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Global Indirect Tax News

Your reference for indirect tax and global trade matters

Welcome to the September 2018 edition of GITN, covering updates from the Asia Pacific and EMEA regions.

Features of this edition include the conclusion of negotiations between Australia and Indonesia on a bilateral free trade agreement, a VAT and excise duty implementation update from Angola, an update from the Gulf Cooperation Council, confirmation of the increase in the reduced VAT rate in the Netherlands, and a change in the scope of the Swiss radio and television corporate fee.

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Eurasian Economic Union

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Tariff quotas have been introduced for agricultural products.

Unified veterinary-sanitary requirements for activities subject to veterinary control (supervision) have been introduced.

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Asia Pacific

Australia-Indonesia

Bilateral free trade agreement

On 31 August 2018, the Australian Government announced the conclusion of negotiations with Indonesia on a bilateral free trade agreement, see A new chapter of economic partnership with Indonesia.

The new agreement, to be known as the Indonesia-Australia Closer Economic Partnership Agreement (IA-CEPA), will build on commitments already made by Australia and Indonesia under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) in relation to trade in goods and services, investment, and economic co-operation.

Trade in goods – key outcomes

Key outcomes announced in relation to trade in goods between Australia and Indonesia (Indonesia-Australia Comprehensive Economic Partnership Agreement: Outcomes) include the following:

- Virtually all Australian goods exported to Indonesia (by value) will enter Indonesia free of customs duty or under significantly improved preferential customs tariff arrangements by 2020. Under AANZFTA, only about 85% of imports from Australia (by value) enjoy duty free or preferential treatment in Indonesia.

- The IP-CEPA will particularly benefit Australian steel, copper, plastics, and agricultural producers exporting goods to Indonesia. This will occur through the lowering and/or removal of Indonesian customs tariffs (some as high as 25%), together with certainty of access to preferential arrangements over the longer term.

- Indonesia has guaranteed that import permits will issue automatically for key Australian products such as live cattle, frozen beef, sheep meat, feed grains, rolled steel coil, citrus products, carrots, and potatoes. This measure will address inefficiencies created by Indonesia's current import licensing requirements.

- All Australian customs tariffs remaining on Indonesian imports will be eliminated from the date the IA-CEPA enters into force.

- Australian imports of electric motor vehicles from Indonesia will enjoy very liberal 'origin' requirements.

- Trade in goods will be further facilitated through improvements in administrative procedures for exporters and importers in both countries.

Next steps and commencement

The full text of the agreement is currently being reviewed for accuracy and consistency by both countries in preparation for formal signing. Both countries have indicated a desire to sign the agreement before the end of 2018. After that, each will need to complete its domestic treaty making processes.

At this stage, it seems reasonable to expect that the IA-CEPA will to enter into force around mid-2019.

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India

GST updates

On 29th August 2018, GST amendment bills proposed for the Central Goods and Services Tax Act, the State/Union Territories Goods and Services Tax Acts, and the Integrated Goods and Service Tax Act received assent from the President.

Other GST notifications are as follows:

- The Central Government has notified that the provisions of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) under the GST regime will start from 1 October 2018.

- The Central Board of Indirect Tax and Customs (CBIC) has issued clarification regarding the processing of refund claims filed by entities with a Unique Identity Number (UIN), *viz.* foreign diplomatic missions and embassies in India.

- Clarifications have been issued on the following:

    - Scope and ambit of the principal-agent relationship:

        - The key ingredient for determining the relationship of principal-agent would be whether or not the invoice for the further supply of goods on behalf of the principal is being issued by the agent, and whether the agent has the authority to pass or receive title of the goods on behalf of the principal;

        - Where the invoice for the further supply is being issued by the agent in the agent's name, any provision of goods from the principal to the agent would be construed as a supply.

- The levy of GST on Priority Sector Lending Certificates (PSLC):
    - PSLC, a tool for promoting comparative advantages among banks while they meet their priority sector lending obligations in India, was notified to be goods under head 4907 of the GST schedule, attracting GST under the reverse charge mechanism on 28 May 2018.
    - It has now been clarified that GST on PSLCs for the period from 1 July 2017 to 27 May 2018 will be paid by the seller bank on a forward charge basis and the GST rate of 12% will apply to the supply.
- Refund related issues:
    - Certain clarifications relating to the process and requirement to claim refunds of GST in case of exports, unutilized input tax credits, rejection of refund claims, etc. have been issued to ensure uniformity in the implementation of the provisions of the law.

Customs updates

Simplification and rationalization of AEO-T1 application

As the compliance requirements for Authorized Economic Operator (AEO)-Tier 1 were not commensurate with the benefits, it was difficult to attract entities to AEO status.

Therefore, the Central Board of Excise and Customs (CBEC) has issued a circular for the simplification and rationalization of AEO-Tier 1 applications.

Paperless processing of documents for exports

Pilot implementation of paperless processing of documents under SWIFT has commenced, with uploading of supporting documents for exports.

The objective is to reduce the physical interface between customs/regulatory agencies and the trade and to increase the speed of export clearance.

Foreign trade policy updates

Applications for Import Export Code (IEC)

The Director General of Foreign Trade has amended the procedure for filing online applications for IEC/modifications in IEC.

IEC will henceforth be system-generated and the applicant will be able to take a print-out of the IEC.

Also, there will be no requirement for a digital signature when submitting an IEC application.

Customs decision on constitutional validity of clause in Central GST Act

The High Court considered the constitutional validity of a clause in the Central Goods and Services Tax Act, which limits the eligibility of a first stage dealer to claim credit for eligible duties in respect of goods that were purchased from the manufacturer prior to twelve months from the appointed day of GST.

The petitioner company is engaged in trading specialized industrial bearings of various types. The petitioner also imports certain goods. The company must maintain sufficient stock of different kinds of bearings, many of which may not be immediately sold. The petitioner, therefore, has a longer cycle of goods remaining with the company after purchase from the manufacturer before they are sold.

In the earlier regime under the Central Excise Act, first stage dealers were at par with manufacturers. A registered manufacturer could avail a Central Value Added Tax (CENVAT) credit of tax paid on purchases which could be utilized towards duty liability of goods manufactured by the manufacturer. As against this, a first stage dealer or an importer could pass on the credit of tax (excise duties or additional duties of customs) paid on purchases to customers, who could recover such credit for utilizing against their duty liability on the product.

