

SUMMARY OF THE MOST RELEVANT VAT CHANGES FOR 2011

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1. Introduction

In this note regarding the most relevant VAT changes for 2011 we focus on such changes that affect the most common international operations and non established entrepreneurs.

2. Changes

2.1. Requirements for the exemption on the import of products destined to other Member State.

With this regard the Spanish legislator has incorporated Directive 2009/69/EC. In particular, the changes consist in the formal requirement to communicate to the Spanish Customs Authorities both the Spanish VAT number of the entrepreneur who undertakes the import in order to undertake a subsequent intracommunity delivery from Spain and the VAT number of the receiving entrepreneur issued by the tax Authorities of the corresponding Member State. Furthermore the possibility to act through a Spanish tax representative who has also to be communicated to the Customs Authorities, has been foreseen.

2.2. Documentary justification of certain exemptions:

In order to simplify the justification of the exemption of services related to imports or exports and services or deliveries destined to customs warehouses, temporary storage or suspension regimes, two specific means of documentary evidence have been foreseen, despite of the possibility of using any other mean of evidence.

- Certificate issued by the Spanish Tax Authorities.
- Official form approved by the Spanish Tax Authorities in which the acquirer of the goods or recipient of the services communicates to it the exemption of the corresponding transactions.

2.3. Elimination of “Autofacturas”.

As of January 1st 2011 taxpayers are not obliged to issue so called “autofacturas” (self invoices) when they receive deliveries or services subject to reverse-charge rule.

Consequently, the obligation to include the self invoice in the Register of issued invoices has disappeared and the details that have to be shown in the Register of incoming invoices are those corresponding to the original incoming invoice issued by the non-established entrepreneur.

2.4. Deadline in order to file 2009 non-established VAT refund requests.

Following Directive 2010/66/UE the Spanish legislator has extended the deadline in order to file 2009 VAT non-established refund requests until March, 31st 2011.

2.5. Supply of services related to events

The so-called VAT package 2010 foresaw a special rule with regard to the supply of services related to events with effects as per January 1st, 2011. As per such date only services consisting in providing access to cultural, artistic, sporting, scientific, educational, entertainment and similar events including access to fairs and exhibitions and ancillary services to such access providing are considered to be rendered where the event takes place. The place of supply of any other services with this regard follows the general rule (taxation at destination), as far as the recipient of the services is an entrepreneur.

However it has to be taken into consideration that according the Spanish Tax Authorities services consisting in the assembling, ornamentation or lease of fair stands are considered services connected with immovable property and thus the place of supply is where the stand is located.