection and administration for construction services across counties (cities, districts)' (SAT Bulletin [2016] No.17)
  - The 'Provisional measures of VAT collection and administration for selling self-constructed real estate projects by real estate developer companies' (SAT Bulletin [2016] No.18)
- One bulletin on tax administration issues:
  - Bulletin on entrusting local tax bureaus to collect taxes and issue VAT invoices under the VAT Reform (SAT Bulletin [2016] No.19).

It is expected that more regulations will be published in the future to address some of the various industry-specific issues from both the technical and implementation aspects of the Reform.

New mechanism for import taxes to encourage cross border e-commerce

With effect from 8 April 2016, China implemented a series of rules for individual purchases from overseas, especially via cross border e-commerce (CBEC).

Previously, individual purchases from overseas via the internet and up to RMB 1,000 per transaction were subject to a simplified tax on postage and luggage, which was a flat rate tax of 10%, 20%, 30%, 40% or 50% depending on the product category, with an exemption if the amount is less than RMB 50.

A new tax for CBEC imports was announced on 24 March by the Ministry of Finance, which implemented a zero rate of duty and 30% off the VAT and consumption tax (CT), i.e., 70% VAT and 70% CT. Consumers can make individual purchases of up to RMB 2,000 per transaction, with a maximum of RMB 20,000 a year.

Purchases exceeding the threshold will be taxed at the full rate of duty, VAT and CT as the trade of goods.

A list of 1,142 products eligible for the CBEC was announced on 7 April. It mainly covers daily consumer products that are easy to monitor, including food and beverages, clothing, shoes and hats, home appliances, certain cosmetics, diapers, and children's toys. For the CBEC tax to apply, imports should be made via an e-platform or an express office or postal company registered with China Customs, which can assist with Customs obligations. A simplification of the import license requirements can be applied to the listed product imports via CBEC.

The postage and luggage tax still remains, but the rates have changed to 15%, 30% and 60%, depending on the product category.

Meanwhile, controls on the import of individual items via express or carrying luggage have been tightened. Without proper declaration and tax, imports could be held by Customs upon entry.

Electronic Data Interface for QuickPass system open

To streamline the customs declaration process by alleviating certain IT technical barriers for companies to utilize automation solutions, on 17 March 2016, China Customs issued Bulletin [2016] No. 16 to open the Electronic Data Interface (EDI) for its QuickPass system, such that companies/ brokers that perform customs declaration work can

potentially realize data exchange between their own ERP system and customs QuickPass system upon completion of the relevant systems upgrade/ setup.

Sarah Chin, sachin@deloitte.com.hk, Deloitte China

India

Highlights of indirect tax changes in Union Budget for financial year 2016-17

For analysis of the indirect tax changes in the Union Budget, see Deloitte India's **Union Budget 2016**.

Increase in VAT rates in States of Maharashtra and Chhattisgarh

With effect from 1 April 2016:

- The VAT rate for goods mentioned in Schedule C (except the declared goods) has been increased from 5% to 5.5% in the State of Maharashtra;
- The residuary rate of VAT in the State of Chhattisgarh has been increased from 14% to 14.5%.

Levy of entry tax on inter-State e-commerce transactions

With effect from 1 April 2016, entry tax will be levied on all taxable goods under the Gujarat Value Added Tax Act, 2003 where the importer facilitates to bring such goods into Gujarat through online purchase, web based software application or by a teleshopping platform.

The rate of entry tax will be the rate (including the rate of additional tax) applicable under the Gujarat Value Added Tax Act, 2003 on the sale or purchase of such goods.

Determination of point of taxation for services covered under reverse charge mechanism

Amendments were introduced to the Point of Taxation Rules, 2011 to determine the point of taxation (POT) for a person liable to pay service tax under the reverse charge mechanism where there is change in the liability or extent of liability. The amendment states that where service has been provided and the invoice is issued before the date of such

change and payment has not been made as on such date, the POT will be the date of issuance of the invoice.

This amendment provides a relief to persons liable to pay service tax under the reverse charge when there is a change in liability or the extent of liability.

For example, the Finance Bill 2016 has proposed to introduce a new cess termed as Krishi Kalyan Cess (KKC) with effect from 1 June 2016. In light of this amendment, if the provision of service is completed and the invoice is issued prior to 1 June 2016, KKC will not apply under the reverse charge mechanism for such invoice when payment is made after 1 June 2016.

Bundled support services provided to overseas client not considered as intermediary service

The applicant proposes to provide a range of services such as marketing, branding, offline marketing, oversight of quality of third party customer care center, payment processing to its overseas client on a principal to principal basis. The services are proposed to be provided to assist the client in developing its brand in India, carry on its operations efficiently and service its Indian customers. The consideration for the said services would be equal to the operating cost of the applicant plus a mark-up.

The tax authorities contended that there was involvement of the applicant with its client as well as its client's customers in India. Thus, the services to be provided by it were covered under 'intermediary service'.

The Advance Ruling Authority observed that the services proposed to be provided were a 'bundle of services', being naturally bundled in the ordinary course of business, and accordingly a single service, being a 'business support service'. As the applicant will provide the main service, i.e. the 'business support service' on its own account, the services provided by the applicant will not be an 'intermediary service', and will not be subject to service tax.

No service tax on non-exclusive transfer of right to use goods

The applicant has entered into an agreement with its client to provide a revocable, non-exclusive and non-transferable right to the use of a system which, *inter alia*, consists of the supply of equipment which is to be installed at the customer's location and the provision of services for an automated bar coding system.

On the basis of various judicial precedents, it is observed that subject to other conditions, the transfer of an exclusive right to use goods is subject to VAT. However, the non-exclusive grant of a license to use goods is subjected to service tax.

The tax authorities contended that since the applicant had granted a license to use the system on a non-exclusive basis, the same should be subjected to service tax.