Under GST, the provisions for transitional arrangements for input tax credit allow several classes of persons, including first stage dealers, to take credit for the eligible duties of finished goods held in stock on the appointed day, subject to certain conditions. One such condition is that invoices or other prescribed documents in support of such available stock must be not earlier than twelve months immediately preceding the appointed day.

Prior to enactment of the GST Act, the petitioner company, as a first stage dealer, was not subject to excise duty paid on purchases, and this was without restriction on the time during which the goods must be sold. However, under GST, this benefit must be utilized within a certain time period. The petitioner challenged the constitutional validity of this condition before the High Court.

Considering all the factors and referring to a number of judgments, the High Court has held that the benefit of the credit for eligible duties on purchases made by a first stage dealer as per the then existing CENVAT credit rules was a vested right. Under GST, such right has been taken away with retrospective effect in relation to goods that were purchased prior to one year from the appointed day.

The same factors, parameters, and considerations of 'in order to co-relate the goods or administrative convenience' prevailed with respect to the earlier laws and rules when no such restriction was imposed on the enjoyment of CENVAT credits in relation to goods purchased prior to one year previously. It was held that the impugned provision does impose a burden with retrospective effect without any justification. Therefore, the particular GST clause has been declared unconstitutional.

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Indonesia

Importer Identification Number

The Indonesian Government has stipulated Minister of Trade (MoT) Regulation Number 75 of 2018 regarding the Importer Identification Number. This regulation revokes MoT Regulation Number 70/M-DAG/PER/9/2015 as an adjustment to Government Regulation Number 24 of 2018 regarding Online Single Submission (OSS). With this integration with the OSS system, the Business Identity Number (NIB) issued by the OSS Agency will also be applicable as the Importer Identification Number (API).

Furthermore, this regulation sets out the delegation of authority to issue a General Importer Identification Number (API-U) to the Director General of Foreign Trade for importers importing foreign banknotes as intended in Bank Indonesia regulations. Meanwhile, the Importer Identification Number for Producer (API-P) is intended for companies or contractors in the energy, oil and gas, mineral and other natural resources management sectors, conducting their business activities based on a cooperation contract with the Government of the Republic of Indonesia. The procedures and requirements for the issuance of API-U and API-P as intended above are further set out in this regulation.

This regulation is effective from 20 July 2018.

Producers exporting e-liquid to be provided with incentives

In the context of the imposition of excise duty of 57% of the retail sale price of e-liquid (liquid for e-cigarettes), some entrepreneurs have been granted entrepreneur identification numbers for excisable goods. According to the Director General of Customs and Excise, Heru Pambudi, although the number of entrepreneurs who have these numbers is still limited, the number will continue to increase over time.

Based on data of the Directorate General of Customs and Excise (DGCE), there are currently about 200 e-liquid producers, with a target of 150 producers who have an excisable goods entrepreneur identification number by the end of 2018.

The Directorate General estimates that potential revenue from excise duty on e-liquid will reach IDR 50 billion to IDR 70 billion by the end of 2018.

Although the Government imposes excise duty on e-liquid, the Government plans to provide incentives for the producers of such commodity who will export their product in the form of exemption from import duty and import tax on raw materials.

This regulation is effective from 1 October 2018.

Online Single Submission in customs, excise, and taxation sectors

Based on Regulation of the Minister of Finance Number 71/PMK.04/2018 regarding OSS, businesses that have a business registration number and intend to fulfil Customs obligations must create a Customs registration with the DGCE to obtain Customs access. The Customs access only applies for Customs access as importers and/or exporters.

The DGCE provides licensing services through the OSS system that include Customs registration, bonded stockpiling area licensing, ease of import for export purposes licensing, and excisable goods entrepreneur registration number licensing.

This regulation is effective from 6 August 2018.

Article 22 income tax rate increase for certain import goods

The Ministry of Finance (MoF) issued Regulation No.110/PMK.010/2018 (PMK-110) on 5 September 2018 to amend MoF Regulation No.34/PMK.010/2017 (PMK-34) regarding the collection of Art.22 income tax imposed on payments for delivery of goods and activities in import, or on other business activities in other sectors. PMK-110 came into force seven days after the promulgation date (promulgation date is 6 September 2018). The Art.22 income tax rates for several goods are now increased, either from 2.5% (for importers that have import licenses) to 7.5% or to 10%, or from 7.5% to 10%.

The MoF expects that with the issuance of PMK-110/2018, the Government can overcome the country's current trade deficit. Under PMK-110, the tax rates for at least 900 consumable imported goods are increased. The increases are mainly for imported goods with substitute products that can be manufactured by local producers in Indonesia.

As in PMK-34, the imported goods continue to be classified under three categories based on the tax rate, while exported goods remain under one category. The comparison of numbers of goods under each tax rate category, which indicates the increase in items of goods that are now subject to 7.5% or 10%, is as follows:

Transaction	Tax rate	Number of items	
		PMK-34	PMK-110
Import	10%	244	672
	7.5%	568	1,077
	0.5%	7	7
Export	1.5%	70	70

Examples of goods under each category are provided below. There are items that either remain in the same category as in PMK-34 or are now subject to a higher tax rate.

A. Imported goods subject to 10% tax rate: Included in this category are luxury items such as CBU cars and large motorbikes, etc.

B. Imported goods subject to 7.5% tax rate: Consumables (e.g., fish and shrimp meatball and sausage, cookies, instant coffee, chicken curry, vegetable and fruit, wine, vodka, whiskey), cables, several types of apparel such as ski suits, t-shirts, etc.

C. Imported goods subject to 0.5% tax rate: Soybeans, wheat, flour, etc.

D. Export mining commodities in the form of coal, metal minerals and non-metallic minerals which are subject to Art.22 income tax include iron pyrite which is not roasted, sulphur, kaolin, manganese ore and its concentrate, nickel ore and its concentrate, aluminium ore and its concentrate, tin ore and its concentrate.

This regulation is effective from 13 September 2018.

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EMEA

Gulf Cooperation Council

United Arab Emirates

VAT – new rules and clarifications

Following the implementation of VAT in the United Arab Emirates (UAE) the Federal Tax Authority (FTA) has released further important Cabinet Decisions, guides, and public clarifications to help businesses better understand the application of the VAT legislation on their activities. The following have recently been published:

- Cabinet Decision No. (41) of 2018 On Introducing the Tax Refunds for Tourist Scheme: This explains the mechanism of the Tourist Refund Scheme whereby non-UAE residents may recover VAT charged on purchases that they will take out of the country. The scheme is expected to come into effect in November 2018. The detail on the actual procedures and documentation is not yet publicly available, but it is likely that participant businesses have been briefed by the FTA.

