



Grant Thornton

An instinct for growth™



COVID-19: EMEA VAT specific measures

v.1.8 19/05/2020

Due to the impact of COVID-19, many countries across the globe are offering various reliefs for paying and reporting VAT. Please find outlined below an update of measures in the EMEA region. As announcements are being made daily, this high level overview document will be updated regularly but we cannot guarantee completeness.

Country specific measures

Austria

Introduced a VAT payment and penalty deferment application scheme. Businesses affected by the Covid-19 outbreak may apply for delayed VAT payments until September 30, 2020.

Annual VAT return deadline is extended to August 31, 2020.

VAT exemption for the supply and IC acquisition of masks between 13 April 2020 to 1 August 2020.

Reduced tax rate (10%) for open non-alcoholic beverages between 1 July 2020 to 31 December 2020.

Bahrain

There have been no changes announced at this time.

Belgium

Introduced a VAT payment and filing delay scheme (April VAT payment is delayed by two months), if difficulties are experienced due to Covid-19. This is now extended until 05 June 2020, and the payment of VAT due is extended to 20 July 2020. This is an automatic extension.

Additionally, a reduced 6% VAT rates applies on supply, intra-Community, acquisition and import of mouth masks and hydroalcoholic gels from 4 May until 31 December 2020. For mouth masks the following customs code are : 4818 90 10 00, 4818 90 90 00, 6307 90 98 10, 6307 90 98 91, 6307 90 98 99 and 9020 00 80.

Bulgaria

Proposal for the reduction of VAT rate from 20% to 9% for restaurants, bars, clubs and books / textbooks.

Croatia

There is a proposal for VAT payments based on invoice settlements for three months – a VAT payment deferment and repayment scheme.

Cyprus

For VAT returns relating to periods ending on 29th February 2020, 31st March 2020 and 30th April 2020, no penalty or interest will apply for late payment, subject to the condition that the VAT return is submitted on time in accordance with the provisions of the VAT Law. The related payable tax is discharged until 10th November 2020.

Taxable persons whose activity codes are 35111, 36001, 47111, 47112, 47191, 47211, 47221, 47221, 47231, 47241, 47242, 47301, 47411, 47611, 47621, 47651, 47731, 61101, 61301, 61901 are excluded from the concession, which relates to:

- Electricity generation;
- Collection and distribution of water for irrigation;
- Pharmacies;
- Supermarkets, mini-markets and food retailers;
- Petrol stations;

- Computer hardware/software retailers;
- Book, newspaper and stationery as well as toys/games retailers;
- Internet services, satellite and other telecommunication services.

Taxable persons who have been notified by the Tax Commissioner, for amendment of their VAT periods from quarterly to monthly, starting from 30 March 2020 until 30 June 2020, will have an obligation to submit monthly VAT returns by the 27th day following the end of the relative month and make payments within the same deadline.

Czech Republic

VAT filing and payment delay on application. Basic fine for late submission of Control report during March - July 2020 is automatically waived.

Denmark

Introduced VAT filing and payments delays for all businesses **Estonia**

No tax interest is calculated from tax debt between 1 March – 1 May 2020. After that interest from tax debt is cut by 50% compared to normal.

European Union

The commission waives customs duties and VAT on the import of medical equipment from non-EU countries.

On 3 April, the European Commission published a decision helping Member States affected by the coronavirus pandemic to temporarily suspend customs duties and VAT on protective equipment, testing kits or medical devices such as ventilators. This will make it easier to get the medical equipment that doctors, nurses and patients desperately need. The measure will apply for a period of six months, with a possibility for further extension.

On 20 March, the European Commission invited all Member States, as well as the UK, to formally request lifting customs duties and VAT on imports of necessary medical equipment during the crisis. All Member States and the UK have done so. The Commission has swiftly approved requests received from all Member States and the UK.

The Commission decision will be applicable from 30 January 2020 until 31 July 2020. This allows imports carried out during the incipient phase of the outbreak to also benefit from the exemption.

Finland

No late filing penalty on VAT returns and no late payment charges on VAT settlements, if caused by Covid-19

The Finnish Tax Administration has accelerated the processing of VAT refunds. Most applications are processed within a week after which approved refunds are paid out to the taxpayers.

Legislation is being prepared to refund VAT that companies have paid during 2020 upon request. This VAT refund would be a loan that would have to be paid back within two years. More details on the VAT refunds will become available after the new legislation on the subject is completed.