The Advance Ruling Authority observed that the system was for the exclusive use of the customer. The term 'non-exclusive' used in the agreement was only in respect of 'intellectual property' used in the system. Exclusivity required to qualify as a transfer of the right to the use of goods was with respect to goods which were transferred.

The Advance Ruling Authority held that service tax did not apply to the said transaction.

'Integrated Declaration' implemented under Customs Single Window Project

With the intention of facilitating trade, the Central Board of Excise and Customs (CBEC) has developed the 'Integrated Declaration' under which all information required for import clearance by the concerned government agencies has been incorporated into the electronic format of the Bill of Entry.

'Integrated Declaration' replaces nine separate forms that an importer or the importer's broker was supposed to file with various agencies. The importer or broker can submit the 'Integrated Declaration' electronically to a single entry point, i.e. Customs Gateway, and separate application forms required by different government agencies would be dispensed with. 'Integrated Declaration' also includes different types of undertakings, declarations, sections to provide

supporting documents, etc. and will allow simultaneous processing of the Bill of Entry by government agencies and Customs.

Prashant Deshpande, pradeshpande@deloitte.com, Deloitte India

New Zealand

Non-resident suppliers of cross-border intangibles and services will need to charge GST from 1 October 2016

The Taxation (Residential Land Withholding Tax, GST on Online Services, and Student Loans) Bill (the Bill) was introduced on 16 November 2015 and is expected to be enacted shortly. The Bill will require the collection of GST on services and intangibles (including digital downloads) supplied remotely by an offshore supplier to New Zealand-resident consumers. This will bring New Zealand into line with other OECD nations that have already implemented rules to deal with aspects of this often 'untaxed' area of commerce. Once enacted, the GST rules will come into force on 1 October 2016.

An area not addressed by these rules is the collection of GST on purchases of goods online from overseas. This is a more complex issue that is still being considered by New Zealand Customs and Inland Revenue separately, but there has been significant discussion in Parliament regarding GST and online purchases of goods during the introduction of the legislation for GST and online services.

Key features

The proposed new rules for GST on imported services for New Zealand will operate as follows:

- Remote services (as defined) supplied to New Zealand-resident consumers will be treated as being performed in New Zealand and subject to GST;
- A wide definition of remote services is proposed. This will include both digital services (downloads etc.) and more traditional services (such as consultancy and advice);
- Offshore suppliers will be required to register and return GST if their supplies of services to New Zealand-resident consumers exceed the threshold of NZD 60,000 in a 12-month period;

- As electronic marketplaces such as online app stores are generally in a better position to register and return GST on supplies compared with the underlying supplier, the electronic market place will be required to register for GST instead of the principal supplier registering, where certain conditions are satisfied;
- To ensure compliance costs are minimized, the new rules will only apply to business to consumer (B2C) transactions. Business to business (B2B) transactions will be excluded (unless the offshore supplier elects that these supplies will be zero-rated in order to allow the offshore supplier to recover any New Zealand GST);
- Significant fines, of up to NZD 50,000, would apply to New Zealand-resident consumers who deliberately and repeatedly represent that they are a business to an overseas services supplier to avoid paying the GST on imported services; and
- A new proposed rule will prevent double taxation from arising on supplies of remote services performed in New Zealand to a non-resident consumer, by allowing a deduction against the supplier's liability for New Zealand GST to the extent that the supply has already been taxed in another jurisdiction.

Jeanne Du Buisson, jedubuisson@deloitte.co.nz, Deloitte New Zealand

EMEA

European Union

European Commission's Action Plan on VAT

The European Commission has published its **Action Plan on VAT**, setting out its thinking on the future development of the EU VAT system.

The Plan includes proposals to tackle fraud, initially by reinforcing the tools used by Member States, information exchange, sharing good practices, and so forth, and later by moving to a system where suppliers

making intra-EU sales will be required to charge and account for VAT on them, at the VAT rate due in the destination country, with the VAT accounting being based on a variant of the current 'Mini One-Stop Shop' (MOSS) for e-services.

The plan also sets out options for relaxing the restrictions on the use of reduced rates. It aims to initiate political discussions on the issue, which should lead to a formal legislative proposal in 2017.

The Commission also expects to progress its 'digital single market' plans with a legislative proposal intended to simplify cross-border trade, especially for SMEs, by extending use of the MOSS to B2C supplies of goods, introducing an EU wide VAT/MOSS registration threshold to avoid the need for very small businesses to register and account for VAT and the abolition of the current 'low value imports' regime, under which many low value consignments enter the EU VAT and duty free.

Aili Nurk, anurk@deloitte.co.uk, Deloitte United Kingdom

Belgium

Online sales of goods – impact on distance sales regime

Following discussions by the European Commission's VAT Committee, the Belgian VAT administration recently adopted a wider interpretation of the notion that transport is performed by the supplier when distance sales are concerned (Decision n° E.T.128.714 of 9 February 2016). It has done so to tackle schemes to apply lower VAT rates on online sales of goods or avoid multiple VAT registration. The decision impacts a significant number of foreign and Belgian sellers.

Applicable VAT regime for supplies of goods

VAT law foresees that when goods are sent from one EU Member State to another, the supply is generally localized in the Member State of shipment and VAT is due in this State. This supply can then possibly be exempt, when it concerns an intra-Community supply, for example.

An exception to this rule can, in general, apply when goods are dispatched or transported by or on behalf of the supplier from another Member State to Belgium and the buyer is a private person or a

member of the ‘group of four’ (a non taxable legal person or an exempt taxpayer among others).

If the supplier opted to apply Belgian VAT or has exceeded the Belgian distance sales threshold set at EUR 35,000 annually, the supply is then located in Belgium. It is generally up to the foreign supplier to charge Belgian VAT and register for VAT purposes in Belgium.