- Guide on the VAT treatment of Designated Zones: This provides clarity on the application of VAT on transactions with businesses established in Designated Zones. For a summary and analysis of the guide, see FTA publishes guide on the VAT treatment of Designated Zones.

- VAT Public Clarification: Non-recoverable input tax – entertainment services: This explains the application of Article 53 of the VAT Executive Regulations regarding non-recoverable VAT in respect of entertainment or hospitality. For a summary and analysis of the clarification, see FTA publishes Public Clarification on the treatment of input tax on entertainment services.

- VAT Public Clarification: Use of Exchange Rates for VAT purposes: This provides guidance on how the official exchange rates should be applied to tax invoices issued in a currency other than the UAE Dirham between 1 January 2018 and 16 May 2018 (prior to the Central Bank publishing daily exchange rates) and whether or not they must be retroactively reissued using the Central Bank's historical exchange rates.

- VAT Public Clarification: Tax Invoices: This explains the application of Article 59 of the Executive Regulations regarding tax invoices, including when invoices must be issued and the information required on them.

The FTA has also updated the VAT User Guide and the Tax Group User Guide. The VAT User Guide contains some amendments on procedures for registration and use of the FTA's website. The Tax Group User Guide provides important clarification on the procedure for adding a member to a tax group and contains an insight into the tax group functionality within e-Services accounts.

Finally, the FTA has launched the VAT 'Tax Clinics' campaign across the UAE, which intends to increase awareness of VAT procedures over a period of three months among all business sectors with a focus on assisting small- and medium-enterprises (SMEs). Tax Clinics provide the opportunity for the FTA to communicate directly with businesses, with the objective of promoting compliance with the VAT legislation.

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Dubai Customs

The Dubai Customs Authority has published Customs Notice No. 1/2018 – Submittal of Customs Declarations & Required Documents. The document sets out the rules that the Authority has implemented in order to make the processing of clearance of declarations more efficient. Customs Notice No. 1/2018 came into force as of 1 September 2018, and supersedes Customs Notice No. 7/2010 and Customs Notice No. 15/2011.

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Excise tax

Following the implementation of Excise Tax in the UAE in October 2017, the FTA has recently released Cabinet Decision No. (42) of 2018 on Marking Tobacco and Tobacco Products. This deals with the application of stickers, or markers, to tobacco products as evidence of the payment of excise tax. The FTA has also updated the Excise Tax User Guide, including some procedural changes for the use of the FTA's website and guidance on the types of registration amendments which require approval from the FTA.

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Kingdom of Saudi Arabia

New guides/guidelines

Following the implementation of VAT, the Kingdom of Saudi Arabia (KSA) General Authority of Zakat and Tax (GAZT) has published Simplified VAT Filing Guidelines and a guide on invoicing and record keeping requirements. The guidelines on simplified VAT filing provide a general overview of the process of preparing and submitting a VAT return in KSA. The guide on invoicing and record keeping requirements provides increased clarity on invoicing requirements with respect to both full and simplified tax invoices, as well as the requirements to keep VAT records in the KSA. The guide is currently available in Arabic only, but Deloitte has summarized its key points, see GAZT publishes guide on invoicing and records keeping requirements.

GAZT has also now issued the English version of the VAT on Employee Benefits Guideline. This has previously been in the public domain, but in Arabic only.

E-invoicing

GAZT has signed a Memorandum of Understanding with the Saudi Arabian Monetary Agency (SAMA) to encourage business to implement e-invoicing through the ESAL platform in order to increase transparency around invoicing and to prevent tax evasion. The ESAL platform was originally launched by SAMA in May to facilitate payment for transactions between government agencies and the businesses that act as suppliers. This new step indicates that the KSA government is actively seeking new ways to integrate its VAT systems with other relevant government mechanisms to increase efficiency.

Tax disputes

The KSA Ministry of Finance has approved the appointment of the Internal Dispute Settlement Committee following a three month pilot. The Committee will act as the final internal dispute resolution level for the GAZT before cases are referred to other external judicial bodies. The objective of the Committee is to manage taxpayers' disputes efficiently, in addition to closing tax cases that may have been pending for some time.

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Bahrain – Next to implement VAT?

Following the implementation of VAT in the UAE and KSA, Bahrain appears to be the next GCC state closest to implementing VAT based on various reports in the press. As such, it is recommended that businesses that have not yet started preparing for VAT implementation begin to do so. Preparation is the key and it takes significant time to get systems, processes, and personnel to a point of VAT-readiness. At the very least, businesses should be in a position to understand what the impact of the implementation of VAT will be on any operations within Bahrain, so that once the details are released, businesses can proceed directly to implement based on that level of understanding.

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VAT implementation tools for business

With four GCC countries still to implement VAT (Bahrain, Kuwait, Oman, and Qatar), Deloitte has developed an approach and methodology to support businesses during VAT implementation. This document**,** available in English and Arabic, and provides helpful tips on how to best prepare for VAT, as well as actions that should already be under way.

Deloitte has also recently released the latest version of Deloitte's 'VAT in the GCC guide' mobile app that is now available in English and in Arabic. The app is free of charge and is designed to help business understand VAT and its impact in all GCC countries. As and when details of the domestic law, and preparations in the Member States still to implement VAT, become available, it will be updated with that information.

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Angola

VAT and excise duty update

Following recent updates regarding the implementation of VAT in Angola, it is understood that it is now anticipated VAT will come into force in July 2019 (not January 2019, as initially planned).

A draft proposal for an excise duties code has also been released, which will apply to certain products, such as alcohol and sugar-added beverages, tobacco, fireworks, jewelry, vehicles, weapons, antiques and art objects, and oil-related products. It is anticipated that the excise duties tax code will come into force at the same time as the current consumption tax is revoked, which will occur with the entry into force of the VAT Code.

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Finland

New SAC ruling regarding VAT taxable status of vessels used for rescue and assistance operations

The Finnish Supreme Administrative Court issued a ruling on 3 September 2018 (KHO 2018:123) regarding the taxable status of vessels used for rescue and assistance operations.

A Oy sold rescue and assistance vessels to the Rescue Services Organization for use in marine and inland water rescue operations. The question was whether A Oy had to pay VAT on the sale of these vessels, even though the hull length of the vessels was less than 10 meters. According to the Treaty of Accession of Finland to the EU, Finland may exceptionally apply the exemption from VAT on the sale of watercraft to vessels of 10 meters or more.

