Inside Indirect Tax

November 2024

About this Newsletter

Welcome to *Inside Indirect Tax*—a publication from the KPMG U.S. Indirect Tax practice focusing on global indirect tax changes and trends from a U.S. perspective. *Inside Indirect Tax* is produced monthly as developments occur. We look forward to hearing your feedback to help us provide you with the most relevant information to your business.

Table of Contents

- **Global Rate Changes**
- **Digitalized Economy Indirect Tax Updates**
  - Mexico
- **Digitalized Economy—other developments**
  - Australia
  - Benin
  - Chile
  - Italy
  - Italy
  - Germany
  - Liechtenstein
  - Mexico
  - Mexico
  - Mexico
  - Monaco
  - Netherlands
  - Romania
  - United Kingdom
- **Taxation of the Digitalized Economy—Developments Summary**
- **E-invoicing Updates**
  - Germany
- **E-invoicing—other developments**
  - Belize
  - Bolivia
  - Colombia
  - Congo (Republic of)
  - Dominican Republic
  - Fiji
  - France
  - Hungary
  - Italy
  - Latvia
  - Malaysia
  - Mali
  - Portugal
  - South Korea
  - Spain
  - United Arab Emirates
- **E-invoicing developments timeline**
- **Other Indirect Tax Developments and News from Around the World**
  - **Overview of Indirect Tax Developments in the Americas from KPMG International Member Firms**
    - KPMG in Chile
    - KPMG in Mexico
    - KPMG in Peru
    - KPMG in Trinidad and Tobago
    - KPMG in the United States

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Miscellaneous developments in the Americas**
- Argentina
- Argentina
- Argentina
- Chile
- Costa Rica
- **Overview of Indirect Tax Developments in Europe, Middle East, Africa from KPMG International Member firms**
- KPMG in Germany
- KPMG in Hungary
- KPMG in Italy
- KPMG in Montenegro
- KPMG in Poland
- KPMG in Poland
- KPMG in Poland
- KPMG in Poland
- KPMG in Slovakia
- KPMG in the United Arab Emirates
- **Roundup of Latest Court of Justic of the European Union Cases**
  - **Miscellaneous Developments in EMEA**
- Austria
- Belgium
- Czech Republic
- Denmark
- Denmark
- Denmark
- European Union
- European Union
- Finland
- Germany
- Germany
- Greece
- Hungary
- Iceland
- Italy
- Italy
- Italy
- Latvia
- Latvia
- Latvia
- Liechtenstein
- Lithuania
- Lithuania
- Mauritius
- Monaco
- Norway
- Saudi Arabia
- Slovakia
- Sweden
- Sweden
- Sweden
- Türkiye
- United Kingdom
- **Overview of Indirect Tax Developments in ASPAC from KPMG International Member Firms**
- KPMG in Australia
- KPMG in Cambodia
- KPMG in India
- KPMG in Malaysia
- KPMG in Malaysia
- KPMG in Vietnam

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Global Rate Changes

- **Argentina:**[i] On October 21, 2024, the president of Argentina announced that Argentina will repeal the VAT exemption applicable to sales of newspapers, magazines, periodical publications, and digital newspaper subscriptions.
- **Austria:**[ii] On October 22, 2024, the Austrian federal Ministry of Finance clarified that the reduced 10 percent VAT rate for milk-based or yogurt drinks does not apply if the drinks contain fruit, nuts, cocoa, or other plant parts, as well as coffee, tea, or mate, or their extracts, essences, or concentrates.
- **Benin:**[iii] On October 2, 2024, the Ministry of Economy and Finance of Benin published[iv] the draft 2025 finance bill, which, among other things, would On October 2, 2024, the Ministry of Economy and Finance of Benin published the draft 2025 finance bill, which, among other things, would extend the VAT exemption on qualifying vehicles and aircraft, including their spare parts, through December 31, 2025. The bill would also extend the VAT exemption on containers for compressed or liquefied gas, including their accessories and equipment, whether imported, manufactured, or sold, through December 31, 2025. Additionally, it proposes to extend the VAT exemption for small and medium-sized entities (SMEs) not already subject to an exceptional tax regime, on imported materials and equipment used in artisan works and industrial unit construction, through December 31, 2025. Lastly, the bill plans to exempt VAT on imports related to dialysis kits, art production, herbicides, agricultural machinery, processing units, livestock, and fishing equipment, effective January 1, 2025.
- **Canada:**[v] On October 23, 2024, Nova Scotia's Finance and Treasury Board announced a one percentage point reduction in the harmonized sales tax (HST) rate starting April 1, 2025. The provincial portion of the HST will decrease from 10 to nine percent, resulting in a new combined sales tax rate of 14 percent.
- **Congo (Republic of):**[vi] On October 11, 2024, the Republic of the Congo published the 2025 finance bill, which, among other things, proposes to exempt from VAT butane gas.
- **Ecuador:**[vii] On October 3, 2024, Ecuador published Decree No. 411, which applies until December 31, 2024, VAT at 0 percent on imports and local sales of electric generators and their components. On October 9, 2024, Ecuador published Circular No. NAC-DGECCGC24-00000007 further clarifying the application of this measure.
- **France:**[viii] On October 10, 2024, France published the Finance Bill for 2025, which, among other things, proposes to align the reduced VAT rates on heating-related transactions with EU law by defining heat energy from renewable energies that qualify for the reduced 5.5 percent VAT rate and excluding fossil fuel boilers from the reduced VAT rates of 5.5 percent and 10 percent.
- **Greece:**[ix] On October 7, 2024, the Greek Parliament accepted a draft bill on the 2025 state budget for consideration. The bill includes several measures, including applying a 13 percent reduced VAT rate on short-term rentals and extending the VAT suspension on new buildings.
- **Greece:**[x] TheOn October 11, 2024, Greece increased the accommodation tax for transient residents from 0.5 percent to 0.75 percent of the agreed rent value. The tax rate varies based on the residential area or the type and category of the accommodation. Furthermore, the legislation states that individuals engaged in short-term rental activities for stays less than 6 months must also pay the accommodation tax.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Jordan:**[xi] On On October 14, 2024, the Jordanian Income and Sales Tax Department published a list of general sales tax exemptions and incentives. The list includes fully exempt goods like electric vehicle (EV) charging devices and batteries for hybrid EVs, as well as fully exempt services such as medical expense management services. The list also includes goods subject to a reduced rate, such as specialized tourist transport vehicles with a reduced 10 percent rate, and entities subject to a reduced rate, like small finance companies with a reduced 3 percent rate. Finally, the list includes incentives on construction materials for entities such as specified hotel and tourist facilities, tourist restaurants, and amusement parks.
- **Latvia:**[xii] Latvia's government recently proposed to extend the 12 percent reduced VAT rate on sales of fruits, berries, and vegetables until December 31, 2028. Previously, these sales were subject to a 5 percent VAT rate in 2023, which was increased to 12 percent in 2024. Additionally, the government plans to extend the VAT exemption for employer payments related to relocation, accommodation, transportation, food, and medical expenses. VAT would also be waived on maternity allowances, funeral allowances up to EUR 500, and gifts to employees up to EUR 100 per tax year.
- **Liechtenstein:**[xiii] On October 29, 2024, Liechtenstein published Law No. 641.20, which amended the VAT Act, effective January 1, 2025. Among other things, the law includes measures providing a list of VAT-exempt goods and services, including specified transactions involving gold or gold alloys; and applying a reduced 2.6 percent VAT rate to menstrual hygiene products.
- **Lithuania:**[xiv] On October 3, 2024, the Lithuanian Parliament accepted Bill No. XIVP-1835(4) for consideration. If passed, this bill would reduce the VAT rate on residential heat energy and hot water from 9 percent to zero percent from November 1, 2024, to April 30, 2025.
- **Maldives:**[xv] On October 31, 2024, the Maldives adopted several bills. The seventh amendment to the Goods and Services Tax (GST) Act raises the Tourism Goods and Service Tax (TGST) from 16 percent to 17 percent effective from July 1, 2025, and imposes an 8 percent GST on goods and services sold in cafes in tourist establishments starting November 5, 2024. The fourteenth amendment to the Maldives Tourism Act, effective from January 1, 2025, increases the green tax per night for various types of accommodations from $6 to $12 for larger establishments and from $3 to $6 for smaller establishments. The second amendment to the Airport Taxes and Fees (ATF) Act, effective from December 1, 2024, revises the Departure Tax and Airport Development Fee based on travel class, with increases for business and first-class, and private jet passengers, and for economy class foreigners. To read a report prepared by the KPMG member firm in the Maldives, please click here.
- **Montenegro:**[xvi] On September 30, 2024, Montenegro published a law that includes measures that modify the categories of goods, services, and imports subject to reduced VAT rates. This includes basic products for human consumption and drugs being subject to a reduced 7 percent rate, while books and accommodation services are subject to a reduced 15 percent rate. The law also amends the category of goods and services that are VAT-exempt upon import and repeals the EUR 75 low value goods exemption threshold. Additionally, the law applies a reduced 15 percent rate to marina services until Montenegro's accession to the EU. These changes will take effect from January 1, 2025. To read a report prepared by KPMG in Montenegro, click here.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Nigeria:** On September 3, 2024, Nigeria published the VAT (Modification) Order, 2024, which expands the list of exempted goods and services. Notable additions include equipment and infrastructure for CNG and LPG, electric vehicles, and biofuel equipment. The order also extends the list of exempt services to include CNG and LPG conversion and installation services, as well as the manufacturing and sale of electric vehicles. The definition of "Petroleum products" has been expanded to include various types of gas and oils. The effective date of the order is September 1, 2024, with specific provisions for automotive gas oil coming into effect from October 1, 2023. To read a report prepared by KPMG in Nigeria, please click here.
- **Norway:**[xvii] On October 7, 2024, the Norwegian government presented the Budget for 2025, which, among other things, proposes reducing VAT on water and sewerage charges from 25 percent to 15 percent effective May 1, 2025.
- **Portugal:**[xviii] On October 11, 2024, the government of Portugal presented the 2025 draft Budget Bill to the parliament, which includes proposed changes to VAT and special consumption taxes. The proposed changes include the elimination of tax exemptions on non-environmentally friendly petrol and energy products used in electricity and heat production, an increase in taxes on tobacco and cigarillos, and an extension of the VAT exemption for fertilizers and other products used in agricultural activities until 31 December 2025.
- **Switzerland:**[xix] On October 16, 2024, the Swiss Federal Council approved a draft decree to increase VAT rates. The proposed changes include raising the standard VAT rate from 8.1 percent to 8.8 percent, the special VAT rate for accommodation services from 3.8 percent to 4.2 percent, and the reduced VAT rate from 2.6 percent to 2.8 percent. If implemented, these increases would take effect in January 2026.
- **Tunisia:**[xx] The Tunisian government recently published the draft 2025 Finance Bill, which, among other things, proposes a reduction in the VAT rate from 13 percent to 7 percent for low-voltage electricity consumed by low-income households with consumption not exceeding 300 kWh, aiming to alleviate financial burdens on disadvantaged populations. The bill would further reduce the VAT rate for electric cars and bicycles to 7 percent and exempt from VAT coffee and tea imported by individuals. Finally, the bill would increase the VAT rate applicable to goods not subject to reduced rate or exemption from 13 percent to 19 percent.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Digitalized Economy Indirect Tax Updates

