

## VAT2015 DECODED



Changes to the VAT rules –  
Telecommunications, Broadcasting and Electronic Services

iGaming Industry supplement - Issue 1  
21 June 2013

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### **iGaming services and the 2015 VAT changes: Introduction**

With effect from 1 January 2015, telecommunications, broadcasting and electronic services supplied to non-taxable persons (B2C) which are established, have their permanent address, or usually reside in the EU will be taxable in the Member State of the customer.

The rule which currently applies to non-EU suppliers of e-services (including online gaming services) will be extended to all suppliers (EU and non-EU) of telecommunications, broadcasting and e-services to private consumers.

As of 1 January 2015 iGaming services supplied to private consumers (private individuals and non-taxable persons) in the EU will be treated as supplied in the Member State of the customer.

#### **The rules today**

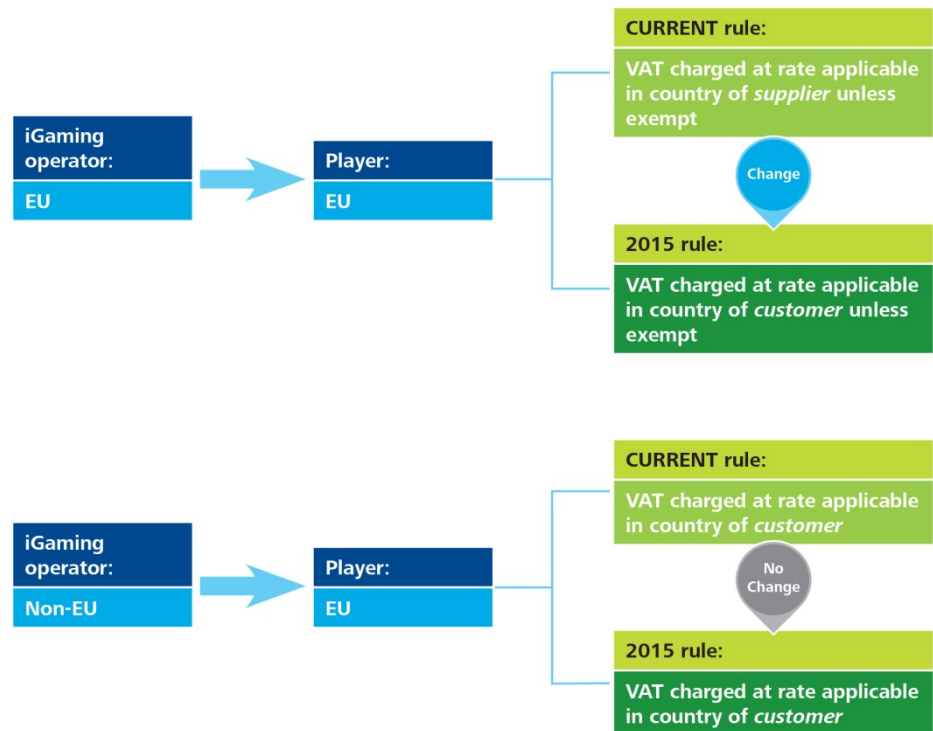
Currently, B2C supplies of telecommunications, broadcasting and electronic services within the EU are treated as taking place in the country of the **supplier**. In the case of Malta based operators, the Malta VAT rules and rates apply to such services supplied thereby. Malta applies a VAT exemption for iGaming services, therefore no VAT is chargeable on services supplied by Maltese operators to EU players.

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#### **The 2015 changes**

As of 1 January 2015 the place of B2C supplies of electronic services by EU suppliers will shift to the country where the customer/player is established or usually resides. EU-established iGaming operators having customers in different EU Member States will have to determine whether VAT is chargeable in the Member State of their customer, and, if so, charge and collect VAT accordingly.

This means that EU-established operators will have to either register for VAT in the Member State of their customer, or can opt to register in only one Member State and to report the VAT due in other Member States in one single electronic declaration (under the so-called 'mini one-stop-shop' scheme).



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### What does this mean for iGaming operators?

The 2015 changes could have a significant impact on **EU** and **non-EU** iGaming operators, at a number of levels. As operators you should be thinking about:

- The location of your clients and the measures you should be taking to identify the location;
- The VAT rate in those jurisdictions, or whether an exemption applies;
- The economic impact/commercial implications of the changes;
- The extent to which the changes in VAT rates will affect your pricing structure;
- The systems changes that will be required to cater for the changes;
- The overall impact at an administrative level.

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### How can Deloitte help?

We can help you understand the changes and identify the impact on your business, and the steps that need to be taken to comply. 2015 may seem like a long way away... but it's not too early to start gearing up for the changes.

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