The abovementioned right of exception had to be regarded as an extension of the exemption from the tax on the sale of watercraft in the EU Principal VAT Directive, so that the exemption also applies to vessels used in inland waters. Finland, on the other hand, was not entitled to claim the right to limit the exemption of seagoing vessels. Given that Article 148 (c) of the Principal VAT Directive requires EU Member States to exempt, *inter alia*, shipments of sea rescue and aid vessels without restrictions on the length of vessels, A Oy was not required to pay VAT on the sale of those vessels for the purposes of sea rescue. On the other hand, the requirement concerning the length of the vessel was considered to cover inland waterway vessels and therefore A Oy had to pay VAT tax on the sale of rescue and assistance vessels of less than 10 meters used in inland waterways.

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France

New law published on 11 August 2018

The main goals of a new law published on 11 August 2018 (*loi pour un Etat au service d'une société de confiance*) are to reinforce a taxpayer's 'right to be mistaken' and to introduce new guarantees.

As regards VAT, four measures are to be noted:

- Reduction of the late interest rate for spontaneous regularization in the absence of a tax audit

  The late interest rate will be reduced by 50% as from 11 August 2018 for good faith taxpayers that file a corrective VAT return spontaneously within the statute of limitations, to the extent that the additional VAT is paid at the same time. (The standard late interest rate is 0.2% per month for late interest as from 1 January 2018.)

- Reduction of the late interest rate for regularization during a tax audit: extension of applicable circumstances

The late interest rate is reduced by 30% for taxpayers filing a corrective VAT return in the course of a tax audit performed on the premises of the company, to the extent that the additional VAT is paid at the same time. As from 11 August 2018, this measure now also applies to audits undertaken by the tax authorities in other circumstances, such as a request for information and audits performed on the premises of the tax authorities.

- Opposability of the authorities' conclusions

  For tax audits starting from 11 August 2018, the authorities must indicate the issues that have been examined during a tax audit, even where no tax reassessment is made. These conclusions will be 'opposable' to the authorities as from 1 January 2019. This means that the taxpayer may oppose these conclusions in future to the tax authorities.

- Ruling during a tax audit

  For tax audits starting from 11 August 2018, taxpayers may request a ruling on a specific issue raised during the tax audit, and before the receipt of the reassessment notice.

As regards excise duties and custom matters, all these measures apply as from 12 August 2018.

Taxpayers that spontaneously regularize their situation as regards excise duties and custom matters will not be subject to any penalties for first infringements (except for taxes recovered under the application of the French Customs Code and applied to the resources of the EU).

In addition, when a good faith taxpayer asks for a general ruling concerning customs matters, the authorities should respond within three months, as from 12 August 2018. As from this date, it is also possible to ask for a second examination within two months, assuming that no additional information is provided.

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Greece

Emergency measures adopted in Greek VAT Code

By virtue of an Act of Legislative Content, which was published in the Government Gazette on 26 July 2018, emergency measures were adopted to support citizens who were affected by the fires in the Attica Region on 23 and 24 July 2018. The Act introduced, *inter alia*, amendments into the Greek VAT Code, as follows.

Under article 9 of the Act of Legislative Content, new provisions were added to articles 7 and 27 of the Greek VAT Code with respect to goods destined for the needs of those affected by extreme natural phenomena. In particular:

- Article 7

  The free of charge supply of goods (edible goods, medicines, clothes or other goods, other than those subject to excise duty) to legal persons of public law or non-profit legal persons of private law, lawfully incorporated in Greece and evidently having a charitable or public benefit purpose, in order to be further distributed exclusively to serve or relieve vulnerable social groups, without consideration, in the context of dealing with situations declared as a state of emergency for Civil Protection, is allowed. In such cases, the restriction on the suitability of goods for sale or exploitation is not applicable.

  The supply of goods to public sector agencies, to local administrative authorities (O.T.A.) and legal persons of public law, in order to be further distributed with a view to cover the needs of those affected by extreme natural phenomena, irrespective of their value and the specifications of their production, is not considered as a deemed supply of goods and therefore, no VAT on a self-supply is due (meaning that no VAT should be remitted to the Greek State).

  More specifically, in both the foregoing cases, goods may be donated to groups of persons affected by natural disasters under the abovementioned conditions and, therefore, no VAT is due on such supply, whereas no issue arises as regards the deductibility of the input VAT paid by the donor at the time of purchase/production of the said goods.

- Article 27

  In addition, the supply of goods and the provision of services to a taxable person with a view to be further distributed to public sector agencies, to local administrative authorities (O.T.A.) and legal persons of public law, free of charge, with a view to cover the needs of those affected by extreme natural phenomena, is VAT exempt (with right to deduct input VAT). Namely, in such case, the purchase of goods destined to be further supplied to those affected by natural phenomena is VAT exempt (with the right to deduct input VAT) under the above conditions, whereas the supplier is not deprived of the right to deduct the input VAT amount that corresponds to the supplier's expenses.

Guidelines for input VAT deduction by taxable person filing late declaration for commencement of business activities

In Circular POL.1155/2018, issued by the Greek Ministry of Finance on 1 August 2018, guidelines have been provided in relation to the exercise of the input VAT deduction right by a taxable person that files a declaration for the commencement of business activities late (retroactively) with the competent tax office.

This is a significant decision, as its content is in alignment with the provisions of the EU Principal VAT Directive, as well as relevant jurisprudence of the Court of Justice of the European Union (see *Senatex GmbH*, *Barlis 06 – Investimentos Imobiliários e Turísticos SA* (points 42,43 & 46 thereof), and *Nidera Handelscompagnie BV*).

In particular, as per the content of the said Circular, it is provided that the right of a taxable person to deduct the input VAT amount which is related to that person's business activity subject to VAT should be granted (to that person), even where the relevant purchases (inputs) were performed prior to the date of submission of the declaration for the commencement of that person's business activities. This should apply to the extent that the purchases (inputs) date back in the time period covered by the reported (to the tax office) retroactive date for the commencement of the business activities, under the reservation of the statute of limitation rules.