Mexico: New VAT Withholding Requirement for Platforms Facilitating Sales of Goods for Nonresidents

On October 11, 2024, the Mexican tax authority published the "Second Resolution of Modifications to the Miscellaneous Fiscal Resolution for 2024," which, among other things, mandates digital platforms acting as intermediaries in the sale of goods to withhold 100 percent on the sales of goods in which they act as intermediaries. This applies when they collect the corresponding considerations and VAT on behalf of the sellers of goods and deposit these in bank or deposit accounts located abroad.

To comply, these platforms must obtain a statement from the seller detailing their foreign bank account and willingness to have VAT withheld. They must also pay the withheld amount through the "Declaration of payment of VAT withholdings for the use of technological platforms" by the 17th of the following month. Additionally, they must issue a digital tax receipt (CFDI) of withholdings and payment information within five days of the month in which the withholding was made. This CFDI must include the amount of the payment and the withheld tax, and it must incorporate the "Services Technological Platforms" supplement. Finally, they must provide the SAT with information regarding the sales for which the VAT withholding was made. The withheld and paid VAT can be deducted by the seller from the tax corresponding to their total activities of the month in which such tax was withheld. For more information, click here.

Other Developments

- **Australia:**[xxi] Australia's Joint Select Committee on Social Media and Australian Society has recommended the government consider implementing a levy on digital platforms. The Committee, established to advise on the impact of social media on Australian society, has noted the challenges in enforcing the News Media Bargaining Code (NMBC) which mandates platforms to pay local news publishers for their content. In its second report, the Committee suggested alternative revenue mechanisms, such as a digital platform levy, to supplement the Code and contribute to systems oversight. It also recommended developing a mechanism for the fair and transparent distribution of revenue from new mechanisms, with consideration for the sustainability of small, independent, and digital-only publishers, as well as those operating in underserved and rural areas.
- **Benin:**[xxii] On October 2, 2024, the Ministry of Economy and Finance of Benin published the draft 2025 finance bill, which, among other things, would introduce a new electronic reporting for digital platform operators effective Jan. 1, 2025.
- **Chile:**[xxiii] On October 24, 2024, Chile published the Tax Compliance Bill, which introduces New Reporting and VAT Obligations for Digital Platforms and Remote Sellers. (For KPMG's previous discussion on the bill, click here.)

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Italy:** On October 15, 2024, the Italian government approved the draft 2025 Budget Law, which includes significant changes to the Digital Service Tax (DST). The proposed law removes the revenue thresholds that a company must exceed to become a taxpayer for DST purposes, potentially expanding the number of taxable businesses. The current law requires businesses to have total worldwide revenues of at least EUR 750 million and revenues of no less than EUR 5.5 million from digital services in Italy. The new law would make any business earning revenue from the provision of digital services in Italy a taxpayer, subject to accounting and reporting obligations. This change would affect not only typical digital service businesses but also those engaging in ancillary activities that may now become relevant for DST. The new rules would take effect from January 1, 2025, with no transitional period. To read a report prepared by the KPMG member firm in Italy, please click here.
- **Italy:**[xxiv] On October 3, 2024, the Italian tax authorities published Law Principle No. 3/2024 clarifying the definitions of "platform" and "seller" as they relate to the data reporting obligation for qualifying platform operators introduced by Legislative Decree No. 32/2023, which implemented EU DAC7 reporting requirements. Qualifying platform operators must collect, verify, and communicate to the tax authority information on sellers who use their platform to carry out transactions concerning qualifying goods and services. The term "platform" is defined as any software, including a website or a part thereof and applications, including mobile applications, that allows sellers to connect with other users to carry out a relevant activity. This definition includes platforms where activities are carried out indirectly, through the platform itself or its operator. The term "seller" is defined as a platform user, either an individual or an entity, that at any moment during the reportable period is registered on the platform and carries out a relevant activity. This definition also includes users that have entered into a contractual relationship with the platform operator, even if they are not registered on the platform through creating a specific profile or account.
- **Germany:**[xxv] On October 9, 2024, the German Federal Central Tax Office published online guidance on cross-border VAT treatment under the One-Stop-Shop. The guidance outlines the registration requirements for non-EU sellers with warehouses in an EU country who deliver goods to private individuals in other EU countries. It provides instructions for resident sellers providing or facilitating sales of goods or services via electronic interfaces. The guidance also clarifies that sellers in the Mini One-Stop-Shop (MOSS) are automatically enrolled in the One-Stop-Shop and that VAT groups' parent companies must apply electronically with their VAT ID. It sets out the electronic filing deadlines for previous quarter turnover reports, which are due on April 30, July 31, October 31, and January 31. The guidance also provides an exemption for sellers with small and medium turnover providing intra-EU telecommunications, radio and television services, or services provided by electronic means. Finally, it outlines registration, deregistration, recordkeeping, and reporting requirements.
- **Liechtenstein:**[xxvi] On October 29, 2024, Liechtenstein published Law No. 641.20 which amended the VAT Act, effective January 1, 2025. Among other things, the law includes measures implementing the new Swiss VAT collection obligation for digital platforms facilitating the sale of goods. (For KPMG's previous discussion on the new Swiss platform rules, click here.)

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Mexico:** On September 30, 2024, the Government of the State of Veracruz published the general rules for the collection and payment of the tax for the provision of lodging services on digital platforms. These rules apply to individuals or entities that act as intermediaries, facilitators, or promoters, involved in the collection of payments for lodging services via digital means. They are required to submit a declaration for the total monthly payments received. The rules also establish procedures for taxpayers to submit notifications to the State Taxpayer Registry, including new registration, deregistration, and changes to their information. The types of declarations that taxpayers can submit to the state tax authority include: a monthly declaration detailing the total amount of payments for reserved accommodation and the total tax amount to be paid; a zero declaration, even if there is no amount to be paid; and a supplementary declaration to correct data in the main declaration, provided no verification procedure has been initiated. These rules came into effect on October 1, 2024. To read a report (in Spanish) prepared by the KPMG member firm in Mexico, please click here.
- **Mexico:** On October 11, 2024, the Mexican tax authority published the "Second Resolution of Modifications to the Miscellaneous Fiscal Resolution for 2024," which, among other things, mandates debt crowdfunding platforms to withhold and VAT on interest payments. These platforms, which connect borrowers with investors and charge a fee for their services, previously saw these tax responsibilities fall on the borrowers. However, the new rules shift the obligation to the platforms themselves, also requiring them to report to the tax authority and issue digital tax receipts as necessary. To read a report (in Spanish) prepared by the KPMG member firm in Mexico, please click here.
- **Mexico:** On October 11, 2024, the Mexican tax authority published the "Second Resolution of Modifications to the Miscellaneous Fiscal Resolution for 2024," which, among other things, clarifies the definition of digital intermediation services for VAT purposes. The amendment specifies that digital platforms are considered to provide intermediary services when they enable clients to offer goods or services to third parties via websites, applications, or other digital networks, in exchange for payment or compensation. This definition applies regardless of whether these platforms present themselves as mere online stores, aggregators, or transport network companies, and do not engage in negotiating, pricing, or setting service conditions. For more information, click here.
- **Monaco:**[xxvii] Monaco published amendments to its VAT law effective from January 1, 2025. In line with changes being introduced across the European Union, the legislation provides that the sourcing for services and ancillary services related to events that are streamed or otherwise made virtually available will be the place where the recipient is established, has their permanent address, or usually reside.
- **Netherlands:**[xxviii] On October 24, 2024, the Netherlands' Ministry of Finance began seeking public comments on a draft bill to implement the EU DAC8 reporting requirements. DAC8 introduces new rules for reporting and exchanging information on e-money and crypto-assets, cross-border rulings for high-net-worth individuals, and compliance measures under the DAC framework. The draft bill addresses the parts of DAC8 that must be incorporated into domestic law by December 31, 2025, with the rules set to apply starting January 1, 2026 (the first deadline for reporting is January 31, 2027).

