

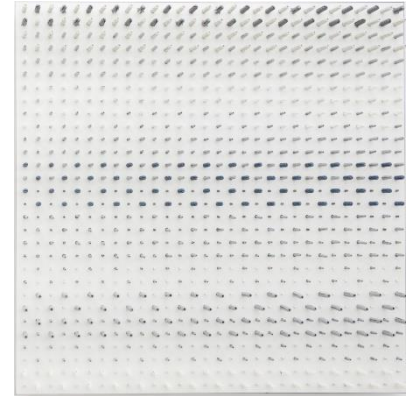
## VAT QUICK FIXES – LAW PROPOSAL

### Portugal

[Law proposal no. 7/XIV](#), which transposes the VAT quick fixes laid down in Directive (EU) 2018/1910, of 4 December 2018, was recently presented by the PT Government to the national parliament.

To the best of our knowledge, the proposal is still pending approval and official publication. The legislative text indicates the entry into force date as 1 January 2020 (we still do not know if the law will be published later in January 2020 with retroactive effects).

You may find below the **key points** of the proposed legislation.



*Jacob Dahlgren*

Role of the recipient's  
VAT identification  
number  
for exempting  
Intra-Community  
supplies of goods  
from VAT

Two new conditions will be introduced in the law for exempting an Intra-Community supply of goods from VAT:

- The communication, by the recipient of the goods in another Member State, to the supplier of the goods in Portugal, of a valid VIES number (article 14(1)(a) of the RITI - Intra-Community Supplies Regime Code)
- The submission, by the supplier of the goods, of an EC listing reporting the exempt Intra-Community supply; In case of failure of this obligation, the supplier may correct the infraction in justified cases (article 14(2) of the RITI)

VAT exemption of  
Intra-Community supply  
chain transactions

The following criteria will be introduced in the law to harmonize the treatment of VAT exemption in Intra-Community supply of goods involving chain transactions (multiple and successive supplies):

- When goods are dispatched or transported from Portugal to another Member-State directly from the supplier to the last customer of the supply chain, the dispatch or transport in the supply chain (and therefore the VAT exempt Intra-Community supply) will be ascribed to the supply of goods made **to** the intermediary operator (article 14(3) of the RITI), **HOWEVER**

VAT exemption of  
Intra-Community supply  
chain transactions (cont.)

- In situations in which the intermediary operator communicates, to the supplier, his PT VAT identification number, the dispatch or transport in the supply chain (and therefore the VAT exempt Intra-Community supply) will be ascribed to the supply of goods made **by** the intermediary operator (article 14(4) of the RITT)
- Intermediary operator is defined as the taxable person which, not being the first supplier in the chain, dispatches or transports the goods to other Member State, either himself or through a third party acting on his behalf (article 14(5) of the RITT)

Simplification of  
consignment stock  
arrangements

Under the new legislation, the transfer of goods from another Member State to a consignment stock in Portugal next to an identified taxable recipient will not give rise, at the time of transfer of stock, to a deemed intracommunity supply but to an intracommunity acquisition of the goods in Portugal by the recipient, at the time of sale (with the correspondent intracommunity supply of the goods in the origin Member State) when the following criteria is met:

- The supplier reports the intracommunity delivery in the correspondent “EC Sales Listing”;
- Both supplier and recipient maintain detailed records of the goods supplied and received; and,
- The sale of the goods in stock to the identified recipient in Portugal takes place within 1 year after the arrival of the goods or when the goods in consignment stock are returned to the Member State of dispatch within this period.

Do you have doubts? Email us at [catarina.belim@belim.pt](mailto:catarina.belim@belim.pt)

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