To this end, specific guidelines have been released and cover the following cases:

i) Late submission of the declaration for the commencement of business activities by a taxable person who, until the date of filing the said declaration, had not reported to the Registry Department of the competent tax office the carrying out of the person's business activities in Greece. The input VAT deduction right is performed on the basis of the legitimate tax records that the taxable person has received from suppliers. In the case of a tax audit, the taxable person should be able to prove that the said purchases (inputs) are related to that person's economic activity.

ii) Late submission of the declaration for the commencement of business activities for the VAT registration of an EU taxable person non-established in Greece directly electronically (by virtue of Circular Pol.1113/2013, as amended and applied by Circular Pol.1153/2016, through a specific process that does not entail the appointment of a fiscal representative for VAT purposes in Greece). With respect to the relevant tax records which the taxable person has already received (due to the purchase of goods or receipt of services performed as from the reported retroactive commencement date), the following are clarified:

- According to par. 3 of article 11 of Council Implementing Regulation (EU) No 282/2011, the VAT registration in Greece is not considered to be a permanent establishment within the territory of the country. Therefore, the application of the provisions of the VAT Code for the supply of goods or services to a non-established taxable person is not affected.

- For purchases (inputs) charged with Greek VAT, the VAT deduction right is performed through the relevant VAT return. To this end, the invoices which have already been issued by the suppliers should include a reference to the Greek VAT number acquired by the non-established taxable person retroactively in Greece. In case of a tax audit, the taxable person should be able to prove that the said purchases (inputs) are related to that person's economic activity.

iii) In order to comply with the principle of equal treatment, the provisions of point ii) above also apply in case of late submission of the declaration for the commencement of business activities for the VAT registration of an overseas taxable person (either EU or non-EU based) through the appointment of a fiscal representative; the said case is covered, only under the condition that the Power of Attorney for the appointment of the fiscal representative includes an explicit reference to the retroactive effective date for the VAT registration of the principal in Greece.

iv) An overseas taxable person non-established in Greece, who submits a late declaration for the commencement of business activities, which are performed through the permanent establishment (for direct tax purposes) that the taxable person actually has (maintains) in Greece. As regards the invoices that the said taxable person has already received for the purchases (inputs) carried out as from the reported date for the commencement of business activities, in order to be able to deduct the input VAT incurred, supplementary/additional invoices should be issued by the counterparty for the charging of the VAT corresponding to taxable purchases (inputs) of the said permanent establishment in Greece.

For the safeguarding of the VAT deduction right and the correct remittance of VAT, it is clarified that if output VAT is due in Greece for the period as from the commencement effective date declared with the Greek tax office, the relevant tax records (invoices) should be issued, as per the applicable legislation of the place of the establishment of the supplier/issuer (Greece or overseas), for the imposition of the corresponding VAT amount due. As a general rule, the said tax records are dated back in the tax period, within which, the VAT amount is, in principle, due, namely within the tax period of the initial transaction, both for the issuer and the recipient of the said tax records (invoices).

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Hungary

Ministry of Agriculture of Hungary proposes reverse charge for soy

To anticipate the domestic use of GMO-free soy, the Ministry of Agriculture has proposed introducing the reverse charge mechanism for soy (as already applies to cereals).

50 percent presumptive VAT deduction on leased cars

A proposal has been submitted to the European Council that would allow Hungary to decide, by way of derogation from the EU Principal VAT Directive, on a presumed VAT input deduction rate of 50% on the use of the leased cars. Currently taxpayers may deduct the VAT on leased cars in proportion to the use of the cars in connection with their taxable activities.

If the proposal is adopted, the VAT Act will be amended accordingly, and the new legislation will apply from 1 January 2019 until 31 December 2021.

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Ireland

Updated guidance on VAT treatment of transfer of business relief

Irish Revenue issued an eBrief, No. 150/18, to announce updated guidance on the VAT treatment of business assets disposed of by way of a transfer of a business (i.e. to which a transfer of business relief applies), which has been issued as a result of discussions with relevant industry stakeholders, see Transfer of Business.

The Transfer of Business Relief (TOB), also referred to as 'Transfer of a Going Concern' (TOGC) in other European jurisdictions, is aimed at reducing the compliance costs for traders. From a VAT perspective, the intention of TOB relief is to remove the requirement from the transferee to pay VAT on the acquisition of business assets where the relief applies.

Although the underpinning legislation is intended to be a simplification measure, it is subject to interpretation, which has led to many disputes over the years and is subject to extensive case law. In the light of this, Revenue have had an extensive consultation with relevant industry stakeholders and issued an updated guidance document that provides a range of examples intended at clarifying the treatment of business assets disposed of under different scenarios.

The updated guidance introduces significant change in Irish Revenue's position on the application of TOB relief, especially in the context of transactions involving immovable property, and is expected to result in a narrower application of the relief. The main changes include:

- For single properties used for letting purposes, TOB will no longer apply where they are sold without either a sitting tenant or licensee or without an agreement to lease or license to another party in place (even if the property had been let in the past or there had been an agreement in place to let the property historically).

- TOB will no longer apply to sales of a let property to a sitting tenant.

Although Irish legislation seems to contradict some of the new guidance, it has nevertheless come into effect from 31 July 2018. It must be noted, however, that the previous guidance will continue to apply to transfers where binding legal agreement for the transfer was in place prior to this date.

Updated excise duty guidance on registered consignees

Irish Revenue issued an eBrief, No. 160/18, on the movement of excisable products, which updates their Tax and Duty Manual, see Movement of Excisable Products Manual.

The manual in question is a valuable source of guidance on movement of excisable products under both the duty suspension and duty-paid regimes within Ireland as well as to and from other EU Member States. It also provides guidance on the authorization of persons for specific functions relating to the movement of excisable products.

The updated guidance includes changes to section 5 of the Manual (Approval of Registered Consignees and Temporary Registered Consignees) in the following three areas:

1. Supplementary qualifying criteria for traders applying for authorization as Registered Consignees.

2. Procedures applicable on changes in authorization and conditions for Registered Consignees.

3. Procedures applicable when revoking authorization as a Registered Consignee.

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Italy

VAT ledgers for e-invoices

Based on law provisions recently approved for simplification purposes (Law Decree no. 87 dated 12 July 2018 converted by Law no. 96 dated 9 August 2018, published in the Official Gazette no. 186 dated 11 August 2018), taxpayers required to e-invoice are exonerated from the VAT booking obligation, meaning that they can avoid booking in the VAT ledgers e-invoices that are passed through the SDI.

Form available for VAT grouping option

On 19 September 2018, the tax authorities approved the AGI/1 form (together with the relevant instructions) for use by Italian companies to elect to form a VAT group.

To take effect from 1 January 2019, election via the AGI/1 form must be made by 15 November 2018; this is only for the first year of implementation of the new regime (a derogation). From 2020, election must be made by the end of September of the year prior to the year in which the regime will apply (general rule).