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Romania:**[xxix] On October 17, 2024, the Romanian tax authority published an online guide detailing the EU DAC 7 reporting requirements for digital platform operators. The guide covers a range of topics including the entities that are required to register and those exempt from reporting, the due diligence procedures that platform operators must follow, and other reporting obligations. It specifically mandates that digital platform operators must collect, verify, and report pertinent seller information by January 31 of the following calendar year. Additionally, the guide outlines the activities that are subject to reporting and details the data reporting requirements. It also specifies the penalties for failing to comply with these obligations.
- **United Kingdom:** The UK tax authority (HMRC) has initiated contact with businesses in the technology, media, and telecommunications sector to ensure compliance with UK VAT rules, particularly for sellers of telecommunications, broadcasting, and digital services to UK consumers. These businesses are required to register for, collect, and remit VAT. HMRC's notice requires businesses to confirm whether their service sales are within the UK and if the VAT charged is accurate, whether services sourced from outside the UK are error-free, and if any mistakes have been identified, the affected VAT periods and the amount of VAT owed. Additionally, HMRC is asking these businesses to verify that they have a robust understanding of the UK VAT sourcing rules, have implemented appropriate processes and controls to mitigate risks, and have documented these risks in their tax risk register for ongoing review and quality control. For more information, click here.

Developments Summary of the Taxation of the Digitalized Economy

KPMG has prepared a development summary to help multinational companies stay abreast of digital services tax developments around the world. It covers both direct and indirect taxes and includes a timeline of key upcoming Organization for Economic Cooperation and Development (OECD), European Union (EU), and G20 meetings where discussion of the taxation of the digitalized economy is anticipated.

E-Invoicing Updates

Germany: Guidelines for Complying with First Phase of E-Invoicing Mandate

On October 15, 2024, the Federal Ministry of Finance in Germany published the final version of guidelines for the implementation of the country's e-invoicing mandate. The mandate, set to gradually come into effect from January 1, 2025, applies to domestic business-to-business (B2B) transactions. The guidance confirms that the mandate will apply to B2B sales between domestic taxpayers, and from 2025, all businesses should be prepared to receive invoices in an electronic format. The mandate considers businesses established in Germany if they have their residence, management, a permanent establishment, or domicile in Germany or one of the areas designated in the German VAT Act. Exceptions to the mandate include invoices for low amounts, tickets issued for passenger transport, transactions to a legal person that is not an entrepreneur, and certain taxable sales of goods and services in connection with immovable property.

The guidance specifies that e-invoices can be created in both a purely structured and hybrid format. The definition of "e-invoice" will cover only invoices that are issued, transmitted, and

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

received in a structured electronic format and enable electronic processing. The guidelines do not impose the use of any specific format but mention the most common national e-invoices formats used in Germany: XRechnung and ZUGFeRD. The guidelines also underline the need to guarantee the authenticity of the origin of the invoice and its integrity, which can be ensured through a qualified electronic signature or a permissible EDI procedure. The guidelines also provide details on the transmission measures and receipt of e-invoices, VAT deductions related to e-invoicing, storage requirements, and transitional issues. By 2028, all businesses in Germany will be required to issue e-invoices. For more information, click here.

Other Developments

- **Belize:**[xxx] On October 22, 2024, the parliament of Belize accepted for consideration a bill to amend the General Sales Tax (GST) Act, introducing several measures aimed at refining the tax system. The proposed amendments include extending the period to claim input GST from six months to one year and mandating the tax authority to authorize e-invoices and documents for validity and tax recognition. The bill also requires registered individuals who make taxable transactions to provide a tax receipt in a format specified by the Commissioner of GST and prohibits those not registered for GST from advertising prices as inclusive of GST. Additionally, it redefines "residential premises" to cover only properties used for residential purposes, explicitly excluding hotels and holiday accommodations. The bill also introduces fines or administrative penalties for failing to timely apply for GST registration. If enacted, these changes will take effect on January 1, 2025.
- **Bolivia:**[xxxi] On October 14, 2024, Bolivia's tax authority published Resolution RND No. 102400000025, identifying the twelfth group of taxpayers required to update and use their billing systems according to the new e-invoicing system. Starting March 1, 2025, these taxpayers must issue digital tax documents using the assigned online billing method. For more information, click here.
- **Colombia:**[xxxii] On September 30, 2024, the Ministry of Health and Social Protection published Resolution 00001884/2024, which establishes a new timeline for implementing the Individual Registry for the Provision of Health Services (RIPS) as support for the Electronic Sales Invoice (FEV) in the health sector. According to the resolution, high complexity healthcare service providers must adopt this mandate first, starting from October 1, 2024. Medium complexity healthcare service providers must comply by February 1, 2025, and low complexity providers by April 1, 2025. To facilitate this transition, the Ministry of Health will offer two months of assistance and a pilot program for the second and third groups before their respective compliance dates.
- **Congo (Republic of):**[xxxiii] On October 11, 2024, the Ministry of Finance, Budget, and Public Portfolio of the Republic of the Congo published the draft 2025 finance bill. The bill proposes several measures, including a mandate for using the Certified Electronic Invoicing System (CEBS) to justify expense deductions. Any expenses not backed by a CEBS e-invoice will not be deductible.
- **Dominican Republic:**[xxxiv] On October 17, 2024, the Dominican Republic's tax authority published Decree 587-24, mandating new registrants in the National Taxpayer Registry to issue e-invoices within 120 days of their group's deadline. The decree also eliminates the need for taxpayers to be current with their tax obligations to become certified e-invoice issuers.
- **Fiji:**[xxxv] Effective August 1, 2024, Fiji requires all taxpayers included in Phases 1 and 2 of the VAT Monitoring System (VMS) rollout must comply with the system. The authorities will announce the taxpayers listed in Phase 3 of the process.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **France:** On October 15, 2024, the Ministry of Finance announced that it will assist businesses in transitioning to e-invoicing, a requirement for all French companies starting September 1, 2026. This transition aims to improve business competitiveness by improving payment times and simplifying billing processes. The French government will no longer offer a free platform for issuing e-invoices, leaving this role to authorized invoicing service providers, known as PDPs. The government will now focus on developing a directory of recipients and a data concentrator to facilitate transmission to the tax authority. To read a report prepared by the KPMG member firm in France, please click here.
- **Hungary:** Effective January 1, 2025, all electricity and natural gas providers in Hungary will be required to issue e-invoices to non-private entities, which include partnerships, trusts, corporations, and non-profit organizations. These entities will also be required to electronically store their purchase invoices. Hungary has not set a specific format for these e-invoices, thus allowing providers to use any e-invoicing methods currently accepted by the Hungarian tax authority. To read a report prepared by the KPMG member firm in Hungary, please click here.
- **Italy:**[xxxvi] On October 10, 2024, the European Commission published Proposed Council Implementing Decision No. COM/2024/447, which would authorize Italy to continue imposing a mandatory e-invoicing system to simplify collection procedures and prevent VAT evasion or avoidance until December 31, 2025, or the adoption of the ViDA Directive.
- **Latvia:**[xxxvii] On October 31, 2024, the Latvian Parliament adopted amendments to the Accounting Law, mandating businesses to issue e-invoices. Effective January 1, 2026, businesses registered in Latvia will be required to issue "structured electronic invoices" to other businesses for payments for goods or services within Latvia. The amendments empower the Cabinet of Ministers to issue detailed regulations determining the procedure for e-invoice circulation. The amendments specify that the Cabinet of Ministers should have the specific technical regulations for implementing the system in place by July 1, 2025.
- **Malaysia:**[xxxviii] On October 3, 2024, Malaysia's Ministry of Finance issued Income Tax Rule PU(A) 265/2024. This rule outlines the enforcement dates for the mandatory use of e-invoices. The effective date remains as previously stated in the guidelines (i.e., August 1, 2024). However, for taxpayers with annual sales over MYR 100 million, penalties for non-compliance will apply from October 1, 2024. For taxpayers with annual sales between MYR 25 million and MYR 100 million, the mandate's effective and enforcement dates are January 1, 2025. For all other taxpayers, the enforcement date is July 1, 2025. The six-month grace period allowing the use of consolidated invoices remains unchanged.
- **Mali:** [xxxix] On September 20, 2024, the Ministry of Finance of Mali presented the 2025 Finance Bill, which, among other things, proposes implementing a standardized and secure e-invoicing system to improve transaction traceability and fight tax evasion.
- **Portugal:**[xl] On October 10, 2024, Portugal published its 2025 Budget, which recommends postponing the requirement for a qualified electronic signature (QES) on e-invoices until January 1, 2026. The Budget also proposes delaying the mandatory submission of the accounting SAF-T file until 2027 for the 2026 financial year. If approved, PDF invoices without QES would remain valid through the end of 2025.
- **South Korea:**[xli] On October 28, 2024, the South Korean parliament accepted for consideration Bill No. 2204961, which proposes to extend the special VAT deduction period for issuing and submitting e-invoices until December 31, 2027, for individual business owners with annual revenues below KRW 300 million. It also seeks to increase the surcharge rate for operating under false pretenses to 2 percent from 1 percent for general business taxpayers and to 1 percent from 0.5 percent for individual taxpayers.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Additionally, the bill proposes imposing VAT on businesses that issue tax invoices without actual transactions in goods or services. If passed, these changes will take effect on January 1, 2025.

- **Spain:** On October 28, 2024, Spain published Ministry of Finance Order HAC/1177/2024, which outlines the technical, functional, and content specifications for computer or e-invoicing systems. This order, effective from 29 October 2024, mandates that manufacturers, retailers, and users of invoicing software must adapt their systems to comply with the new regulations by July 2025. The order also introduces the requirement for invoices to include a QR code and specific verification phrases. The tax authority will provide further technical details to facilitate compliance. Additionally, related legislation, such as the Creation and Growth Law (Law 18/2022), mandates electronic invoicing for B2B transactions, pending further regulatory implementation. To read a report prepared by the KPMG member firm in Spain, please click here.
- **United Arab Emirates:** The Ministry of Finance of the UAE announced a plan to implement an e-invoicing mandate for B2B and B2G transactions starting in the second quarter of 2026. The process will occur in three stages: accreditation of service providers by the last quarter of 2024, updating local laws to require e-invoices throughout the UAE by the second quarter of 2025, and the e-invoicing system going live by July 1, 2026. The e-invoicing system will use the Open Peppol network, with only accredited solution providers allowed to send validated invoices to the Federal Tax Authority. The validation of invoices and reporting to the Ministry of Finance and the Federal Tax Authority will be the responsibility of the issuer's e-invoicing solution provider. For more information, click here.