Grant Thornton

An instinct for growth™



France

VAT has been expressly excluded from the Covid-19 tax measures permitting French businesses to defer reporting and payment of certain taxes (i.e. CIT, payroll tax and certain local taxes). Nevertheless, various VAT support measures have been introduced to help companies in the Covid-19 context.

Firstly, any company that wants the accelerated refund of a French VAT credit in 2020 of less than €500,000 may file such request with the French Tax Administration, highlighting the urgency. The French Tax Offices have been given instructions by the Ministry of Public Accounts to grant VAT refunds rapidly as they are part of their priority missions to enable the continuity of business activities.

Secondly, during the health emergency, invoices issued on paper and then sent in PDF format to clients constitute sufficient evidence to allow the deduction of VAT (without immediately sending the original paper invoices), subject to the condition of regularisation at the end of the health emergency.

Finally, some companies unable to gather all the information required to file their VAT returns for March and April 2020 are authorised by the French Tax Administration to assess the VAT due on a flat-rate basis (instalment payment calculated based on the VAT amount paid the previous month).

Germany

Businesses affected by the Covid-19 outbreak may apply for delayed VAT payments until end of 2020. Reduced VAT rate on catering.

Greece

The tax authorities have applied a four-month extension, i.e. until 31.08.2020, to pay VAT that falls due at the end of March and April for the businesses that have ceased their operations or those that are included in a special list of affected businesses according to their business activity code.

Furthermore, businesses have the possibility to offset 25% of the VAT due in March (for businesses keeping double entry books) or in the period January-March (for businesses keeping single entry books), in case of timely payment, against any kind of other tax liabilities due from 01.05.2020 onwards.

On 13.05.2020 a further four months extension, i.e. until 30.09.2020, was granted for VAT liabilities that fall due at the end of May. Certain goods that serve against the pandemic, such as protective masks, soaps, antiseptic fluids, have been transferred to the hyper-reduced rate of 6%. This measure will apply to the end of 2020.

Additionally, the supply of goods and/or provision of services to the Greek State in the form of donations of any kind of hospital-specific equipment, personal protective equipment and all kinds of medicines, from the supplier to the donor, is exempted from VAT tax. Suppliers maintain the right to deduct input VAT in relation to these transactions.

Hungary

VAT payment delays on application and speed VAT refund credit refunds.

Ireland

Revenue will work with taxpayers to help resolve their tax payment difficulties and rather than hope that these payment difficulties fix themselves in time, they are encouraging affected businesses to take practical steps. Taxpayers should continue to file all tax returns, e.g., bi-monthly VAT returns on time, and engage with Revenue as soon as possible where they are facing difficulties in paying tax liabilities.

Interest on late payments of January/February VAT liabilities are to be suspended. All Revenue debt enforcement activity will also be suspended until further notice. The revenue have also confirmed that the current tax clearance status will remain in place for all businesses over the coming months.

Italy

Introduced suspended payments for resident large businesses until April 16 and for resident smaller enterprises end of June. Non-resident taxpayers must still meet 30 April filing deadline.

The postponement of the deadline of VAT fulfilments to 30 June 2020 is also applicable to non-resident subjects (i) directly VAT registered in Italy or (ii) VAT registered in Italy through the appointment of a fiscal representative.

Moreover, it has been clarified also that the deadline for the submission of the TR form for Q1 2020 in order to ask for refund the VAT credit accrued in the quarter or to offset such VAT credit with other taxes/contributions has been postponed to 30 June 2020.

Kingdom of Saudi Arabia (KSA)

The government have announced the launch of several incentives aimed at stimulating the economy to all taxpayers who are registered or required to be registered under the KSA VAT legislations, including any non-resident persons who are obliged to pay VAT in the KSA. This applies to any VAT registration and/or amendment made from March 18 2020 – June 30 2020. For all entities that should have registered for VAT in KSA before March 18 2020, no late registration penalties will be imposed for applications received between 18 March and 30 June 2020. This applies to non-resident taxpayers as well. All taxpayers can make corrections on previously submitted VAT returns without incurring any penalties up until 30 June 2020.

On 11 May 2020, the KSA announced that the standard rate of VAT will increase from 5% to 15% effective from 01 July 2020.

Latvia

As of 1 April 2020, the SRS will refund overpaid input VAT within 30 days of the deadline for submission of the VAT return. There is a possibility to split into maturities or postpone tax payments in government-designated sectors for up to three years if the delay of said tax payment is due to the Covid-19 pandemic.