However, if the buyer personally picks up the goods or arranges transport, then the supplier is seen as performing a domestic sale. In other words, VAT is due in the Member State where the goods are made available to the buyer.

If a Belgian private person orders electronic products online and has them sent by his/ her supplier to his/ her address in Belgium from France, Belgian VAT at 21% will apply if the supplier exceeds the threshold. If on the other hand, the Belgian private person picks up the goods with the French seller, French VAT at 20% will apply.

Classic interpretation of transport by supplier

The Belgian VAT administration considered that, even if the supplier intervenes indirectly, transport is arranged on the supplier’s behalf. A mail order company offering goods while also offering services of a third party transportation company, with whom a client can enter directly into an agreement, falls within the scope of this provision. The delivery terms determine the applicable regime and need to be analyzed based on available commercial documents and factual circumstances.

Broader interpretation of transport by supplier

Recently, however, in its decision no. E.T.128.714 of 9 February 2016, the Belgian VAT administration adopted an even broader position, endorsing the guidelines of the VAT Committee adopted during a meeting on 4 and 5 June 2015 (taxud.c.1(2015)4820441-876).

Since some of the guidelines were already adopted unanimously, the Belgian VAT administration already endorsed them; the decision officially indicates its adoption of all principles reflected in the document.

The administration considers that a supplier has indirectly arranged the goods transport when:

- The supplier requested a third party transport company to deliver the goods to the buyer;
- A third party transport company delivers the goods but the supplier carries the responsibility for the goods' delivery, partly or wholly;
- The supplier invoices the shipment costs to the buyer and receives payment of these costs to subsequently transfer the money to a third party responsible for the goods' delivery;
- The supplier actively promotes the transport services of a third party, connects the buyer with such third party, to whom the necessary information for the goods' delivery is communicated.

In all of the above cases, provided the supplier has exceeded the threshold of distance sales to Belgium, Belgian VAT is due.

The above list is supposed to tackle certain structures set up by e-tailers in order to be able to charge VAT applicable in the Member State of shipment.

Broader context

The Belgian VAT administration has increased its attention to online sales, as demonstrated by recent articles in the press. Deloitte is currently working on a study for the European Commission to measure the extent to which the distance sales regime is correctly applied and does not cause any distortion of competition and revenue losses for Member States. The European Commission is expected to propose amendments to the VAT Directive by the end of this year.

Impact

This decision has a significant impact on foreign online sellers of goods which offer their goods on the Belgian market as well as Belgian sellers which offer their goods to customers in other Member States. Businesses will need to reconsider their structures and analyze their invoicing and relationships with third party transport companies.

VAT on directors' fees

After several delays, incorporated directors will be obliged to charge VAT on their fees as from 1 June 2016. The current optional regime, whereby companies can consider their mandates as not being subject to VAT, will be abolished. The VAT authorities published guidance on 30 March 2016 to clarify the new rules.

Entry into force and transitional rules

The activities of incorporated directors will be subject to VAT as of 1 June 2016. All remuneration paid to legal entities for management services are subject to 21% VAT, including tantièmes. The activities of physical persons acting as directors remain outside the scope of VAT.

The new rule applies to all services rendered after May 2016. For tantièmes, the tax point occurs on the date of the annual meeting in which shareholders decide on granting the tantièmes. The accounting year's close is irrelevant. Therefore, where the annual meeting will take place after May 2016, VAT will apply to these tantièmes.

VAT exemptions

Further to discussions with relevant sectors, the VAT authorities have set out their views on situations where companies acting as director are active in sectors where VAT exemptions apply, such as:

- Intermediation in the insurance industry;
- Medical services rendered by a doctor who has contributed activities in a company;
- Bank and financial services in so far as the nature of services demonstrates the financial character.

In these situations, the company acting as director is allowed to split the remuneration between management services (subject to 21% VAT) and the exempt professional services. If the remuneration is not split, the VAT authorities consider that at least 25% of total remuneration received by the company is VAT taxable.

In certain sectors, one can also take into account the exemption regime for small enterprises allowing an exemption when management fees do not exceed EUR 25,000 per year.

VAT grouping rules

The VAT authorities' attention was also drawn to the possibility of incorporated directors forming a VAT group with the managed companies as a way of mitigating the extra VAT cost. The decision specifically provides for an easing of the financial link requirement in situations where multiple incorporated directors manage an operational company. A VAT group between the incorporated directors and the operational company is allowed if: all the management companies have shares in the operational company; they collectively have more than 50% voting rights of shares in the operational company; and they formally agree that every decision on the 'orientation of the operational company's policy' is taken in unanimity. A financial link, other than through the managed company, between the management companies is not required.

Changes to VAT rules for cost sharing associations

The Belgian government has introduced a draft law in Parliament that changes the VAT rules for cost sharing associations (CSAs). The main modifications include that CSAs will be allowed to render services to non-members and to provide services to members which are not VAT exempt. These changes will not affect the VAT treatment of other services CSAs carry out for their members and which meet the conditions for VAT exemption. The new rules will enter into force on 1 July 2016.

Current VAT exemption regime – exclusivity approach

The purpose of a CSA is to pool costs and resources needed for common services to its members in order to increase efficiency and realize scale benefits, without creating VAT costs. In order for a CSA to benefit from the VAT exemption scheme under the current rules, its members should be either non-VATable persons (e.g. public bodies) or VAT exempt businesses (e.g. hospitals). Members with limited taxable activities are permitted, provided these do not exceed 10% of the turnover. Also, a CSA is only allowed to carry out services to its members, for which it is remunerated on a cost basis. If these conditions are not met, the CSA will lose the benefit of VAT exemption for its entire activity, which means that all of its services will be subject to VAT (incurring a cost for the members involved). The current

regulation therefore entails that the CSA is necessarily a fully VAT exempt taxable person and is not able to recover any input VAT.

