

**New VAT rules  
as of  
1 January 2010**



## What is changing ?

We are pleased to inform you that the year 2010 brings together important changes in the VAT field at the European level.

On 12 February 2008, the European Union Council adopted the so-called „VAT Package”. This includes the followings: **Council Directive 2008/8/EC**, **Council Directive 2008/9/EC** and the **Council Regulation (EC) No 143/2008** and will be transposed into the domestic VAT legislation of each Member State, including the Romanian one. However, the VAT Package will be implemented gradually: **1 January 2010, 1 January 2011, 1 January 2013, 1 January 2015**.

Hereinafter, we will expose the main changes which enter into force on 1 January 2010 due to the VAT Package.

### 1 The place of supply of services

- ▶ Under the general rule, the place of taxation becomes the place of consumption
- ▶ The recipient - taxable person will be obliged to account for the VAT under the reverse charge mechanism
- ▶ The services supplied to non-taxable customers remain taxable according to the current rule - at the place where the supplier is established
- ▶ If these services are provided from a fixed establishment in another country, the place of supply is where that fixed establishment is located
- ▶ All recipients- taxable persons shall be considered as taxable persons for all services received
- ▶ Non-taxable legal persons which are registered for VAT shall be considered taxable persons for services received.

### 2 New compliance requirements for the intra-Community services

There will be introduced the requirement to file a new recapitulative statement, in which:

- ▶ the suppliers of taxable services shall fill in the recipients of their services and their specific VAT identification numbers and also the total amount of the services rendered to each of these customers
- ▶ it will be declared only the services which are effectively taxable in the Member State of the beneficiary.

### 3 New procedures for VAT refunds to taxable persons acquiring goods or services outside the member state where they are established

The refund claims shall be submitted as follows:

- ▶ directly in the Member State of their establishment
- ▶ electronically
- ▶ within nine months from the end of the year in which the VAT becomes chargeable, compared to six months as in present

The tax authorities are required to make the reimbursements in four months as opposed to six months as in present. If not, they will also have to pay penalties.

## How will these changes affect you ?

- ? Do you know that **February 2010 is the deadline for the first recapitulative statement** in which the services supplied to taxable persons must be declared?
- ? Can you state at this moment the **member state where your customers are established** so that you can issue your invoices correctly?
- ? Do you know whether the services **supplied by your company are taxable in the member state of establishment** of the recipient?
- ? Are you informed with regards to the **services rendered by an external supplier** for which you have to apply reverse charge?
- ? If you are a taxable person not identified for VAT purposes (*e.g.* small enterprises), are you aware that you **must proceed with your VAT registration** even if you are the beneficiary of a certain service?
- ? Is the **IT system** of your company updated so that it can filter the information and issue the invoices correctly?

## How can Mazars help you ?

**Mazars** can help you understand these changes, the way your economic activity is affected and also the changes which need to be implemented to your IT system.

In this regard, **Mazars** organises general workshops, having as the main theme these changes and their impact on the business environment. Moreover, this kind of workshop could be customised to the needs of your company.

We also propose you a service package tailored to your business, named „**VAT Scan 2010**”, which was successfully implemented by our colleagues in the **Mazars** Netherlands office and which considers the impact of these changes on companies from different industries. This service package includes the following:

- » a preliminary interview in order to identify the impact of these legislative changes on the development of your business;
- » the filling in of a questionnaire in order to detail the transactions which are directly influenced by these legislative changes;
- » the presentation of a report about the measures that have to be adopted in order to comply with the new legal provisions and to increase the efficiency of operations developed by your company.

*We remain at your disposal for any additional information regarding our services.*

## Contact

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