Global E-invoicing Developments Timeline

The world of taxation and compliance is constantly becoming more digitalized, and governments are continuously issuing new regulations and requirements for taxpayers. To help businesses stay up-to-date with tax administration developments in e-invoicing, digital reporting, and real-time reporting, we have created this e-invoicing developments timeline which will be regularly updated.

Other Indirect Tax Developments and News from Around the World

The Americas

Overview of Indirect Tax Developments in The Americas from KPMG International Member Firms

- **KPMG in Chile** published a report discussing recent tax developments, including whether digital platforms leasing furnished real estate are obligated to report relevant information to the tax authorities.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **KPMG in Mexico** published a report discussing the "Modifications to the General Foreign Trade Rules (GFTR) for 2024 and its Annexes 1, 2, 5 and 24," which were published on October 14, 2024. The changes include new requirements for certified companies in the manufacturing, maquila, and export services industries, such as the minimum information needed in the automated inventory control system and granting online access to the customs authority. Other changes involve personnel requirements for registering in the business certification scheme, returning a percentage of temporary imports, and additional requirements for the authorized economic operator modality in the textile category. The modifications also update the valid term for the guarantee of VAT and excise tax and add requirements for the request for acceptance of the guarantee and the registry of dispatch of goods for companies. These modifications took effect on October 15, 2024.
- **KPMG in Peru** published a report discussing Legislative Decree No. 1669, modifying the VAT Law and Purchase Registry Law. According to the decree, the tax authority will propose a Purchase Registry through the Integrated Electronic Records System (SIRE). Taxpayers must confirm, correct, or complement the proposed records within the allowed delay period, including determining the purpose of acquisitions. Non-compliance may result in the tax authority generating the Purchase Registry.
- **KPMG in Trinidad and Tobago** published a report discussing the 2025 National Budget Statement, which, among other things, proposes the issuance of interest-bearing VAT bonds during fiscal 2025, in the sum of TTD 3 billion, with a target issuance date of January 31, 2025. Additionally, small and medium, enterprises who are owed VAT refunds would be paid in cash by December 31, 2024.

United States: Receipts from Electronic Currency Trading System Taxable in New York

The New York State Department of Taxation and Finance (Department) published Advisory Opinion TSB-A-24(9)S regarding whether a taxpayer's receipts from operating an online platform used for trading currencies on foreign exchange markets was subject to sales and use tax. The taxpayer's customers included traders, asset managers, corporate treasurers, market makers, and brokers. The taxpayer charged its customers a variety of fees, including: an annual license fee to access the system; a monthly support charge for customer support and training services; several transaction charges to allow users to offer quotes to other users and execute trades; and miscellaneous other charges which covered secure ID tokens to access the system, system enhancements and upgrades, and preparation of monthly user reports.

In its analysis, the Department explained that New York imposes sales tax on receipts from retail sales of tangible personal property, which include prewritten software regardless of the medium by which the software is conveyed to a purchaser. A sale also includes a "right to use" the software. The Department found that the taxpayer's license fees, transaction charges, and other charges constituted the sale of prewritten software because the charges represented rights to use the software. The secure ID tokens represented tangible personal property which were subject to tax. The taxpayer's support charges for customer support and training were exempt from sales tax if reasonable and separately stated.

Finally, the taxpayer's charges for providing monthly user reports were considered an information service and were exempt from sales tax if the information was personal or individual in nature and not substantially incorporated in reports furnished to others. The taxpayer's monthly reports included the user's own statistics, but also provided benchmarking data comparing the user's performance to others. The Department stated that if the benchmarking data in these reports is not sufficiently anonymized or constitutes more than a de minimis part of the service, the entire charge would be subject to tax. For more information, click here.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Miscellaneous Developments in the Americas

- **Argentina:**[xlii] On October 21, 2024, Argentina announced the dissolution of the Federal Administration of Public Revenue (Administración Federal de Ingresos Públicos, AFIP) and the creation of the National Agency for Collection and Customs Control (Agencia de Recaudación y Control Aduanero, ARCA) to replace it. The new agency will retain the current divisions of the General Directorate of Taxes (DGI) and the General Directorate of Customs (DGA). These changes are implemented within the framework of a process aimed at reducing the size of the state and eliminating inefficient structures.
- **Argentina:**[xliii] On October 23, 2024, Argentina published General Resolution No. 5589/2024, which introduces a web service named CERTIVA for managing VAT credit certificates. This resolution outlines several key measures, including the management of VAT credit certificates under the large investment incentive regime, setting general requirements and conditions for issuers and recipients of these certificates, and detailing the procedures for their use by sellers, providers, and lessors of goods and services. Additionally, it establishes the requirements for refunding or transferring amounts from VAT credit certificates and provides instructions for taxpayers utilizing the service for various tasks. The resolution is set to take effect on December 1, 2024.
- **Argentina:**[xliv] On October 24, 2024, Argentina published General Resolution No. 5591/2024, which outlines the VAT declaration procedures for taxpayers involved in selling or leasing goods that do not require the entry of specific data, or are related to sectors such as promoted companies, agriculture, and export operations. The resolution mandates that these taxpayers submit a monthly sworn declaration, "F2002 VAT by Activity," through the tax authority's "My WEB Applications." Additionally, it requires taxpayers to rectify the "Digital VAT Book" for the same monthly period if there are any changes to the previously registered tax debit or credit. This resolution, which repeals General Resolution No. 3,711, takes effect on October 25, 2024, and applies to sworn declarations for October 2024 and all subsequent fiscal periods.
- **Chile:**[xlv] On October 24, 2024, the Chilean tax authority issued Letter No. 2069/2024, clarifying the VAT treatment of leasing machinery and offering related services. In the case, a joint stock company requested guidance on whether these activities were subject to VAT under the general anti-avoidance rule. According to the tax authority, the leasing of machinery, even when including the provision of a qualified operator, is subject to VAT. Additionally, providing personnel is considered a commercial activity, aligning with activities of business agencies and thus cannot be classified under professional services, which are exempt from VAT. Forming a professional services company solely to provide personnel services would not circumvent the general anti-avoidance rule, as these activities do not qualify for VAT exemption under the discussed legal framework.
- **Costa Rica:**[xlvi] The Costa Rican Legislative Assembly recently approved a bill to amend the VAT Law, facilitating access to school supplies and technology for low-income families. The bill introduces a VAT refund system for items like school supplies, uniforms, and certain technology, capped at specific cost limits, for families identified as impoverished by the National Information System and Single Registry of State Beneficiaries. Refunds will be managed monthly via electronic payment by the Ministry of Finance, with fraud prevention measures in place to recover funds from ineligible recipients. Regulations to implement these changes must be issued within three months of the bill's publication.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Overview of Indirect Tax Developments in EMEA from KPMG International Member Firms

- **KPMG in Germany** published a report discussing recent indirect tax developments in Germany, including a new ordinance from the federal government on the assignment of new tax business ID numbers (W-IdNr.) to simplify communication between taxpayers and the tax authority. The report also discusses a ruling from the Federal Tax Court (BFH) on the use of margin taxation on coffee trips, whether invoices may be corrected retroactively in the absence of a reference to an intra-EU triangular transaction, and guidance from the Ministry of Finance (BMF) on the VAT treatment of fuel sold within the fuel card system.
- **KPMG in Hungary** published a report discussing the launch of consultations on tax measures in Hungary's autumn tax package on October 16, 2024. Among other things, this includes additional regulations for special tax exemptions for small taxpayers in line with EU rules, the introduction of a VAT self-assessment mechanism for natural gas sales within the EU if the buyer is a taxable trader, removing references to the Act on Development and Protection of the Built Environment from VAT laws concerning real estate, limiting VAT and excise tax exemptions on non-commercial imports to individuals in border zones, and amending the regulations on e-cash register authorization and data provision.
- **KPMG in Italy** published a report discussing several changes in the VAT treatment of imports under Legislative Decree no. 141/2024, effective October 4, 2024. Among other things, the decree equates import VAT with customs duties, grouping them under the concept of border duties, which also includes excise and monopoly duties. Previously, import VAT was treated separately from customs duties. However, under the new rules, import VAT is not considered a border duty when goods are brought into free circulation in Italy and either placed in an Italian warehouse or shipped to another EU Member State. Non-compliance with import VAT obligations trigger border-duty penalties. Moreover, indirect customs representatives acting on behalf of the importer will be jointly and severally liable with the importer for the payment of import VAT.
- **KPMG in Montenegro** published a report discussing recently enacted tax measures, effective January 1, 2025, including measures introducing an amnesty regime for unpaid tax liabilities. The regime provides a write-off of calculated but unpaid interest on tax liabilities due for payment by December 31, 2024. This applies if the taxpayer submits all due tax returns by December 31, 2024, and pays the principal tax debt within 60 days from the start of the law's implementation. The right to write-off of interest is granted upon submission of a request to the tax authority within 60 days from the start of the law's implementation. The tax authority decides on the request for interest write-off by issuing a decision.
- **KPMG in Poland** published a report discussing a draft regulation that would extend, until December 31, 2026, the exemption from the obligation to label certain excise duty goods, such as beer, ethyl alcohol, and other alcohol products of any strength, with excise duty stamps.
- **KPMG in Poland** published a report noting that on September 27, 2024, the Polish lower house of Parliament passed the first reading of a bill that includes measures to implement the EU's small business VAT reform. (To read KPMG's previous discussion of these measures, click here).