Non-members to be allowed

The draft law significantly changes the current regulation:

- Members partially subject to VAT (i.e., with a non-exempt business) will be allowed, provided their non-taxable or exempt operations remain dominant in their overall activity. The former 10% threshold is substantially increased and VAT exemption for the CSA may still apply if the annual VATable turnover of each member is less than 50%.
- The CSA will only be able to exempt its services to members to the extent the members use these services for their exempt activity. If members have a taxable activity and use CSA services within that activity, the CSA will have to apply VAT. Given the link with the taxable activity of the member, this VAT should, in principle, not be a cost for the member.
- The CSA will also be allowed to render services to non-members, provided the CSA's activities predominantly consist of services to its members. This means that more than 50% of the CSA's turnover should be realized vis-à-vis its members. Also, fees charged to non-members should follow the same methodology as fees charged to members, which means they should equally be based on the costs incurred, without a margin. If these conditions are not met, the entire activity of the CSA will be excluded from the benefit of VAT exemption.

The draft law also emphasizes that the CSA's services should be 'specifically linked' with and 'essential' for the members' operations. Hence, 'non-core' services (e.g. catering for its members) will not benefit from the VAT exemption. Under the current rules, the VAT exemption only applies to services, not to the supply of goods (unless embedded in the rendered services).

Mixed VAT person

The new regulation entails that a CSA will, in many cases, qualify as a mixed VATable person (contrary to the current situation where the CSA is fully exempt). This means that CSAs will be registered for VAT and

will be entitled to partially recover upstream VAT incurred on their expenditure. The input VAT recovery will have to be determined on the basis of the normal rules (general pro-rata or the direct allocation method). In addition, this may entail a partial recapture of the VAT incurred on capital goods.

Notification

If a CSA is VAT exempt, it should notify the competent VAT office at the start of its activities. This notification should also contain a list of the members. Also, on entry and exit of members, and in the case of a change of activity, the VAT office should be notified. Existing CSAs will have to notify their VAT office in the course of the month of July.

Entry into force

If adopted by Parliament, the new rules will enter into force on 1 July 2016. It is expected that the Ministry of Finance will allow existing CSAs a transition period of six months, until 1 January 2017, during which they can opt to apply the former rules.

Johan Van der Paal, jvanderpaal@deloitte.com, Deloitte Belgium

Ivan Massin, imassin@deloitte.com, Deloitte Belgium

Denmark

Distance selling

According to a recently published draft binding instruction, the authorities' opinion is that even small actions by the supplier will mean that the supply of goods to private persons in Denmark will be considered as covered by the distance selling rules. This applies if, e.g., the supplier provide information directly to the carrier of the goods to the Danish private customer.

Bitcoins VAT exempt

The National Tax Board has confirmed that the supply and purchase of bitcoins in return for regular currency is exempt from Danish VAT.

Furthermore, the Tax Board has confirmed that the activity is subject to the special payroll tax (DK: Lønsumsafgift), and the method applicable is the method applicable for financial companies.

VAT treatment of repair services on oil and drilling rigs

The VAT authorities have published a ruling regarding VAT exemption for repair services provided to vessels. The exemption also applies to the supply of repair services performed on oil and drilling rigs. Consequently the services can be supplied without Danish VAT.

The authorities state that the Danish VAT exemption does not apply to repair services provided to foreign established customers, since such supplies do not have the place of supply in Denmark. An evaluation of the services will have to be undertaken in according with the VAT rules by the customer.

Henrik Pedersen, henpedersen@deloitte.dk, Deloitte Denmark

Finland

SAC publishes four rulings regarding VAT treatment of parking services

Right to VAT deduction on construction costs of parking garage

On 6 April 2016, the Finnish Supreme Administrative Court (SAC) gave a ruling KHO:2016:41. A city-owned real estate company had built a parking garage. The company rented the garage to the city which in turn started a car parking service in the parking garage. The city rented 45 unnamed parking places from the garage to city theater employees. The city theater employees were allowed to use the parking places while they were at work. The city planned to ask for a payment, which was in accordance with what the general population was paying for when parking, from the theatre employees. After working hours the parking places were used fully in the separate parking activities of the city.

The question was, whether the real estate was fully in taxable use and could the real estate company deduct the VAT on garage construction costs in full. The SAC ruled that all parking places in the garage were used continuously in fully taxable activities. Thus, the real estate company had the right to opt for VAT for letting of the premises in full based on article 30 of the Finnish VAT Act. Therefore, the real estate

company was entitled to deduct the VAT on construction and other costs fully.

Possession of boat berth VAT exempt when based on share ownership

On 6 April 2016, the SAC gave a ruling KHO:2016:40, concerning small boat harbor activity. The company maintained a harbor for small boats. One company share was an entitlement to the possession of a boat berth in the harbor. The company charged a fee to its shareholders, which covered berth, waste management, electricity, water, guarding the harbor area, as well as ensuring that the pier was fully on track and available for the boaters.

The main question was whether the small boat harbor activities of the company could be considered parking activities subject to VAT as stated in article 29 of the Finnish VAT Act. As the shareholder had the right to use the property (i.e., a parking place for a boat), based on its ownership, the SAC decided that the company was not carrying out parking activities subject to VAT but non-taxable letting of immovable property as regulated in article 27 of the Finnish VAT Act. The SAC denied the company's request for a ruling from the Court of Justice of the European Union.

VAT treatment of parking places according to Control Sharing Agreement

In case KHO:2016:39 (6 April 2016) the SAC considered that a robotic parking system was part of property. Three housing companies were located in the same building plot as well as one real estate company. The companies agreed on the division of the land and the managing of the building entirety in the Control Sharing Agreement. The real estate company owned the parking places and the robotic parking system.