The AGI/1 form:

(a) Is available for free on the official website of the tax authorities;

(b) Must be electronically signed by all members of the VAT group as well as the representative of the VAT group;

(c) Must be filed by the representative of the VAT group through the electronic services made available by the tax authorities on the website.

After e-submission of the AGI/1 form, a new VAT number will be attributed to the VAT group, while the members will retain their own VAT registration numbers.

The AGI/1 form will also be used for:

- Accounting options (e.g. separation of activities);
- Inclusions/exclusions of companies into/from the VAT group;
- Change to a new representative of the VAT group;
- Change to the name of the VAT group or the business activities of the VAT group;
- Revocation of the option;
- Termination of the VAT group.

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New method for paying customs duties

With Note no. 36457 of 5 September 2018, the Customs authorities advised that from 17 September 2018, importers could pay customs duties in Italy by means of a new electronic method (PagoPA).

The new method can be used, provided certain conditions are met, and the authorities' note provides operative guidelines in this respect.

Operative guidelines regarding TIR carnets

With Note no. 94642 of 5 September 2018, the Customs authorities provided operative guidelines regarding the use of TIR carnets, in particular regarding the communication flows and fulfilments that must be met under the relevant TIR procedure.

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Netherlands

Announcement of annual Budget and presentation of 2019 Tax Plan

The announcement of the annual Dutch budget took place on 18 September 2018. The 2019 Tax Plan was presented to the House of Representatives. The plan includes important indirect tax changes.

Increase of reduced VAT rate

The reduced VAT rate will be increased from 6% to 9% with effect from 1 January 2019. One of the consequences is a potential increase in the cost of daily necessities, refreshments, medicines, and books. A sensible shift, according to the Government, because a tax on consumption, like VAT, causes less disruption to the choices of citizens than taxes on labor. The Government expects the consequences for the border regions to be limited, as the prices for foodstuffs in the surrounding countries are generally higher than in the Netherlands.

The Government has stated that it will not include any additional legislation for transitional situations, thus confirming the earlier statement by the State Secretary for Finance. Services to be performed in 2019 do not require a correction to the new 9% VAT rate if they have been paid before 1 January 2019. The increase of the rate also affects to the Dutch Fixed Book Price Act. This Act will be amended to offer entrepreneurs the possibility to change a set fixed price and to thus set off the effect of a VAT adjustment.

Revision of the VAT scheme for small business

The Government proposes to modernize the scheme for small businesses (*kleineondernemersregeling* or 'KOR'). This scheme solely applies to individuals at present. The proposal provides for replacement of the current KOR with an optional revenue-related VAT exemption scheme. The maximum revenue threshold is EUR 20,000 per calendar year. The goal is to simplify the scheme for small businesses, irrespective of their legal form, and to reduce the implementation costs for the Tax Administration.

All businesses that remain below the maximum revenue threshold may be eligible for the exemption. If they opt for the scheme, they will be released from filing VAT returns and from related administrative obligations for their supplies of goods and services in the Netherlands. Small businesses will still need to declare reverse-charged VAT and VAT due because of intra-Community acquisitions. If businesses want to apply the exemption they must file a request to that end with the inspector, at the latest four weeks prior to the tax period for which the exemption applies.

As application of the exemption abolishes the right to input tax credit, it may be appropriate for businesses to continue to apply the regular VAT rules, particularly when their customers can deduct the VAT they charge. Application of the new KOR may result in changes in applicability. Hence, because the new KOR has the form of an exemption, a revision scheme has been provided for. Under the revision rules, small businesses must repay VAT on investments. A revision will not take place if there is a change in applicability and the amount involved does not exceed a EUR 500 cap. The new scheme is set to come into force on 1 January 2020. Starting 1 June 2019, businesses will be given the opportunity to report application of the new KOR as from 1 January 2020.

Extension of VAT sports exemption

The VAT sports exemption currently applies to sports services provided to members of sports clubs. EU case law has prompted the Government to propose an extension of this exemption as from January 2019. As a result, it will also apply to sports services provided to non-members. As from 2019, the exemption will apply to non-commercial operators of sports accommodations as well. Such operators will not, or will no longer, be entitled to deduct input VAT as from 1 January 2019.

Combined with the Government policy to encourage construction, maintenance, and conservation of sports accommodations, these operators may be adversely affected. Hence, a compensation scheme will be introduced. The compensation scheme distinguishes between municipalities and amateur sports organizations. Amateur sports organizations are compensated through the 'Subsidy scheme for stimulation of construction and maintenance of sports accommodations', while municipalities are compensated through the 'Regulation on payment of specific stimulation'.

The Government will also introduce transitional provisions relating to:

i) Application of the usual adjustment schemes to remaining construction periods of sports accommodations intended for VAT taxable use which must be paid in 2019;

ii) The first use of new sports accommodations intended for VAT taxable use after 1 January 2019;

iii) Adjusted use of movable and immovable property after 1 January 2019, for which VAT taxable use had been foreseen.

Implementation of VAT e-Commerce Directive

Part of the adopted EU Directive on electronic services and distance sales will be written into the Dutch VAT legislation on 1 January 2019. The sections to be implemented particularly relate to simplification of the VAT regime for telecommunication services, broadcasting services, and electronic services (applicable from 1 January 2015). From then, smaller entrepreneurs established in a single EU Member State that offer private customers in other Member States online digital services, must pay VAT in their own Member State at the rate applicable there.

This simplification can only be applied if an entrepreneur does not exceed the total EUR 10,000 cross-border revenue threshold. Entrepreneurs performing digital services for individuals in other EU Member States can apply the invoicing rules of their own Member State. Entrepreneurs established outside the EU but with a VAT registration within the EU can use the Mini One-Stop Shop system (MOSS) as from 1 January 2019.

Supply of parking space next to nature park subject to standard VAT rate

On 17 August 2018 the Supreme Court ruled that the opportunity to park at a nature park is an independent service, subject to the VAT standard rate of 21%.

The case concerned a nature park that offers visitors the opportunity to park their car for EUR 2 per day on a parking lot next to the park. Once arrived, visitors of the nature park have the choice either to park their car before entering the park or to enter the park with their car. Granting access to the park itself is the main service, which is subject to the reduced VAT rate of 6%. Being granted access to the nature park is the customer's main purpose of visiting. The question in this case was whether providing the opportunity for the supply of parking space is ancillary to the main service, being the granting of access to the nature park. If that is the case, the supply of parking space is also subject to the reduced VAT rate of 6%.