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **KPMG in Poland** published a report discussing a recent decision of the Supreme Administrative Court (SAC), holding that when a lessor retains improvements made by a lessee after the termination of a lease and compensates the lessee for these improvements, it constitutes a sale of goods under the VAT Act. This transaction is subject to VAT, as the reimbursement is considered "consideration" for the sale. In addition, the report notes that the SAC sought a preliminary ruling from the Court of Justice of the European Union (ECJ) on whether the right to deduct VAT depends on receiving an invoice and whether certain provisions of the Polish VAT Act in this regard comply with relevant EU VAT Directive and principles.
- **KPMG in Poland** published a report discussing a bill that proposes to postpone the entry into force of the new deposit refund system for beverage packaging by six months, until July 1, 2025. (To read KPMG's previous discussion of the deposit refund system, click here.)
- **KPMG in Slovakia** published a report discussing the enactment of a new sweetened non-alcoholic beverages tax effective January 1, 2025. The tax rates range from EUR 0.15 per liter to EUR 8.60 per kilogram, depending on the beverage type. It applies to the first sale of packaged sweetened non-alcoholic waters, juices, energy drinks, non-alcoholic beer, syrups, concentrates with added sugar, and other similar beverages. Exemptions include infant formula, meal replacements for weight control, and medicinal drugs or nutritional supplements. The tax is payable by the manufacturer or seller, and transitional provisions address stockpiling before the law's implementation.
- **KPMG in the United Arab Emirates** published a report discussing the publication of updated Executive Regulations for VAT, effective from November 15, 2024. Key updates include the introduction of a new definition for virtual assets, an expanded scope for real estate sales, exceptions for the provision of services by governmental bodies, and updates on voluntary registration, tax deregistration, zero-rating of exports, tax treatment of financial services, including the expansion of the scope of the financial services exemption to include fund management services, which were previously taxable, and VAT recovery.

European Union: Member States Agree on VAT in the Digital Age (ViDA) Package

On November 5, 2024, the 27 EU Member States reached a unanimous political agreement on the VAT in the Digital Age (ViDA) proposal, which aims to modernize the EU's VAT system. The proposal, first published in December 2022, has three main components: e-invoicing and digital reporting, platform economy, and single VAT registration.

The first pillar, e-invoicing and digital reporting, aims to transition the EU to mandatory e-invoicing and digital reporting for VAT. Initially, Member States will be allowed to make e-invoices mandatory for domestic sales without needing authorization from the EU Council. Starting July 1, 2030, VAT registered businesses will be required to issue a structured e-invoice for cross-border B2B and B2G sales within the EU. The e-invoice must be issued within 10 days of the date of the sale or the date of payment, whichever is earlier, and certain data from the e-invoice must be digitally reported to the relevant tax authorities by the seller. By January 1, 2035, the goal is to have full harmonization of e-invoicing and digital reporting obligations across EU Member States, including for domestic transactions.

The second pillar, platform economy, impacts the VAT treatment of transactions involving online platforms and marketplaces. From July 1, 2028, a digital platform acting as an intermediary or agent in facilitating the provision of short-term accommodation rentals and/or passenger transport by road will be regarded as the "deemed seller" of those services for VAT purposes and will therefore be liable to account for VAT thereon. However, the platform will not be liable if the underlying seller provides its VAT identification number to the platform operator and declares to the platform operator that it will account for VAT on that sale.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Member States can postpone the introduction of this deemed seller rule until January 1, 2030, at the latest and Member States may choose not to make the platform a deemed seller if the underlying seller qualifies and opts for the small and medium-sized enterprise ("SME") VAT regime

The third pillar, single VAT registration, aims to reduce the need for non-established traders to register for VAT in an EU Member State in which they are not established. The measures in this proposal are set to take effect mainly from July 1, 2028. The existing One Stop Shop (OSS) regime for B2C distance sales of goods and certain services provided by EU-established traders will be extended to other B2C sales. There will also be a new OSS module for businesses to report movements of their own goods between EU Member States. The VAT reverse-charge mechanism for B2B transactions will also be extended to reduce the circumstances in which a B2B sale of goods or services by a non-established trader requires a VAT registration in the country where the VAT is due.

Although the proposal has not yet been fully adopted due to some remaining technical details and the need for the European Parliament to give its non-binding opinion, the political agreement is expected to lead to formal adoption in due course. Businesses are advised to monitor these changes and prepare for them as soon as possible. To read a report prepared by the KPMG member firm in the Netherlands, please click here.

Roundup of Latest Court of Justice of the European Union Cases

On October 4, 2024, the ECJ published its judgment in UP CAFFE d.o.o., Case C-171/23, in which it held that the formation of a company specifically to maintain the VAT exemption for small enterprises benefits previously utilized by another company constitutes an abusive practice. Consequently, such a company cannot benefit from the VAT exemption scheme, even if the national legal system does not explicitly prohibit these practices. This interpretation upholds the principle of prohibiting abusive practices within VAT regulations.

On October 4, 2024, the ECJ published its judgment in Voestalpine Giesserei Linz, Case C-475/23, addressing the right to deduct VAT on goods made available free of charge to subcontractors. The ECJ held that under Article 168(a) of the EU VAT Directive it is not permissible for national practices to deny a VAT deduction for goods acquired and provided free of charge to subcontractors if these goods are necessary for the taxpayer's economic activity and are included in the cost of transactions or services provided. Additionally, the ECJ held against denying VAT deductions based on the failure to keep separate accounts for fixed establishments if tax authorities can ascertain whether the conditions for deduction are met.

On October 17, 2024, the ECJ published its judgment in Digital Charging Solutions GmbH, Case C-60/23, clarifying the VAT implications for electric vehicle charging. The ECJ held that the provision of electricity for charging electric vehicles at public network points is classified as a sale of goods. Additionally, it determined that when a user accesses a public charging network through a subscription with a company other than the network operator, the electricity is considered to be first sold by the network operator to the subscription company, and then from the company to the user. This applies even if the user selects the specifics of the charging event, provided the company acts in its own name but on behalf of the user under a commission contract.

Source: European Union; Croatia - ECJ Decides on VAT Liability Where VAT Fraud or Abusive Practices Are Presumed: UP CAFFE (Case C-171/23) (VAT) (October 4, 2024), News IBFD; European Union; European Union; Romania - ECJ Decides on Deductibility of VAT on Assets Made Available to Subcontractors Free of Charge: Voestalpine Giesserei Linz (Case C-475/23)

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

(VAT) (October 4, 2024), News IBFD; Sweden - ECJ Decides on VAT Treatment of Charging Supply at Electric Vehicle Charging Point: Digital Charging Solutions (Case C-60/23) (VAT) (October 17, 2024), News IBFD.

Miscellaneous Developments in EMEA

- **Austria:**[xlvii] On October 10, 2024, the European Commission approved Austria's request to continue limiting VAT deduction rights on goods and services that a taxpayer uses for over 90 percent non-business or non-economic purposes. The decision extends Austria's authorization to December 31, 2027, from December 31, 2024.
- **Belgium:**[xlviii] On October 23, 2024, Belgium published Royal Decree No. C-2024/009309, which partially implements several changes to the EU VAT Directive into national legislation. Key provisions of the decree include replacing the current VAT accounts with VAT Provision Accounts to help taxpayers manage credits and refunds and providing monthly reimbursements for those who file VAT monthly. The filing deadlines for special and quarterly VAT returns will be changed to the 25th of the following month. An automated system will notify taxpayers about unsubmitted VAT returns with estimated return notifications. Additionally, bank direct debit will be introduced as a VAT payment option, and the penalty for failing to file a VAT return will be adjusted from a fixed EUR 1,000 to a variable penalty ranging from EUR 500 to EUR 5,000, depending on the number of offenses. The decree will take effect on January 1, 2025.
- **Czech Republic:**[xlix] On October 30, 2024, the lower chamber of the Czech parliament approved a bill amending the VAT law, which includes measures to implement the EU's small business VAT reform, effective from January 1, 2025. This reform allows EU Member States to maintain small business exemptions up to EUR 85,000 and extends these exemptions to small businesses in other EU states, provided their gross receipts in the non-established state are below the national threshold and their total EU gross receipts are below EUR 100,000. Non-EU businesses are not eligible for these exemptions. To take effect, the bill must gain Senate approval, receive the president's signature, and be published in the official gazette.
- **Denmark:**[l] On October 8, 2024, the Danish Customs and Tax Administration published National Tax Court Decision No. SKM2024.496.LSR, clarifying VAT deductions for holding companies. In the case, the taxpayer, an intermediate holding company, appealed a binding ruling in which the Tax Council could not confirm that the company's provision of management services to project companies, in which the company owned shares, would be considered an economic activity. This meant that the company would not have full VAT deduction rights for expenses directly and immediately related to this activity. The National Tax Tribunal found, after an overall assessment, that the economic and business reality was that it was not the company but the company's parent company that provided the management services to the project companies. The contractual terms, which stated that the company provided the services, were deemed an artificial arrangement that could only be established because it was agreed upon by parties with overlapping economic and business interests. Therefore, the National Tax Tribunal upheld the Tax Council's binding ruling.
- **Denmark:**[li] On October 10, 2024, the Danish Ministry for Taxation published a report analyzing the effects of reducing the VAT rate on fruits and vegetables from 25 percent to 15 percent. The findings of the report suggest that the reduced rate would encourage healthier eating habits among the Danish people but would cause significant costs for the state and businesses due to less overall revenue, increased administrative costs, and potential inefficiencies introduced by the tax change.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Denmark:**[lii] On October 10, 2024, the Danish Customs and Tax Administration published Tax Council Binding Answer No. SKM2024.510.SR regarding the sourcing of services provided by a non-EU established company to its wholly owned Danish subsidiary. In this case, the taxpayer is a Danish holding company with no employees, with management located outside the EU, and as such, it does not qualify as a taxpayer for VAT purposes in Denmark due to insufficient economic activities. The Tax Council determined that since the parent company is established outside the EU and the subsidiary is not a taxpayer for VAT purposes in Denmark, the general rule for determining the sourcing for B2C services applies, which is where the provider is located (i.e., outside Denmark).
- **European Union:**[liii] The EU VAT Expert Group (VEG) published the minutes from its 36th meeting held on June 6, 2024, and its 37th meeting held on October 4, 2024. Among other things, the minutes included updates on several topics: the progress of the VAT in the Digital Age (ViDA) initiative, the VAT treatment of goods destruction and donations, the evaluation of the e-commerce package, and the status of the explanatory notes and guide for the updated small enterprise (SME) regime (for more information on the notes and guide, click here). The minutes also addressed the single VAT registration and the Import One Stop Shop (IOSS) mechanism, which, despite its general success, faces challenges such as potential fraud and complex logistics involving multiple actors. Additionally, a report on vouchers is pending approval by the European Commission, and efforts are underway to transition the VAT exemption certificate to an electronic format. (To read KPMG's previous discussion of the 36th meeting of the VEG, click here.)
- **European Union:**[liv] The Group on the Future of VAT (GFV) of the EU published the minutes of its 46th meeting, which was held on October 9, 2024. Among other topics, the meeting covered the Fiscalis Project Group on E-invoicing and Digital Reporting, which aims to establish a common understanding of digital reporting solutions across Member States. It also discussed the evaluation of the e-commerce package, the implementation of the ViDA package, and the travel and tourism package.
- **Finland:**[lv] On October 16, 2024, the Finnish tax authority published Guidance No. VH/1222/00.01.00/2024 updating the guidance on the VAT treatment of sales and self-use of construction services. Updates include clarification on deduction rules related to construction for business activities; a new example on work association groups under the VAT Act, along with other new examples; clarification of the tax basis on self-use of construction services; additions and changes to the example list of direct costs included in the tax base; and clarification of the section on the allocation of tax for construction services over time.
- **Germany:**[lvi] On October 7, 2024, the German Federal Central Tax Office published guidance on the implementation of the EU's small business VAT reform, effective from January 1, 2025. This reform allows EU Member States to maintain small business exemptions up to EUR 85,000 and extends these exemptions to small businesses in other EU states, provided their gross receipts in the non-established state are below the national threshold and their total EU gross receipts are below EUR 100,000. Non-EU businesses are not eligible for these exemptions. The guidance includes provisions for the annual gross receipts limit for the previous and current calendar years to qualify for the exemption, the filing deadlines for previous gross receipts reports, and registration, recordkeeping, and reporting requirements.
- **Germany:**[lvii] On October 11, 2024, the Council of the EU adopted Implementing Decision 2024/2680, the implementing decision authorizing Germany to continue applying a