The companies had agreed that the housing companies would have a permanent right to use specific robotic parking places in the Control Sharing Agreement. The housing companies paid a monthly fee for such parking places to the real estate company. As the housing companies had a permanent right to use the parking places on the basis of the agreement, the SAC decided that the real estate company was not carrying out parking activities subject to VAT but non-taxable

letting of immovable property based on article 27 of the Finnish VAT Act.

The real estate company also rented parking licenses to those who rented business premises. As the renting of parking licenses was connected to the renting of the business premises, the SAC considered that also in this case the real estate company was not carrying out parking activities subject to VAT but non-taxable letting of immovable property in accordance with article 27 of the Finnish VAT Act. It should be noted that there is a possibility to opt for VAT for letting of business premises as well as related parking places, under specific conditions, in Finland.

Renting of parking places was taxable when not related to non-taxable renting of premises

On 6 April 2016, the SAC gave a ruling KHO:2016:38 concerning the VAT treatment of car parking services. A parent company had started a parking company A to which it had outsourced its parking operations in its own business centers. Company A carried out car parking services. The operations concerned parking places located at business centers and the parking places were owned by real estate companies established for operating the business centers. The real estate companies were members of the same group of companies as the parking company A.

According to the city plan regulations, some of the parking places had been conferred to residents who lived in apartments located in the business centers. The real estate company which owned the parking places at business center X and the housing companies agreed that the parking places which were appointed to the housing companies were in their occupancy. The parking company A made an agreement on operating the parking places with the housing companies and invoiced maintenance costs from them. The SAC decided that the parking company A was in this case carrying out normal taxable business activities.

The real estate company which owned the parking places at business center Z rented these parking places to the parking company A which in turn sub-rented the parking places (governed by the city plan regulations) to the residents of the housing company. The parking

company A did not rent residential or other premises to the same tenants. The SAC decided that the parking company A was carrying out parking activities subject to VAT for this part of its services based on article 29 of the Finnish VAT Act. The SAC ruled that the city plan regulations were not solely decisive when evaluating the VAT liability of the arrangement. In this case the letting of residential premises and the parking places did not form one economic unity. Thus, the sub-renting of the parking places was not considered as non-taxable letting of immovable property stated in article 27 of the Finnish VAT Act.

Updated guidance on right to deduct VAT

The Finnish Tax Administration has published updated guidance (No. A80/200/2015) on 17 March 2016 concerning the right to deduct VAT.

Businesses should familiarize themselves with the new guidance. The guidance includes new, and stricter, interpretations on recoverability of VAT, e.g. on costs related to the sale of real estate and shares, overhead costs and costs on group treasury services.

The guidance concerns several situations related to the right to deduct VAT when a taxable person carries out both taxable and non-taxable activities. The guidance is divided into four major areas: general rules, costs related to own business activities, recoverability of allocated costs (including non-taxable sales and activities outside the scope of VAT) and recoverability of overhead expenses (including group treasury services and their impact on VAT recovery).

In general, the guidance mostly follows recent rulings of the Court of Justice of the European Union as well as recent rulings issued by the SAC. The guidance broadens the area of non-recoverable VAT compared to previous established court and tax practice to some extent.

Harri Huikuri, harri.huikuri@deloitte.fi, Deloitte Finland

France

VAT treatment of recharge of insurance policy taken out by group parent company

In the recent case of *Energie Europe Service*, the parent company of a corporate group took out an insurance policy, the cost of which it recharged to its subsidiaries exempt from VAT. The French tax authorities challenged this VAT exemption on the basis that the parent company was not an insurer under the French insurance code.

The Administrative Court of Appeal first restated the principle according to which being an insurer under the French insurance code is not a relevant criterion for determining the applicable VAT regime.

Nevertheless, the Court refused to apply the exemption in the present case, pointing out to this end that the insurance contract concluded with the insurer only covered the parent company, not the subsidiaries themselves, for the risks attached to the sites operated by the subsidiaries, and that the parent company did not produce any contractual document between it and its subsidiaries (insurer/ insured party relationship).

Therefore, it was not established that the parent company performed an insurance transaction for the benefit of its subsidiaries, nor acted as a disclosed agent.

Request for refund of French VAT reported in USD on invoices

In the recent case of *Computacenter*, the French tax authorities had rejected a claim for a VAT refund filed by a company concerning invoices on which French VAT was reported in US dollars.

The Court restated that, in principle, the amount of VAT payable must be reported on invoices in the national currency of the EU Member State where the supply takes place, i.e. in euros in the present case, otherwise the rejection of the VAT refund claim would be justified.

However, the Court noted that the company provided a conversion table (US dollars/ euros) for all the VAT amounts for which a refund was requested, the accuracy of which was not challenged by the tax

authorities. The Court therefore concluded that the tax authorities were able to determine the extent of the company's right to reimbursement.

This decision seems to temper the position established in the *Société Eye Shelter* judgment of 10 July 2015 of the same court. In order to avoid any difficulties, businesses should verify whether the VAT amount is expressed in euros on invoices issued and received.

Michel Guichard, mguichard@taj.fr, Taj

Italy

Deferred deadlines for 'Black Lists' and 'Spesometro' related to FY2015

To allow taxpayers to update their software and proceed with the completion and e-submission of the new forms for 'Black Lists' and 'Spesometro' in full compliance with the technical instructions released by the tax authorities, the Director of the Italian Tax Authorities has issued:

- Act n° 45144/2016 (amending the former Act dated 2 August 2013), based on which FY2015 'Black Lists' can be submitted separately by the new deadline of 20 September 2016 (according to the former Act, a 'joint submission' of both the annual 'Black List' and 'Spesometro' was due within April 2016). For completeness, please note that the 'Black List' communication must be submitted on an annual basis from FY2015 onwards; previously submission was monthly or quarterly. As already announced, the change in the timing for the submission of 'Black Lists' (introduced by the so-called 'Simplifications Decree' dated 21 November 2014, n° 175) did not apply to FY2014, which was the year when the change took place (transitional period);
- Act n° 52425/2016 (amending the former Act dated 2 August 2013), based on which the FY2015 'Spesometro' due by monthly taxpayers could be submitted by 20 April 2016, as well as the form due by quarterly taxpayers (under the former Act, the 'Spesometro' was due by 11 April 2016 for monthly taxpayers and by 20 April 2016 for quarterly taxpayers only). For

completeness, please note that the 'Spesometro' reports, on annual basis, all transactions, performed by taxpayers, that are relevant for VAT purposes in Italy but not yet declared to the tax authorities (e.g. intra-Community transactions declared in Intrastat forms).