Lithuania

Introduced VAT payment deferment and penalty waiver. The Tax Authorities have published a list of taxpayers who are automatically exempt from default interest (from 16 March until the end of the emergency) and their taxes are not being recovered. These companies will have two months to pay taxes or sign tax loan (interest-free) contracts after the emergency has ended. Entrepreneurs who have not found themselves in the list, but who have also been adversely affected by COVID-19, can apply to their tax authorities for assistance with their business by submitting a simplified application. VAT payment delays up to one year.



Grant Thornton

An instinct for growth™



Luxembourg

The Luxembourg government has decided to revoke the special measures for VAT filing, and consequently all deadlines have to be respected as before the COVID pandemic. Outstanding VAT returns need to be filed as soon as possible.

Malta

VAT payment holiday for businesses and self-employed for March and April, which are due on 15 May. VAT credit refunds will also be accelerated.

Netherlands

Introduced application of VAT payment holidays to businesses affected by the Covid-19 crisis. In practice: file your VAT return in time but do not make the payment. Finally, await for the assessment, and then apply for payment holidays.

Postponed enforcement of non-EU exporter of record rules.

Outsourcing healthcare personnel to healthcare institutions is VAT exempt under certain conditions. Further also medical devices and equipment which are provided free of charge will not have any VAT consequences. These two specific VAT measures are applicable retroactively from 16 March 2020 to 16 June 2020.

With regards to the payment deferral, a distinction can be made between an initial 3-month period to be requested upon receipt of the assessment, or a request for a longer period can be made, either already upon receipt of the assessment or during the 3-months initial period.

This longer deferment depends on whether the existing payment problems require a longer delay and are mainly triggered by the COVID pandemic. Also, the tax debt regards a filed tax-return and regards VAT (and other taxes of which wage tax and corporate income tax are the most important). Finally, if the amount of tax is more than EUR 20,000, a declaration of a third party is required.

No additional deferment will be granted if the State's interest resist against such delay. The nature of the deferment is that of a temporary one and shall be withdrawn if the circumstances make this possible. This could be the case if the government cancels the limitations for the sector of the economy the entrepreneur is working in. During the deferment, no fine shall be imposed, and interest is reduced to 0.01 %. If a fine was imposed, this shall be annulled.

Norway

12% VAT rate to 8% on public transport, cinema, sporting and cultural events. Allows postponed payment from April 14 to June 10.

Poland

Poland agreed to postpone new SAF-T reporting. Large Corporates were obliged to implement the new SAF-T as of 1 April 2020. This deadline has been postponed to 1 July 2020. The implementation of the CN classification of goods at lower VAT rates has been postponed from 1 April 2020 until 30 June 2020. VAT payments delayed with no interest charges.

Portugal

No penalties on late VAT payments for businesses affected by Covid-19.

Romania

The cancellation of accessories in case of debtors who have VAT reimbursement requests: in the case of debtors who have unresolved VAT refund requests on 15.12.2020 and who relied on the compensation of refundable VAT with payment obligations until 15.12.2020, on which the granting of the facility depended, the facility is maintained for the amounts rejected for reimbursement, but paid within 30 days from the date of communication of the decision to reject the reimbursement.

The taxable persons, having the seat of economic activity in Romania who apply for the VAT registration by obligation of by option, are subject to a risk analysis performed by the central fiscal body after the VAT registration. The applications for the VAT registration submitted by the Romanian taxable persons mentioned above, that were not solved until 14th of May 2020 shall be solved without prior analysis of the criteria for assessing the fiscal risk.

The supplies of medicines, protective equipment, other devices or medical equipment and sanitary materials that can be used in the prevention, limitation, treatment and control of COVID-19, carried out until 1st of September 2020 to associations and foundations legally incorporated are VAT exempt with credit operations. The VAT exemption applies only if the goods purchased by associations / foundations are used to combat COVID-19 or donated to other entities that use them to combat COVID-19. The supplier justifies the VAT exemption with the affidavit regarding the destination of the goods, made available to him by the beneficiary association / foundation, the latest at the time of delivery.

Russia

There have been no changes announced at this time.

Slovenia

Several options for payment in instalments or deferral of tax. Additional exemption of VAT payment for purchases / supplies of protective and medical equipment in period 13 Mar-31 May 2020.