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

temporary VAT self-assessment mechanism for transfers of emission allowances traded in the national system under the Fuel Emission Allowance Trading Act. Germany was originally authorized to apply this measure in 2021, and it was scheduled to end on December 31, 2024. The authorization has been extended until December 31, 2026.

- **Greece:**[lviii] On October 11, 2024, the government published a new VAT Code, which streamlines and codifies existing VAT provisions without significant alterations. The new Code enhances uniformity and clarity by reorganizing articles and paragraphs for ease of understanding, resolving inconsistencies in VAT regulations, and removing obsolete provisions. It incorporates relevant parts of EU secondary legislation for regulatory consistency and updates the roles and responsibilities of administrative bodies. The Code also adapts procedures to new legislative conditions, integrates recent VAT-related regulations, and includes updates from both national and EU customs laws. It standardizes terminology, acknowledges developments such as Brexit, corrects content errors, and clarifies procedural regulations. The Code also reflects organizational changes in the roles of the administrative bodies mentioned
- **Hungary:**[lix] On October 24, 2024, the European Commission published Proposed Council Implementing Decision No. COM (2024) 491, which would authorize Hungary to continue a 50 percent limitation on VAT recovery rights for the leasing of certain passenger cars not used exclusively for business purposes until December 31, 2027.
- **Iceland:**[lx] On October 15, 2024, Iceland's Minister of Finance and Economic Affairs released a draft bill introducing a mileage tax for vehicles that run on fossil fuels, abolishing excise duties on fuels, and proposing a doubling of the carbon tax. Additionally, the bill proposes a mileage tax based on the weight of the vehicles and the wear and tear they cause, which will go into effect on January 1, 2025. The rate structure ranges from ISK 6.70 for a vehicle weighing up to 3,500 kg to ISK 43.90 for a vehicle weighing 31,001 kg or more.
- **Italy:**[lxi] On October 15, 2024, the Italian tax authority (ITA) issued Letter No. 203/2024, which clarifies the tax implications when a taxpayer unilaterally waives a VAT claim against a company undergoing insolvency proceedings. The taxpayer inquired whether such a waiver during bankruptcy could be treated similarly to the scenarios outlined in the Italian VAT law, thus allowing for the issuance of a VAT credit note. The VAT law specifies certain conditions under which a VAT credit note can be issued, generally involving cases where the original transaction is annulled, rescinded, or the consideration is reduced. The ITA concluded that a unilateral waiver of credit does not meet the criteria listed in the VAT law, and therefore, does not allow for the issuance of a VAT credit note. The taxpayer was required to wait until the creditor's bankruptcy procedure concluded to determine whether the claim was unrecoverable.
- **Italy:**[lxii] On October 18, 2024, the ITA published Answer No. 207/2024 regarding whether the transfer of natural gas distribution plants should be classified as a transfer of individual goods, subject to VAT, or as a transfer of a business, subject to a proportional registration tax. According to Italian tax law, a transfer is classified as a business if it involves tangible and intangible assets that allow for the continuation of an autonomous economic activity. The ITA analyzed the elements of the transfer and concluded that the transfer constitutes a business transfer rather than a transfer of individual goods. Therefore, the transfer is not subject to VAT.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

- **Italy:**[lxiii] On October 29, 2024, the Italian Council of Ministers approved legislation to implement the EU's small business VAT reform, effective from January 1, 2025. This reform allows EU Member States to maintain small business exemptions up to EUR 85,000 and extends these exemptions to small businesses in other EU states, provided their gross receipts in the non-established state are below the national threshold and their total EU gross receipts are below EUR 100,000. Non-EU businesses are not eligible for these exemptions.
- **Latvia:**[lxiv] On October 7, 2024, the Latvian Ministry published draft legislation that includes measures to implement the EU's small business VAT reform, effective from January 1, 2025. This reform allows EU Member States to maintain small business exemptions up to EUR 85,000 and extends these exemptions to small businesses in other EU states, provided their gross receipts in the non-established state are below the national threshold and their total EU gross receipts are below EUR 100,000. Non-EU businesses are not eligible for these exemptions. In addition, Latvia has also proposed changing its VAT registration threshold from EUR 50,000 to EUR 55,000. Businesses whose gross receipts during the year exceed EUR 55,000 will be required to register immediately, rather than from the next calendar year. Furthermore, when calculating gross receipts, taxpayers will need to include not only gross receipts from transactions subject to VAT but also gross receipts from transactions exempt from VAT, including transactions involving real estate and gross receipts from financial and insurance services.
- **Latvia:**[lxv] On October 23, 2024, the European Commission published a Proposal for a Council Implementing Decision that would authorize Latvia to continue a 50 percent limitation on VAT recovery rights for the purchase, leasing, intra-EU acquisition, and importation of passenger cars with a maximum authorized weight of 3,500 kilograms and no more than eight seats in addition to the driver's seat. The authorization would apply until December 31, 2027
- **Latvia:**[lxvi] On October 24, 2024, the tax authority of Latvia issued Letter No. P005-17/8.6.1/71027, clarifying the VAT treatment of the transfer of fixed business assets. In this case, the taxpayer planned to establish a farm using their own assets and inquired whether VAT must be calculated when transferring these assets to the farm and if corrections to previously deducted VAT on the assets are necessary. The tax authority determined that since the farm is not a separate legal entity from the owner, the transfer of assets does not constitute a taxable event for VAT purposes. Consequently, the applicant was not required to calculate VAT or adjust previously deducted VAT.
- **Liechtenstein:**[lxvii] On October 29, 2024, Liechtenstein published Law No. 641.20, which amended the VAT Act, effective January 1, 2025. Among other things, the law clarifies the VAT treatment of services provided by foreign companies and on the purchase of emission rights as well as the sourcing rules for resold travel services and on-site services in the fields of culture, arts, sports, science, education, and entertainment.
- **Lithuania:**[lxviii] On October 14, 2024, the tax authority of Lithuania published Information Notice No. R-3644, which amended the VAT refund policy on goods purchased domestically and exported to foreign persons with a permanent residence outside the EU, effective September 28, 2024. Under the amendment, intermediaries must now provide the seller with a digital copy of the printed declaration stamped by a customs officer from Lithuania or another EU Member State and retain the printed declaration for 10 years.
- **Lithuania:**[lxix] On October 25, 2024, the tax authority of Lithuania published updated guidance on the special tax regime for services provided by non-EU taxpayers. The updates clarify that non-EU entities providing services to non-taxable entities in various EU Member

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

States can apply the regime, provided they have no business presence within the EU. The regime must be applied uniformly across all EU Member States and cannot be selectively applied. It is applicable in Lithuania regardless of the entity's VAT registration status. Registration for the regime can be done through the One-Stop-Shop (OSS), and quarterly returns must be submitted electronically through the OSS. The guidance also details the criteria for applying the regime, key definitions, conditions for cessation, VAT payment obligations, registration procedures, return submissions, and accounting requirements.

