

23% VAT ON SPARE PARTS FOR MEDICAL DEVICES

We wish to alert you to an unfavourable tax ruling by the Finance Minister (MF) dated 29 December 2015 (**ref. PT1.050.12.2015.ALX.572**) regarding the proper VAT rate on supplies of spare parts for medical devices.

The issue was whether supplies of spare parts for medical devices can be taxed at the reduced rate of 8%.

According to FM:

- Schedule 3 to VAT Act mentions in item 105 only medical devices (as defined in the medical devices legislation) authorised for circulation in the territory of the Republic of Poland other than those mentioned in any other items of the Schedule (regardless of their PKWiU statistical classification), and only the former medical devices are taxed at the reduced rate of 8%;
- supplies of parts (including spare parts) for medical devices which are not medical devices proper under the medical devices legislation are taxed at the standard VAT rate of 23%, except where such devices are mentioned in other items of Schedule 3.

If this issue pertains to your business and you are interested in our assistance, please contact your WTS&SAJA consultant or our office.

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