

Dear Sirs/Mesdames,

On Friday, 13 May 2016, the lower chamber of Polish parliament (*Sejm*) enacted amendments to the Taxes Management Act and certain other acts.

Among other things, the new law introduces the following changes in terms of the Single Audit File for Tax (SAF-T):

- Large enterprises will be required to use SAF-T to file their VAT records (registers) electronically for each month commencing on 1 July 2016 or later. The filings must be made:
 - by reference to a month (this includes also taxable persons who account for their VAT on a quarterly basis),
 - on or before the 25th day of the following month, with the filing to indicate to which month it refers,
 - without request from tax authorities,
 - by electronic telecommunications,
 - to the minister competent for public finance (Finance Minister),
 - according to the rules applicable to the filing of accounting records, as laid down in regulations issued pursuant to Article 193a.3 of the Taxes Management Act.
- Small and medium enterprises will be required to use SAF-T to generate their VAT records (registers) for each month commencing on 1 January 2017 or later, and to file them according to the above requirements.

A practical effect of the new law is that large enterprises will have to make monthly VAT filings to the Finance Minister ("FM") with many details of their transactions. The filings will be made in an electronic form, without request from tax authorities and on terms which have not been precisely specified yet. There is no information where such filings should be sent to.

And as regards small and medium enterprises, these will have less time to introduce SAF-T for the filing of their VAT reports to FM. The obligation to start using SAF-T as of 1 January 2017 means their adjustment period has been cut short by six months.

The new law also changes the VAT Act as regards VAT recordkeeping, especially in the following respects:

- the data to be included in VAT records (change effective 1 January 2017). According to the new law, VAT records should contain data necessary to properly prepare the tax return and the recapitulative statement. The law provides an open-ended list of such data items, including without limitation data enabling identification of transactions, such as the other party's ID for tax or VAT purposes;
- the duty to keep VAT records in an electronic form using computer software (change effective 1 January 2018).

Given the changes, you are strongly advised to promptly verify if your system supports:

- **generation of VAT records in the SAF-T format, starting with returns for Jul 2016 or Jan 2017, as the case may be;**
- **the kind of VAT data required by the new law to be included in your VAT records.**

The discussed amending law has been transmitted to the Senate.

Our team keeps track of developments and positions in regard to the above issues. If you would like to know more, please do not hesitate to contact us.

Doradztwo Podatkowe WTS&SAJA Sp. z o.o.

Delta Building, 4th floor
ul. Towarowa 35
61-896 Poznań
tel. (+48) 61 643 45 50
fax. (+48) 61 643 45 51

Warsaw Office

CENTRAL Tower, 22nd floor
Al. Jerozolimskie 81
02-001 Warszawa

This Newsletter provides general information and is designed to keep you up-to-date with changes in tax law, tax rulings and interpretations, case law development and interesting commentaries.

Doradztwo Podatkowe WTS&SAJA shall not be held legally liable for any acts or omissions that follow from the contents hereof.