



NEWSLETTER 2/2019

Dear Client,

From 1st January 2020 stricter rules will apply for the validation of tax exemption in the case of intra-Community supplies.

According to the current regulations, in order that the tax exemption of intra-Community supply is verified, one document is sufficient, primarily a CMR waybill, which is signed and stamped by the recipient of the product and by the transporter.

From 1st January 2020, based on COUNCIL IMPLEMENTING REGULATION (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax, for the tax exemption of intra-Community supplies, the presentation of at least two, not contradicting documents will be compulsory for all member states.

The necessary documents are the followings, depending on whether the supplier or the customer carries out the transportation.

1. In case the product is transported by the supplier or by another person in lieu of the supplier

Criteria for tax exemption are the followings:

- the supplier is in possession of at least two, non-contradicting documents from the below listed documents in point a), which were issued independently by two different parties different from the customer and from the purchaser, **or**
- the supplier is simultaneously in possession of a document verifying dispatch or transportation from the below described list in point a) and from the list in point b), which documents were issued independently from each other by two different parties independent from customer and purchaser

The documents referred to above are the followings:

- a) documents about the dispatch or transportation of the products, e.g. the signed CMR document or CMR waybill, bill of lading, air freight invoice or the invoice issued by the transporter of the product;
- b) insurance policy regarding the dispatch or transportation of the product; or bank documents verifying the dispatch or transportation of the product; public document issued by a public authority, e.g. by public notary, that verifies the arrival of the products to the destination member state; acknowledgement of receipt issued by the operator of the warehouse in the destination member state, which verifies the storage of the products in the given member state.



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2. In case the product is transported by the customer or by another person in lieu of the customer

The conditions for tax exemption are the followings:

- the supplier shall be in possession of a customer's statement that contains the following data:
 - the statement of the customer that he, or the person acting in his name, has transported the product,
 - the destination member state of the product,
 - the date of issuance of the document,
 - name and address of the customer,
 - quantity and type of the product,
 - place and time of the product's arrival
 - identification data of the person taking over the product in the name of customer **and**
- in addition to the above statement, the supplier is in possession of at least two, non-contradictory documents from the list above in point a), which were issued independently from each other by two different parties different from customer and purchaser, **or**
- in addition to the above statement, the supplier is simultaneously in possession of any of the documents listed above in point a) and any of the documents listed in point b) that do not contradict each other and verify the dispatch or the transportation, which were issued independently from each other by two different parties independent from customer and purchaser.

Therefore, in case of transportation by the customer, the supplier must be in possession of at least 3 documents in order that tax exemption is established.

The customer shall hand over the customer's statement to the supplier until the 10th day of the month following the month of performance.

In addition to the above, a condition of tax exemption is that the customer is a taxpayer registered in another member state of the Community and that the customer discloses his tax number acquired in another member state to the supplier.

Based on the above, we recommend that you contact your customers in order that the customer's statement verifying intra-Community supply and other necessary documents are available for the supplier. Based on the practice so far, besides the CMR waybill acquired by the supplier, we recommend that in the future e.g. the bank documents verifying the payment of the transportation of the products are collected or are acquired from the customer, in order that any disputes about future tax exemption are prevented.

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The aim of this document is to provide general information about the upcoming changes and does not substitute tax advisory. In order to clarify what steps shall be taken so that Your undertaking properly complies with the above changes, please contact us individually.

Kind regards,
TPA Consulting Kft.

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Contact:



József Szemerédi
Tax Advisor, Partner

Tel: +36 (1) 3454500, Fax Ext. 02
E-Mail: jozsef.szemeredi@tpa-group.hu

TPA Consulting Ltd
12 Buday László u., Budapest1024

www.tpa-group.hu
www.tpa-group.com

IMPRINT Information update: December 2019, All rights reserved This information is simplified and cannot substitute for an individual advice. Responsible for the content: József Szemerédi, Tax Advisor, Partner, Buday L. u. 12, H-1024 Budapest, Tel.: +36 (1) 3454500, Fax: Ext. 02. Homepage: www.tpa-group.hu; Conception and design: TPA Steuerberatung GmbH
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