VAT trends for first two months of 2016

In press release n° 63, dated 5 April 2016, the Ministry of Economy and Finance made available the data related to VAT revenues accrued in the first two months of 2016, which are equal to EUR 13.506 million. This significant increase equal to 14% (+EUR 1,654 million), compared to the value in the same period of 2015, confirms the recent positive trend for VAT revenues already announced by the Ministry of Economy and Finance in press release n° 41 dated 8 March 2016.

Antonio Piciocchi, apiciocchi@sts.deloitte.it, Deloitte Italy

Pre-clearing conditions

In Note No 41966/RU issued in 9 March 2016, the Customs and Monopoly Agency has provided some new specific conditions to be met by operators in order to apply for the experimental pre-clearing procedure in Italy (i.e. the ability to anticipate the customs clearing of goods whilst they are still on the sea).

Excise duties

On 15 March 2016, the Customs and Monopoly Agency issued Note No RU 31289, explaining the content of recent law provisions relating to the favorable excise duty treatment granted to the use of some energy products and lubricant oils in boats sailing European and Italian sea waters.

UCC and e-customs declarations

As is known, starting from 1 May 2016, the Union Customs Code will be entirely applicable.

Taking this into account, the Customs and Monopoly Agency have updated some of the layouts to be used by the operators to e-file their customs declarations (e.g. the layouts relating to the place in which the relevant goods are located).

Alessandra Di Salvo, adisalvo@sts.deloitte.it, Deloitte Italy

Netherlands

Supreme Court rules on VAT recovery of pension fund costs in *PPG* case

The Supreme Court has ruled, in line with the Court of Justice of the European Union judgment in the case of *PPG Holdings*, that costs relating to the management and operation of a pension fund qualify as general costs. Any VAT incurred on costs relating to the management and operation of a pension fund is recoverable by the employer, where those costs are not passed on to the pension fund. The right to deduct the VAT exists on the basis that there is a direct and immediate link between these costs and the taxable business activities of the employer.

Furthermore the Supreme Court ruled that no restriction to the right to deduct VAT applies because the pension provision is not an employee provision resulting in a limitation of deduction because of private use.

Madeleine Merkx, MMerkx@deloitte.nl, Deloitte Netherlands

Poland

CJEU confirms that outsourced insurance claims handling is not VAT exempt

The Court of Justice of the European Union has followed the Advocate General's Opinion in the insurance outsourcing case of *Aspiro SA* (Case C-40/15), formerly *BRE Ubezpieczenia sp. z o.o.*, and confirmed that the claims handling and settlement services undertaken by Aspiro do not qualify for exemption under EU law.

The judgment confirms that Aspiro's work (which comprised an end-to-end claims handling service supplied to insurance companies, including the assessment of claims made by policyholders to determine

if a claim should be paid by the insurer and, if so, the quantum of the payment and dealing with complaints about the claims handling process as well as other administrative activities) did not amount to 'insurance' for the purposes of the EU VAT exemption and that, since Aspiro was not an insurance agent or broker, it could not qualify for exemption as 'services related to insurance transactions' either.

General binding ruling on taxpoint for construction services

Further to the Polish VAT law binding as of 1 January 2014, the taxpoint for construction services arises in general upon completion of the services (B2C relations) or upon invoice issuance (B2B relations), which is, however, determined by the time of service completion (invoice is to be issued within 30 days of completion of works).

A number of disputes have arisen as regards the concept of 'service completion' since the implementation of these provisions.

Based on the common approach in the construction industry, the time of service completion is considered to be the time of signing by the investor of the protocol accepting the works performed or the time a work acceptance certificate is issued (if the contract is based on FIDIC regulations). Such an approach was in line with the VAT taxpoint regulations binding until the end of 2013, as well as the provisions concerning CIT. However, as of 2014, the tax authorities have started to challenge such an approach, arguing that the time of service completion should be understood to be the time of the factual completion of works and the time of notifying the investor that a given stage of works is ready to be subject to the acceptance procedure. In particular, the time of the taxpoint cannot be determined by contractual relations between the parties (the time of the signing of the protocol).

On 5 April 2016, the Minister of Finance issued a general binding ruling as regards the time of taxpoint occurrence in construction services. The ruling confirms the practice of the tax authorities developed since the beginning of 2014. Taxpayers should monitor the time of service completion as determined in the ruling (summarized above) to avoid any arrears which may arise, given the common practice in the construction industry.

Michal Klosinski, mklosinski@deloittece.com, Deloitte Poland

Portugal

State Budget Law 2016

Further to the approval of the State Budget Law for 2016, the Portuguese tax authorities have published a Circular Letter which includes guidance/ clarifications with regards to the VAT and excise duty changes introduced by the State Budget Law.

In addition, on 4 April 2016, Ordinance nr. 67-A/2016 was published, which determines that individual packages of cigarettes with the previous excise duty stamp approved for 2015 can only be introduced for consumption until 30 April 2016, and can only be commercialized and sold to the public until 30 June 2016.