The Supreme Court decided that providing parking space for visitors of the park is a distinct and independent service. The Supreme Court confirmed that the use of parking facilities for a car at the destination is an objective in itself for the regular visitor, which has to be separated from visiting the park itself. Visitors have the choice between various means of transport with which they can reach the park. When visitors come by car, they know that they cannot abandon the car, and therefore the provision of parking meets their need for a temporary destination for the car. As a consequence, the supply of parking space should be regarded as a distinct and independent service which is subject to the standard VAT rate of 21%. According to the Supreme Court, this would not be different if the parking areas were only intended for visitors to the nature park.

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Poland

VAT payers deregistration

As of 2017, the tax authorities are entitled to deregister taxpayers for VAT purposes in a number of cases (without prior notification). Such VAT deregistration is confirmed by the tax authorities by way of notification letters. More than 150,000 companies have been deregistered since the entry into force of these new regulations.

The form of such VAT deregistration has been recently questioned by Administrative Court rulings, in which it has been concluded that deregistration may be legally effective only based on the official decision issued by the tax authorities. The courts have stated that a notification letter is insufficient to deregister an entity for VAT purposes, as the taxpayer should have an opportunity to provide an explanation regarding their business activity and explain the reasons for submission of nil VAT returns (which notification does not provide). Therefore, according to these rulings, notifications informing VAT deregistration are ineffective, and the taxpayer has right to request VAT number restoration.

Presented judgments are not final, and it is yet to be seen if the Supreme Administrative Court confirms the above, and how this would affect current practice (which requires in some cases, depending upon the reasons for *ex office* deregistration, resubmission of all the VAT registration documents).

Draft bill regulating VAT treatment of vouchers

EU Member States are required by the end of 2018 to propose amendments to the VAT law transposing the rules for the VAT taxation of vouchers and gift cards to the EU Directive regulations. The Polish VAT law amendments in this respect have been recently published. According to the draft bill of VAT Act amendments, as of 2019 two types of vouchers will be distinguished: single purpose voucher (SPV) and multi-purpose voucher (MPV).

SPV relates to supplies where the place of supply and the amount of VAT on delivery are known at the time of voucher issuance. Transfer (free of charge, sale) of SPV made by the taxpayer will be subject to VAT, as it will be recognized as supply of goods or services. The actual transfer of goods or services in exchange for a SPV accepted as remuneration or part of remuneration will not be an independent transaction taxed with VAT, to the extent to which the remuneration was a SPV.

MPV relates to supplies in which the place of supply and the amount of VAT on delivery are unknown at the time of voucher issuance. MPV is not subject to VAT at the time of its transfer. VAT will apply on the actual supply of goods or services in exchange for a MPV accepted as remuneration or part of remuneration.

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Russia

Ministry of Finance clarifies application of VAT rates for advance payments under agreements signed before 1 January 2019

Federal Law No. 302-FZ of 03 August 2018 introduced an increase in the standard VAT rate to 20% with respect to goods, work, services, property rights supplied (performed, provided) starting from 1 January 2019.

The Ministry of Finance clarified that the Federal Law does not contain special provisions with respect to goods, work, services, property rights supplied (performed, provided) under agreements signed before 1 January 2019 with respect to which the transfer of advance payments is envisaged. Thus, with respect to goods, work, services, property rights supplied (performed, provided) starting from 1 January 2019 the VAT rate of 20% will apply regardless of whether the respective agreement is signed before 1 January 2018 and the advance payment is transferred before 1 January 2019.

Central Bank of Russia analyzes influence of VAT rate increase on inflation

The Central Bank has analyzed the influence of the VAT rate increase on inflation, and reached the following conclusions:

- The VAT rate increase will accelerate inflation from 0.6 to less than 1.5 percentage points;
- The largest price rise will be at the beginning of 2019, i.e. in the first months following the VAT rate increase;
- Around 60% of businesses plan to increase prices from 1% to 5%, which will result in a short-term change of prices;
- Some businesses plan to increase their expenses and not to raise prices to protect market share and retain customers following the VAT rate increase;
- The VAT rate increase will result in an annual inflation peak in the first quarter of 2019; it is expected that inflation will temporarily exceed 4% in the first quarter of 2019;
- The quarterly increase of prices will slow down in the second quarter of 2019; in the second half of 2019, the quarterly inflation rate should be equal to 4%.

Customs changes from 4 September 2018

The Federal Law 'On customs regulation in the Russian Federation' No. 289 of 3 August 2018 established, in particular, the following with effect from 4 September 2018:

- The ability for the Customs authorities to issue preliminary decisions on the application of methods for determining the customs value of imported goods;
- Changes in the list of cases that are required to provide security for customs payments to the customs authorities;

- Preliminary information may be provided in English. Previously preliminary information could be provided only in Russian.

In addition, the timeframe for issuing preliminary decisions on the country of origin of goods and on the classification of goods have been reduced.

Quantitative limitation of ozone-depleting substances introduced

A Government decree has established a quantitative limit for the import of certain ozone-depleting goods under the commodity position 2903 (group I, list C, section 2.1 of annex 2 to Decision of the Board of the Eurasian Economic Commission No. 30 of 21 April 2015) for goods imported from 7 September to 31 December 2018.

The volume of ozone-depleting substances can be divided between the participants in foreign trade activity, provided they have submitted an application for the import of such goods to the Federal Service for Supervision in the Sphere of Natural Resource Use (*Rosprirodnadzor*) by 21 August 2018.

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South Africa

Implementation of registration requirements for cargo reporters

All shipping lines, airlines, rail carriers, road hauliers, freight forwarders (customs brokers), port and airport authorities, terminal operators, wharf operators, transit-shed operators, and licensees of depots are required, in addition to their current registrations and licenses, to register as cargo reporters with the South African Reserve Services (SARS) by not later than 19 November 2018.

As part of the implementation of the Reporting of Conveyance and Goods (RCG) project, SARS will also no longer allow the use of Cargo Carrier Code ZZZ99999 by non-registered cargo reporters by freight forwarders in the airfreight industry.

Cargo reporters in general, and airfreight forwarders in particular, who fail to register before the deadline date can experience Customs clearance delays when submitting Customs declarations through SARS. SARS intend to use the cargo reporter assigned code to validate Customs clearances and the electronically submitted cargo reports. Importers and exporters may be negatively affected by a cargo reporter's failure to register or, if registered, failure to submit accurate information to SARS.

The RCG is a project tasked with the implementation of the automated inbound and outbound reporting for cargo carriers and operators of licensed premises. The reports are in the internationally standardized United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT) electronic interchange messages format.