- **Mauritius:**[lxx] On October 12, 2024, the Mauritian Revenue Authority published VAT Ruling No. 118, clarifying that the sale of carbon credits in Mauritius is considered a sale of services. Since the sale is not VAT-exempt under the VAT law, businesses engaged in the sale of carbon credits are required to register if their respective annual gross receipts exceed or are likely to exceed the VAT registration threshold.
- **Monaco:**[lxxi] Monaco recently announced amendments to its VAT law, effective January 1, 2025. The new legislation sets registration thresholds based on prior-year gross receipts: EUR 85,000 for the sale of goods, EUR 37,500 for services excluding accommodation and on-site services, and EUR 50,000 for authors and performing artists. Additionally, taxpayers can now deduct VAT on electricity used for land vehicles that are excluded from deduction rights, provided these vehicles are used exclusively for deductible operations. Moreover, the legislation introduces a 10 percent VAT on accommodation services offered by hotels and similar facilities for stays under 31 nights, if three or more of the following services are provided: breakfast, regular cleaning, household linen, or reception.
- **Norway:**[lxxii] The Norwegian tax authority announced proposed stricter regulations for voluntary disclosures due to enhanced access to third-party information via information exchange channels. The new proposals aim to replace the existing rules on voluntary corrections. Under the proposal, taxpayers will be allowed to amend tax returns for the previous three years instead of the previous ten-year period. Additionally, taxpayers will not be permitted to regularize their affairs in serious cases involving tax evasion.
- **Saudi Arabia:**On October 11, 2024, Saudi Arabia published an updated real estate transaction tax (RETT) law under Ministerial Resolution No. 84. The updated law includes changes related to undocumented transactions, the definition of a real estate company, responsibility for payment of RETT, the RETT exemption, the time limit for assessment by ZATCA, and changes in penalty provisions. For more information, click here.
- **Slovakia:**[lxxiii] On October 25, 2024, Slovakia published Law No. 279/2024, introducing a financial transaction tax (FTT) effective January 1, 2025. The FTT will be applied at a rate of 0.4 percent for bank transfers, capped at EUR 40 per transaction, with rates of 0.8 percent for ATM cash withdrawals and EUR 2 for payment card use. The law identifies legal entities, foreign company units, and entrepreneurs as taxpayers, requiring entrepreneurs to have a payment account by March 31, 2025. It designates April 2025 as the first tax period and sets payment deadlines of May 31, 2025, and July 31, 2025, for taxes collected in the initial periods. The law generally requires payment and electronic filing by the end of the month following the tax period. On November 6, 2024, the Slovak parliament accepted for consideration Bill No. 588 to repeal the FTT.
- **Sweden:**[lxxiv] On October 7, 2024, the Swedish Tax Authority published updated guidance to align with the ECJ's decision in the Sonaecom SGPS SA, Case C-42/19, regarding the deductibility of VAT on goods and services used differently than originally intended. The guidance clarifies that when a business buys something with the intention of using it for taxable activities but later uses it differently, the actual use determines the eligibility for VAT deduction. This means that deductions are based on how the goods or services are utilized,

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

rather than their intended use. The responsibility to prove the right to deduct VAT lies with the taxpayer, and the deduction is assessed based on the taxpayer's status at the time of the taxable event. In this regard, registration alone does not guarantee the right to deduct if the business is not engaged in economic activities.

- **Sweden:**[lxxv] On October 11, 2024, the Swedish Tax Board published Advance Notice No. 123-23/I, clarifying the VAT treatment of auction fees charged for selling pledged goods on a pawnbroker loan. In this case, the taxpayer, who auctioned goods from defaulted loans and charged fees when the sale amount exceeded the debt, sought to determine if these fees were subject to VAT or exempt as a banking and financial service. The Tax Board ruled that the fee is a taxable provision of a service, separate from the credit service provided, and does not qualify for exemption as a financial service. This is because the pawnbroker provides a service to the borrower by arranging an auction sale of the pledged property, and this service is independent and should be treated separately from the granting of credit. Therefore, the VAT exemption for banking and financial services cannot apply. Furthermore, the sales commission compensates the lender for organizing and executing the sale, creating a direct link between the compensation and the service.
- **Sweden:** On October 29, 2024, Sweden published Law No. SFS 2024:942 that includes measures to implement the EU's small business VAT reform, effective from January 1, 2025. This reform allows EU Member States to maintain small business exemptions up to EUR 85,000 (limited to SEK 120,000 in the case of Sweden) and extends these exemptions to small businesses in other EU states, provided their gross receipts in the non-established state are below the national threshold and their total EU gross receipts are below EUR 100,000. Non-EU businesses are not eligible for these exemptions.
- **Türkiye:** On October 31, 2024, the Ministry of Treasury and Finance published Communiqué No. 52 on Value Added Tax (VAT), introducing significant updates to the VAT General Implementation Communiqué. Notably, the amendment specifies that attorney fees imposed by courts or enforcement and bankruptcy offices, which are part of an attorney's freelance income, must be invoiced directly to the losing party or through enforcement and bankruptcy offices. Additionally, the amendment revises various sections of the VAT General Communiqué to streamline the VAT refund process and clarify the application of VAT exemptions in specific scenarios, such as in the sale of ships for certain maritime activities, which are not eligible for VAT exemption if leased or operated post-acquisition. The changes also address the VAT treatment of services provided at ports and airports, specifying that services related to passenger and cargo transport by eligible sea and air vehicles are exempt from VAT. Furthermore, the amendment introduces higher thresholds for certain VAT-related amounts and adds new annexes to support the implementation of the revised regulations.
- **United Kingdom:lxxvii** On October 10, 2024, the UK tax authority (HMRC) published guidance for private education providers about the upcoming obligation to apply VAT on school and boarding fees effective January 1, 2025. The guidance covers a range of topics including who must register for VAT, the timing of registration, the VAT treatment of payments received before and after the announcement of the new rules, voluntary registration for VAT, how to register, registering as a VAT group, and next steps following registration.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Overview of Indirect Tax Developments in ASPAC from KPMG International Member Firms

- **KPMG in Australia** published a report discussing the new supplementary annual goods and services tax (GST) return for large taxpayers who have undergone a GST assurance review. Starting from the 2024-2025 financial year, taxpayers who have received specific GST assurance reports may be required to file this return. The Australian Tax Office (ATO) will conduct a pilot program for the first six months, involving a small number of taxpayers, and then notify those who are required to file the return. The return collects qualitative information on actions taken to address ATO recommendations, the taxpayer's view on maintaining or increasing GST governance stage ratings, the performance of the GST Analytical Tool (GAT), and any material uncertain GST positions or reporting errors.
- **KPMG in Cambodia** published a report discussing recent guidance from the General Department of Taxation (GDT) on various fiscal obligations. The guidance includes details on the implementation of taxes for real estate leases with a "lease-free period," where withholding tax, VAT, and tax on income must align with the lease terms, and any lease-free period should not exceed 10 percent of the total lease duration. It also covers the procedures required for business cessation in Cambodia, including online or physical application submissions, necessary documentation, and the conduct of a tax audit upon cessation. Additionally, the GDT has introduced a reduction in withholding tax and specific tax for airline companies leasing aircraft from foreign entities, effective from June 1, 2024, to alleviate the tax burden on these companies.
- **KPMG in India** published a report discussing the Central Goods and Services Tax (Second Amendment) Rules, 2024. These amendments modify the CGST Rules 2017 and include significant changes such as the removal of restrictions on integrated goods and services tax (IGST) refunds for certain scenarios like advance authorization and export-oriented units (EOUs). Additionally, the amendments specify the time limit for issuing self-invoices and introduce procedures to avail benefits under the amnesty scheme from the Finance Act 2024. Furthermore, the amendments clarify that credit restrictions are not applicable to notices issued under section 74A.
- **KPMG in Malaysia** published a report discussing recent tax developments, including amendments to the types of manufacturing aids which are exempted from the sales tax; technical amendments to various indirect tax laws relating to the "Pulau 1) (Forest City in Johore); and e-invoicing amendments.
- **KPMG in Malaysia** published a report discussing the 2025 Budget in Malaysia, which, among other things, proposes reviewing the application of sales tax rates to certain products, expanding the service tax scope to include commercial services transactions between businesses, increasing the excise duty on sugar sweetened beverages, and introducing a carbon tax on the iron and steel industries and the energy sector.
- **KPMG in Vietnam** published a report summarizing recent tax developments, including tax authority guidance clarifying that payment by securities is not considered a non-cash payment for VAT purposes. In another guidance letter, the tax authority clarifies that shipping and customs declaration services performed outside non-tariff zones are not eligible for the zero percent VAT rate. Moreover, the tax authority has clarified that the International Bill of Lading can be used to replace the contract of carriage for applying the zero percent VAT rate in sea and air transport. Finally, the tax authority has clarified that the transfer of a Voluntary Emission Reduction Certificate is subject to 10 percent VAT.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

About *Inside Indirect Tax*

Inside Indirect Tax is a monthly publication from the KPMG U.S. Indirect Tax practice. Geared toward tax professionals at U.S. companies with global locations, each issue will contain updates on indirect tax changes and trends that are relevant to your business.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