Slovakia

Introduced delays for VAT filings

South Africa

There have been no changes announced at this time.

Spain

Introduced suspension of filing deadlines until the end of May and announced VAT payment holidays for small businesses who apply for relief. The scheme is not available for large businesses (above €6m turnover) or if the VAT due is above €30k. Import VAT on tariffs may be delayed.

Sweden

No late penalty and interest fine on VAT payments for up to one year. Particular measures in place for smaller taxpayers such as cash VAT scheme and extended reporting periods.

Switzerland

Late interest on unpaid VAT is set to 0% for the period from March 20, 2020 to December 31, 2020. Before and after that interim period.



Grant Thornton

An instinct for growth™



Turkey

The deadline of submission of VAT declarations required by all taxpayers in specifically listed industries in April, May and June has been extended until the end of July 27, 2020.

Taxpayers covered under the Economic Stability Shield Package:

The Artistic services such as retail trade including the shopping malls, iron and steel and metal industry, automotive manufacturing and trade, and manufacturing of parts and accessories for the automotive industry, storage and logistics activities, cinema and theatre, accommodation services, including tour operators and travel agencies, food and beverage services including restaurants, cafes, textile and apparel manufacturing and trade, and event and organization services, as well as health services, furniture manufacturing, mining and quarrying, building construction and special construction activities, publishing activities of books, newspapers, magazines and similar printed products including kitchen manufacture, car rental and printing, swimming pools, baths, spas, sports, games and wedding halls, barbershops and hairdressers, self-employed and those who keep books on the basis of balance sheet and business account, approximately 1.9 million citizens, who are taxpayers and earn income including taxpayers such as farmers, tailors, greengrocers, lawyers, financial advisers, architects, engineers, pharmacists, doctors, dentists, veterinarians, physiotherapists, developers, and artists.

The VAT declaration and payment periods of the corporate taxpayers operating in the sectors that are directly affected from the corona virus outbreak and which operate in the sectors determined individually in terms of their main fields of activity, or whose operations are decided to be temporarily suspended within the scope of the measures taken, are rearranged, for periods to June 2020. The Force Majeure Declaration dates for periods to June 20 are 27 July 2020.

Taxpayers who are over 65 years of age or have chronic illness, VAT declaration and payment periods have been extended until the end of the 15th day following the day when the curfew will end.

Taxpayers who demanded VAT Refunds during the force majeure, are provided the opportunity to perform VAT Refunds by giving certain amounts of Letter of Guarantee to the Revenue Administration.

UAE

The Federal Tax Authority has issued a directive, on an exceptional basis, to provide an alternative date of 28 May 2020 as the deadline for submitting VAT returns and settling payable tax for the tax periods ended 31 March 2020, allowing registered businesses sufficient time to fulfil their tax obligations before the deadline. This directive applies to monthly or quarterly VAT returns for the tax periods that end on March 31, 2020.

UK

HMRC is automatically offering all UK VAT registered businesses a deferment from making VAT payments for 3 months. This means that the business does not need to pay over any VAT liabilities owed to HMRC that occur within the period from 20 March to 30 June 2020. The VAT return periods covered by the deferment are for periods ending 29 February, 31 March, 30 April 2020 and 31 May 2020 (provided that the business is part of the payments on account regime). Businesses will have until 31 March 2021 to pay any outstanding liabilities owed to HMRC. HMRC have confirmed that businesses wishing to defer VAT payable do not need permission but do need to cancel direct debits as soon as possible to ensure payment is not taken automatically. VAT Payments on Account (POA) are also eligible for deferral.

In addition, MTD "Digital Links" requirement is postponed until periods starting April 2021. Tax payers will have until 01 April 2021 to have digital links in place.

How we can help

Grant Thornton's international indirect tax network across EMEA and the globe can assist you with understanding these changing Covid-19 measures and wider indirect tax requirements. As Covid-19 is causing pressures on cashflow, please talk to us to discuss how Grant Thornton can assist in maximising indirect tax cashflow and VAT recovery.

Please search for and join our VAT Club group on LinkedIn to view regular international indirect tax updates, alerts and news.

Contact us



Karen Robb

National Head of UK VAT and EMEA VAT Leader

T +44 (0) 118 955 9166
E karen.robbs@uk.gt.com



Alex Baulf

Director, International Indirect Tax

T +44 (0)20 7728 2863
E alex.baulf@uk.gt.com