The aim of the project will be to facilitate legitimate trade, secure the supply chain, and improve accurate statistical and trade reporting in South Africa. The project is in compliance with the Revised Kyoto Convention, the World Customs Organization's (WCO) SAFE Framework of Standards, and paves the way for the Authorized Economic Operator (AEO) in South Africa.

RCG is also the first of three phases to the implementation of the New Customs Acts Program (NCAP). NCAP is a modernization journey aimed at implementing the New Customs Acts (the Customs Control Act, 31 of 2014 (the CCA), the Customs Duty Act, 30 of 2014 (the DDA) and the Customs and Excise Amendment Act, 32 of 2014 (the CEAA)) through the amendment and gradual phasing-out of the current Customs and Excise Act, 91 of 1964 (the Customs Act). The other two phases are the Declaration Processing System (DPS) and the Registration, Licensing and Accreditation (RLA).

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Switzerland

Radio and television corporate fee

As covered in previous editions of this newsletter, as from 1 January 2019, the corporate fee for radio and television (RTV) will be device-independent and based on the worldwide turnover businesses declare in their Swiss VAT returns. The Federal Act on Radio and Television requires all Swiss VAT payers to pay the corporate fee. This is also what was initially announced in the guidelines published by the Swiss Federal Tax Administration (SFTA).

However, on 30 August 2018, the SFTA announced that only businesses liable for Swiss VAT with a registered office, domicile, or permanent establishment (PE) on Swiss territory will be required to pay the fee. According to the explanatory report on the Federal Act on Radio and Television, both international law and Switzerland's obligations under various international treaties agreements would be infringed if the obligation to pay the RTV corporate fee also applied to businesses without a registered office, domicile, or PE on the Swiss territory.

Action required

Foreign businesses do not have any new obligations in this respect.

The Federal Tax Authority has not changed its position that all Swiss VAT payers, both domestic and foreign domiciled, must declare their worldwide turnover in the VAT return.

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United Kingdom

Government technical notices on 'no deal' Brexit scenario

Negotiations for the UK's withdrawal from the EU are continuing, and the Government remains confident that it will achieve an agreement over Brexit. However, as part of its planning for every eventuality, the Government has prepared a series of technical notices to help businesses make informed preparations for a 'no deal' scenario. These include the following relating to VAT and customs and trade:

- Guidance on VAT for businesses if there's no Brexit deal
- Classifying your goods in the UK Trade Tariff if there's no Brexit deal
- Trading with the EU if there's no Brexit deal
- Trade remedies if there's no Brexit deal
- Exporting controlled goods if there's no Brexit deal

Proposed VAT changes for digital services to consumers from January 2019

The Government has released two draft statutory instruments relating to supplies of digital services to consumers.

The first would introduce a threshold in respect of EU sales of digital services, allowing small businesses to account for UK VAT if relevant annual supplies across the EU fall below EUR 10,000, rather than accounting for VAT in the EU Member State where the customers belong.

The second statutory instrument would allow certain non-EU businesses already registered for VAT for other activities to use the 'Mini One Stop Shop' (MOSS) simplification scheme.

Both instruments would take effect from 1 January 2019, in accordance with changes to the EU Principal VAT Directive. Their continued application after 29 March 2019 will depend on the terms of any Brexit deal.

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Eurasian Economic Union

Introduction of zero import customs duty rate for certain equipment for fish farming

Decision of the Board of the Eurasian Economic Commission No. 129 of 21 August 2018 establishes a zero customs duty rate for certain fish farming equipment, in particular for vessels intended for feeding fish in the open sea. A zero customs duty rate will apply to equipment that is installed on a sea farm and intended for cultivation of Atlantic salmon and rainbow trout from commodity subpositions 8905 90 100 1 and 8907 90 000 1. A zero customs duty rate will be applied until 31 December 2019.

Decision No. 129 came into effect on 23 September 2018.

Expiry of zero import customs duty rate for certain types of goods

Decision of the Council of the Eurasian Economic Commission No. 81 of 15 September 2017 established a zero import customs duty rate for certain types of internal combustion engines under customs classification code 8408 20 990 4, for the period up to 30 September 2018 (inclusive). After 30 September 2018, the import customs duty rate will be 5% of the customs value of such goods.

Decision No. 81 came into effect on 19 January 2018.

Expiry of trigger protective measure in respect of goods originating from Vietnam

Decision of the Board of the Eurasian Economic Commission No.20 of 7 February 2018 established the trigger protective measure (in the form of the import customs duty at tariff rates) in respect of children's clothing and accessories under commodity codes 611120, 611130, 611190, 6209, which are imported with the use of tariff preferences into the EEU and originating from the Socialist Republic of Vietnam for up to six months. Thus, the application of the trigger protective measure expired on 14 September 2018.

Decision No. 20 came into effect on 14 March 2018.

Extension of anti-dumping measure for goods from China

Decision of the Board of the Eurasian Economic Commission No. 139 of 21 August 2018 extends the validity period of the anti-dumping measure for roller bearings (except for needle roller bearings) originating from China and imported in the EEU, to 20 August 2023 (inclusive).

Decision No. 139 came into effect on 23 September 2018.

Introduction of tariff quotas for agricultural products

Decision of the Board of the Eurasian Economic Commission No.141 of 28 August 2018 established tariff quotas for 2019 for certain agricultural products from third countries. There are lowered import rates in the Unified Customs Tariff of EEU for goods imported within the tariff quotas. Tariff quotas for the Republic of Kazakhstan and the Russian Federation are set in the amounts stipulated by the tariff obligations of these countries in the World Trade Organization. In particular, the volume of tariff quotas for the Russian Federation in 2019 will be 570,000 tons of cattle meat, 430,000 tons of pork, including pork trimming, 364,000 tons of poultry meat, 15,000 tons of whey.

Decision No. 141 came into effect on 29 September 2018.

Unified veterinary-sanitary requirements for activities subject to veterinary control (supervision)

Decision of the Board of the Eurasian Economic Commission No. 27 of 13 February 2018 introduces unified mandatory veterinary-sanitary requirements for activities subject to veterinary control (supervision). Thus, the requirements are set for the production (manufacture) and/or storage of goods of animal origin (food and non-food) subject to veterinary control (supervision), and for the slaughtering of animals.

Legal entities and individuals included in the register of organizations engaged in the production, processing and/or storage of goods before the date of entry of this Decision may continue to carry out activities for 18 months in accordance with the mandatory requirements previously established by the EEU Member State in which territory the considering object is located.

The Decision came into effect on 14 August 2018.

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