Footnotes

i. Bloomberg Tax, Argentina President Announces Creation of New Tax Agency, Elimination of VAT Exemptions for Certain Publications (October 28, 2024).
ii. Bloomberg Tax, Austria MOF Clarifies Reduced VAT Rate for Specific Milk-Based Drinks (October 24, 2024).
iii. Bloomberg Tax, Benin MOF Posts Draft 2025 Finance Bill (October 7, 2024).
iv. Bloomberg Tax, Benin MOF Posts Draft 2025 Finance Bill (October 7, 2024).
v. Nova Scotia, Nova Scotia's HST to Drop in 2025 (October 23, 2024).
vi. Bloomberg Tax, Republic of the Congo MOF Posts Draft 2025 Finance Bill (October 17, 2024).
vii. Ecuador - Ecuador Reduces VAT Rate on Import and Sale of Electric Generators (08 Oct. 2024), News IBFD; Bloomberg Tax, Ecuador Gazettes Circular Clarifying Zero-Rated VAT on Imports, Local Sales of Electric (October 16, 2024).
viii. France - Finance Bill for 2025 in Depth: Individual Income Tax and Indirect Tax Measures (14 Oct. 2024), News IBFD.
ix. Bloomberg Tax, Greece Parliament Considers Draft Bill on 2025 State Budget (October 11, 2024).
x. Greece - Government Raises Accommodation Tax Rate by 50% (15 Oct. 2024), News IBFD.
xi. Bloomberg Tax, Jordan Tax Agency Posts List of General Sales Tax Exemptions, Incentives (October 17, 2024).
xii. CCH, Latvian Cabinet Agrees Food VAT Relief Extension (October 15, 2024).
xiii. Bloomberg Tax, Liechtenstein Gazettes Law Amending VAT Act, (October 31, 2024).
xiv. Bloomberg Tax, Lithuania Parliament Considers Bill on Reduce VAT Rate for Residential Heat Energy, Hot Water (October 24, 2024).
xv. Maldives - Government Proposes to Increase GST Rate for Tourism Sector (16 Oct. 2024), News IBFD.
xvi. Bloomberg Tax, Montenegro Gazettes Amendments to VAT Law (October 7, 2024).
xvii. Norway - Government Presents Budget Proposal for 2025; Lowers Taxes, Reduces Cost of Living Through Lower VAT (07 Oct. 2024), News IBFD; Bloomberg Tax, Norway Announces Cabinet Approval of 2025 State Budget (October 10, 2024).
xviii. Portugal - Budget 2025 in Depth: Portugal Proposes to Remove Exemption for Certain Non-Environmentally-Friendly Products (11 Oct. 2024), News IBFD.
xix. Bloomberg Tax, Switzerland Cabinet Approves Draft Decree to Increase VAT Rates (October 23, 2024).
xx. Tunisia - Tunisia's Draft 2025 Finance Bill: Key Reforms for Economic Growth and Equity (October 18, 2024), News IBFD.
xxi. CCH, Australia Urged To Consider New Digital Platform Levy (October 29, 2024).
xxii. Bloomberg Tax, Benin MOF Posts Draft 2025 Finance Bill (October 7, 2024).
xxiii. Chile - Chile Gazettes Tax Compliance Reform (November 5, 2024), News IBFD.
xxiv. Italy - Tax Authorities Clarify DAC7 Definitions of Platform and Seller (October 7, 2024), News IBFD.
xxv. Bloomberg Tax, Germany Tax Agency Clarifies Cross-Border VAT Treatment Under One-Stop-Shop (October 11, 2024).
xxvi. Bloomberg Tax, Liechtenstein Gazettes Law Amending VAT Act (October 31, 2024).
xxvii. CCH, Monaco Planning Various VAT Changes from January 1 (October 10, 2024).
xxviii. Netherlands - Netherlands Seeks Public Comments on Draft Bill Implementing DAC8 Rules (October 25, 2024), News IBFD.
xxix. Bloomberg Tax, Romania Tax Agency Publishes Guide on DAC7 Reporting Requirements for Digital Platform Operators (October 21, 2024).
xxx. Bloomberg Tax, Belize Parliament Considers Bill to Amend General Sales Tax Act (October 24, 2024).
xxxi. Bolivia, SIN, IMPLEMENTACIÓN DE MODALIDADES DE FACTURACIÓN EN LÍNEA (October 14, 2024).
xxxii. Colombia: Minsalud, RESOLUCIÓN NÚMERO 00001884 DE 2024 (September 30, 2024).
xxxiii. Congo (Republic of), PROJET DE LOI DE FINANCES POUR L'ANNEE 2025" (October 11, 2024).
xxxiv. Presidencia de la Republica, Decreto 587-24, (October 10, 2024).
xxxv. Fiji - Fiji Revenue and Customs Service, NATIONAL BUDGET – SUMMARY OF REVENUE POLICIES, 2024 – 2025 National Budget, (August 2024).
xxxvi. Bloomberg Tax, European Commission Adopts Proposal for Council Decision on Italy's Request to Extend Mandatory E-Invoicing System (October 16, 2024).
xxxvii. Latvia - LATVIJAS REPUBLIKAS, Groz jumi Gr matved bas likum (October 31, 2024).
xxxviii. Malaysia - Ministry of Finance of Malaysia, Income Tax Rule PU(A) 265/2024, (September 30, 2024).
xxxix. Mali - Ministère de l'Économie et des Finances du Mali, Projet de loi de Finances 2025, (October 1, 2024).
xl. Portugal - PRESIDÊNCIA DO CONSELHO DE MINISTROS, Orçamento do Estado para 2025, (October 10, 2024).

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

xli. Bloomberg Tax, South Korea Assembly Considers Bill to Partially Amend VAT Act (November 1, 2024).
xlii. Argentina - Executive Branch Announces Dissolution of Federal Tax Authority, Establishment of Its Replacement (October 23, 2024), News IBFD.
xliii. Bloomberg Tax, Argentina Gazettes Resolution Implementing Web Service for VAT Credit Certificates (October 28, 2024).
xliv. Bloomberg Tax, Argentina Gazettes Resolution on VAT Declaration Procedures for Specific Taxpayers (October 28, 2024).
xlv. Bloomberg Tax, Chile Tax Agency Clarifies VAT Rules for Leasing Machinery, Providing Complementary Services (October 30, 2024).
xlvi. Costa Rica - Costa Rica Amends VAT Law to Facilitate Access to School Supplies and Technology (October 11, 2024), News IBFD.
xlvii. Bloomberg Tax, European Commission Adopts Proposal for Council Decision on Austria's Request to Extend VAT Deduction Exclusion (October 16, 2024).
xlviii. Belgium - Finance Ministry Gazettes Royal Decree on VAT Chain Modernization, (October 28, 2024), News IBFD.
xlix. Czech Republic - Parliament's Lower Chamber Approves Bill to Transpose Directive on VAT Scheme for Small Businesses, (October 30, 2024), News IBFD.
l. Bloomberg Tax, Denmark Tax Agency Posts Decision Clarifying VAT Deductions for Holding Companies, October 11, 2204.
li. Denmark - Ministry of Taxation Releases Report on Pros, Cons of Reduced VAT on Fruits, Vegetables, (October 11, 2024), News IBFD.
lii. Bloomberg Tax, Denmark Tax Agency Explains VAT Liability for Advisory Services Provided by Nonresident Supplier (October 16, 2024).
liii. European Union - VAT Expert Group Publishes Minutes of 36th Meeting, (October 23, 2024), News IBFD; European Union
liv. VAT Expert Group Publishes Minutes of 37th Meeting, (October 28, 2024), News IBFD.
lv. European Union - Group on Future of VAT Publishes Minutes of 46th Meeting, (October 29, 2024), News IBFD.
lvi. Bloomberg tax, Finland Tax Agency Updates Guidance on VAT Treatment of Sales, Self-Use of Construction Services (October 25, 2024).
lvii. Bloomberg Tax, Germany Tax Agency Clarifies Cross-Border VAT Exemption Under European Small Business Regulation (October 9, 2024).
lviii. European Union; Germany - Council of the EU Authorizes Germany to Continue Applying Reverse Charge Mechanism to Trading of Emission Allowances, (October 11, 2024), News IBFD.
lix. Greece - Government Enacts New VAT Code to Ensure Clarity, Uniformity in Provisions, (October 15, 2024), News IBFD.
lx. Bloomberg Tax, European Commission Adopts Proposal for Council Decision on Hungary Input VAT Deductions on Car Leases (October 29, 2024).
lxi. Iceland - MoF Opens Consultation on Bill to Introduce Mileage Tax on Fossil Fuel Vehicles, Doubling Carbon Tax, (October 17, 2024), News IBFD.
lxii. Bloomberg Tax, Italy Tax Agency Clarifies Unilateral VAT Waiver Involving Creditor in Liquidation (October 18, 2024).
lxiii. Bloomberg Tax, Italy Revenue Agency Clarifies VAT, Registration Tax for Asset Transfer (October 23, 2024).
lxiv. Italy; European Union - Council of Ministers Approves Legislative Decree Implementing Directive on VAT Scheme for Small Enterprises, Directive on VAT Rates, (October 30, 2024) News IBFD.
lxv. CCH, Latvia Legislates For VAT Registration Rule Changes (October 11, 2024).
lxvi. European Union; Latvia - European Commission Proposes to Extend Latvia's Authorization to Restrict the Right to Deduct Input VAT in Relation to Passenger Cars, (October 24, 2024), News IBFD.
lxvii. Bloomberg Tax, Latvia Tax Agency Clarifies VAT Liability on Transfers of Fixed Assets (October 29, 2024).
lxviii. Bloomberg Tax, Liechtenstein Gazettes Law Amending VAT Act (October 31, 2024).
lxix. Bloomberg Tax, Lithuania Tax Agency Issues Notice on Resolution Amending VAT Refund Policy for Non-EU Residents (October 17, 2024).
lxx. Lithuania - Tax Authority Issues Commentary on Special VAT Scheme for Non-EU Service Providers, (October 29, 2024), News IBFD.
lxxi. Bloomberg Tax, Mauritius Tax Agency Explains VAT Treatment on Carbon Credit Sales (October 24, 2024).
lxxii. CCH, Monaco Planning Various VAT Changes From January 1 (October 10, 2024).
lxxiii. CCH, Norway Planning Stricter Voluntary Disclosure Rules (October 21, 2024).

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS023552-2A

lxxiv. Bloomberg Tax, Slovakia Gazettes Law Introducing Financial Transaction Tax (October 29, 2024); Bloomberg Tax, Slovakia Parliament Considers Bill to Repeal New Financial Transaction Tax (November 15, 2024).
lxxv. Bloomberg Tax, Sweden Tax Agency Updates Guidance to Reflect ECJ Decision on Use of Purchased Goods, Services (October 10, 2024).
lxxvi. Bloomberg Tax, Sweden Gazettes Law Amending Provision of VAT Act (November 1, 2024).
lxxvii. Türkiye - Government Updates VAT Implementation Communiqué Following Recent Legislative Changes (November 1, 2024), News IBFD.
lxxviii. United Kingdom - Tax Authority Issues Guidance on VAT Rules for Private Education Providers (October 22, 2024), News IBFD.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS023552-2A