Afonso Arnaldo, afarnaldo@deloitte.pt, Deloitte Portugal

Russia

Draft Law stipulating exemption from VAT of operations on supply of secondary aluminum and its alloys

It is reported that the Draft Law No.1016701-6 “On introduction of changes to art. 149 of Part Two of the Russian Tax Code” was submitted for Russian State Duma consideration. In particular, it is suggested that operations on the supply of secondary aluminum and its alloys should be exempt from VAT.

Draft Law stipulating conditions of VAT exemption on import of raw materials and components for production of medical goods

It is reported that Draft Law No. 1010531-6 “On introduction of changes to art. 150 of Part Two of the Russian Tax Code” was submitted for Russian State Duma consideration. In particular, it is suggested that the import into the territory of the Russian Federation of the raw materials and components for the production of medical goods indicated in subpoint 1, point 2, article 149 of the Tax Code should be exempt from VAT only where their analogs are not produced in Russia.

Decision of Supreme Court on inclusion of royalties in customs value of imported goods

A case on the inclusion of royalties in the customs value of imported computer stickers was considered by the Russian Supreme Court in Decision No. 307-KG15-14266 of 21 March 2016, on case No. A56-53020/2014.

The company imported into Russia stickers for computers used for verification of authentication of installed software and of the presence of the relevant software license. The importer paid royalties for every download of the software on the computers produced by the importer in Russia. The importer did not include the royalties paid for the software in the customs value of the imported computer stickers.

The Court supported the customs authorities and decided that the stickers are inseparably connected with the software and are carriers of intellectual property for which the importer pays royalties. Thus, the Court decided that the royalties should be included in the customs value of the imported stickers.

Introduction of changes to procedure for levying excise duty

Federal Law No. 101-FZ of 05.04.2016 “On the introduction of amendments to Part One and Chapter 22 of Part Two of the Russian Tax Code (as regards updating the procedure for levying excise duties)” envisages the following amendments to the procedure for levying excise duty:

- Amendment of the requirements for bank guarantees provided by the taxpayer to gain exemption from excise duties when selling excisable goods outside of Russia, and amendment of the procedure for fulfilling the obligation to pay excise duties with bank guarantees;
- Exclusion of the possibility of reducing the tax base on the sale of alcoholic and/ or excisable alcohol-containing products by returns, and the introduction of a ban on recovering excise duty paid by the taxpayer in relation to alcoholic and/ or excisable alcohol-containing products upon the return or rejection of the goods by the purchaser;

- Retention of the right to recover paid excise duties upon the return or rejection by the purchaser in respect to other excisable goods on the condition that documents confirming the return of the goods are presented, and that excise duties are paid in full upon the subsequent sale of the returned excisable goods;
- Possibility to present the register of customs declarations to justify exemption from excise duties in case of export sales.

The Federal Law will enter into force on 5 May 2016, with the exception of provisions with respect to which a special date of entry into force is stipulated in the Law.

Changes to completion of free customs zone customs procedure on territory of the Special Economic Zone in the Kaliningrad region

Federal Law No. 72-FZ of 30.03.2016 has introduced changes with respect to the accounting and payment of VAT upon completion of the free customs zone customs procedure on the territory of the Special Economic Zone in the Kaliningrad region. In particular, it is provided that upon release of goods for internal consumption upon completion of the free customs zone customs procedure in the Kaliningrad region, VAT is not paid to the customs authorities where the taxpayer does not apply a special tax regime and does not supply goods without payment of the tax (with the exception of application of the VAT rate of 0%). This is to prevent double taxation, i.e. payment of VAT to the customs authorities upon release of the goods and to the tax authorities on the supply of the goods. (Taxpayers applying special tax regimes do not pay VAT on the supply of goods, and pay VAT to the customs authorities upon release of goods.) Furthermore, if these goods have not been used for VATable operations within 180 days of the date of their release, the VAT accounted for upon the customs declarations must be paid, and can be claimed for recovery after the use of the respective goods in VATable operations.

The changes have been introduced because, starting from 1 April 2016, the procedure for determining the status of goods for customs purpose changed (in accordance with the obligations of the Russian Federation undertaken upon entering the WTO), resulting in the application of general rules of completion of the free customs zone

customs procedure, implying payment of VAT upon release of the goods produced on the territory of the Special Economic Zone in the Kaliningrad region.

The Federal Law came into force on 1 April 2016.

Draft Law on technological plain

It is reported that the Ministry of Economic Development of the Russian Federation is working on a Draft Law "On technological plain'. It is suggested that the technological plain will be created on the territory determined by the Government of the Russian Federation for the creation of conditions for the introduction of scientific-technological centers and the commercialization of inventions. The participants of the technological plain will be able to use customs concessions, VAT exemptions upon the importation of goods (the respective expenses will be compensated by subsidies), a simplified regime for attracting foreign specialists, and also tax concessions similar to those applied to participants of the project '*Skolkovo*' (exemption from payment of profits tax, VAT, property tax).

Plan of Action for Russian Government aimed at ensuring stable social and economic development of Russia in 2016 approved

The Plan of Action for the Russian Government aimed at ensuring the stable social and economic development of Russia in 2016 has been approved. Key initiatives include:

- Introducing amendments to the Russian Tax Code regulating the taxation of oil production based on financial results in order to encourage site exploration (pilot projects);
- Extending the period for applying reduced social contribution rates by companies engaged in IT, engineering and other prospective industries;
- Increasing the threshold income for applying special taxation regimes up to RUB 120 million and increasing the threshold value of fixed assets used in the simplified taxation system;
- Assessing the performance of Special Economic Zones and liquidating underperforming SEZs;

- Building a legal basis for technological parks, industrial parks, agroindustrial and tourist parks;
- Extending the unified tax on imputed income (UTII) until 31 December 2020, while simultaneously reducing the range of its application, improving the mechanism for establishing the deflator coefficient used for the UTII purposes;
- Reducing the tax burden for vehicle owners with the allowed maximal weight exceeding 12 tons for transportation tax purposes;
- Extending the period for applying 0% VAT by regional passenger railway carriers.

