

NEW DUTIES ON TAXABLE PERSONS PURCHASING ENGINE FUELS FROM UE MEMBER STATES

1 August 2016 saw entry into force of VAT Act amendments which introduced new duties on taxable persons who purchase certain engine fuels from suppliers from EU Member States. The particular fuels are those mentioned in Annex 2 to the Excise Duty Act, i.e. those the trading or manufacture of which requires a concession ("relevant fuels").

Generally, a concession for relevant fuels is available only for persons established or resident in Poland or operating in Poland through a Polish branch, provided they meet a number of additional requirements under energy law.

Until the end of July, taxable persons purchasing relevant fuels by way of intra-Community acquisition of goods ("IAG") had no other option but to apply the reverse charge mechanism to these transactions, i.e. they did not have to physically pay VAT. Pursuant to the new law, taxable persons purchasing relevant fuels by way of IAG in the circumstances described in the VAT Act will have to pay VAT onto the bank account of the customs chamber competent for payments of excise duty. Generally, VAT compliance in respect of IAG supplies of relevant fuels is within the remit of the customs office competent for excise duty on such fuels, which acts in such cases as a tax authority.

Pursuant to the new law, taxable persons are required to:

- make monthly VAT reporting on form VAT-14 (to be filed by the 5th day of the month following the month in which the tax became chargeable);
- pay the tax (generally within 5 days from when relevant fuels are introduced to Poland).

Interestingly, the new law does not exempt taxable persons from having to report IAG supplies of relevant fuels in their VAT returns. Thus, they will continue to be required to make VAT filings under the old rules in addition to having to file forms VAT-14 (Important notice! New forms VAT-7, VAT-7K, VAT-7D and VAT-8).

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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