Revised Moscow Investment Strategy 2025 published

A revised Investment Strategy for the city of Moscow until 2025 and a Plan of Initiatives to Implement the 2016-2018 Strategy have been published. The documents envision the following undertakings:

- Simplifying state registration with the tax authorities for legal entities and private entrepreneurs;
- Reducing the number of field tax inspections for bona fide small businesses and large taxpayers;
- Extending the range of entrepreneurial activities to be performed under the patent taxation system;
- Developing and introducing tax incentives to encourage investment activities, including those that support industrial businesses based on economic indicators;
- Introducing tax holidays to newly registered private entrepreneurs that choose the simplified or patent taxation systems and operate in the scientific, production and social industries;
- Exempting investors from profit tax on built social objects transferred into the possession of a subject or municipality;
- Providing benefits and/ or deferrals on land lease payments and reducing the tax burden on businesses in the ‘real’ industries to encourage their investment activities;

- Providing tax benefits to automotive producers in exchange for investments;
- Providing tax benefits to hotels;
- Developing and implementing additional measures for supporting the creation of and encouraging activities of industrial and service clusters, industrial parks and industrial zones in the priority industries, including pharmaceuticals, information technology, biochemicals, manufacturing of auto parts, construction materials, etc.

Andrey Silantiev, asilantiev@deloitte.ru, Deloitte Russia

Spain

Judgment regarding deductibility of input VAT incurred by company engaged in promotion and advertising of Madrid

A judgment has been issued on 8 March 2016 by the Supreme Court regarding the right to deduct the input VAT incurred by a company whose sole shareholder is a public entity, and which is mainly engaged in undertaking promotional and advertising activities with the aim of boosting the international perception of the City of Madrid and attracting foreign investment for the city.

Within the framework of a VAT inspector procedure, the tax authorities denied most of the input VAT refund requested by the entity as, in their opinion, the input VAT incurred on the purchase of goods and services for undertaking the activity of promoting the City of Madrid was not deductible, given that such promotional activity would be disregarded for VAT.

By contrast, the judgment of the Supreme Court states that both such a company meets the condition of a business or profession for VAT purposes and that such promotional activity is subject to VAT, the economic nature of which cannot be questioned, whatever the purpose or results of that activity.

This judgment makes specific reference to the recent Court of Justice of the European Union judgment *Saudaçor*, in which, with a similar background (i.e. a company committed to create a national health

service that had to be mainly financed with public funds), the CJEU concluded that there was a business activity under article 9(1) of the EU Principal VAT Directive.

Maria Jose Garcia Vega, **mgarciavega@deloitte.es**, **Deloitte Spain**

United Kingdom

VAT on fuel for private use: New scale rates published

The tax authorities have **published the new scale rates to be applied to determine the VAT to be accounted for by businesses that provide fuel for private use by staff**. The new rates must be used by such businesses to work out the VAT due on 'private use' fuel provided by businesses, on VAT returns for accounting periods beginning on or after 1 May 2016.

Donna Huggard, **dohuggard@deloitte.co.uk**, **Deloitte United Kingdom**

Back to top

Eurasian Economic Union

Introduction of anti-dumping duty on some types of hot-rolled iron rods originating from Ukraine and imported into the territory of the Eurasian Economic Union

The Decision of the Board of the Eurasian Economic Commission No. 28 of 29 March 2016 introduces anti-dumping duty with respect to some types of hot-rolled iron rods originating from Ukraine. The anti-dumping duty will apply to some types of hot-rolled iron rods classified under certain classification codes of headings 7213, 7214, 7227 and 7228. The introduced anti-dumping duty rate varies depending on the manufacturer of the imported iron rods from 9.32% to 10.11% of the customs value of the imported goods.

The Decision came into effect on 30 April 2016.

The anti-dumping duty applies for five years.

Decrease in rates of import customs duties on certain goods

The Decision of the Board of the Eurasian Economic Commission No. 26 of 29 March 2016 and the Decision of the Board of the Eurasian Economic Commission No. 25 of 22 March 2016 introduce a decrease in the rates of import customs duties on several goods.

In particular, Decision No. 26 introduces decreased rates of import customs duty on several goods in accordance with Russia's obligations with the WTO. In particular, decreased import customs duties are introduced with regard to several foods, beverages, wood, paper and machinery from 1 September 2016.

Decision No. 25 introduces decreased import customs duty rates on cauliflower, broccoli, Brussels sprouts, several types of almond, dates and grapes. The import customs duty rate on cauliflower and broccoli will be decreased from 11% to 5% from 22 April 2016 to 31 May 2017 inclusive. The import customs duty rate on Brussels sprouts will be decreased from 13% to 5% from 22 April 2016 to 31 May 2019 inclusive. The import customs duty rate on several types of almond, dates and grapes will be decreased from 5% to 0% from 22 April 2016 to 31 May 2019 inclusive.

Decision No. 25 came into effect from 22 April 2016 and Decision No. 26 comes into effect from 30 April 2016.

Andrey Silantiev, asilantiev@deloitte.ru, Deloitte Russia

Back to top

Contacts

Deloitte Global & Regional Indirect Tax Contacts

David Raistrick, Global Indirect Tax Global leader
draistrick@deloitte.co.uk

Fernand Rutten, Global Customs & Global Trade leader
frutten@deloitte.com

Jon Graham, Asia Pacific Indirect Tax leader
JonGraham@deloitte.com.au

Rogier Vanhorick, EMEA Indirect Tax Leader
rvanhorick@deloitte.nl

Carlos Iannucci, Latin America Indirect Tax leader
ciannucci@deloitte.com

Dwayne Van Wieren, North America Indirect Tax leader
dvanwieren@deloitte.com