VdA LEGAL PARTNERS

INDIRECT TAX

HIGHLIGHTS | October 2019

In Indirect Tax Highlights October 2019, we emphasize:

- the need for foreign legal entities that have a Portuguese taxpayer number (e.g. non-established companies that are registered in Portugal for VAT purposes) to submit an online declaration with the Central Registry of the Ultimate Beneficial Owner until 30 November 2019

- the entry into force of the Angolan Value Added Tax Code and the Excise Duty Code on 1 October 2019 and the guidance issued by the Angolan Tax Authority within the context of the implementation of VAT

- the CJEU judgement in Case C-42/18, which ruled that the VAT exemption for transactions concerning payments and transfers does not apply to the services provided by a service provider to a bank operating an automated teller machine

- The binding ruling (no. 16068) issued by the Portuguese Tax Authority, which reflects a significant change in the position previously taken regarding the VAT treatment of build-to-suit leases, considering that whenever the landlord adapts and tailors the property for the specific needs of the tenant, he will nonetheless be seen as carrying out a "passive activity, not generating any significant added value" and thus the lease shall be exempt from VAT

Indirect Tax Highlights October 2019 aims at providing an overview of the developments that may have an impact on the indirect tax management of VdA Legal Partners' Clients. It covers relevant legislation, case law and tax and customs authorities' guidance issued in the previous month. It also features important future developments and any changes for which businesses need to be prepared in the short term. This is a work in progress and as such your feedback is most welcome.

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EUROPEAN UNION

CJEU | JUDGEMENT | TECHNICAL AND ADMINISTRATIVE SERVICES RELATED TO PAYMENTS AND TRANSFERS| C-42/18 (CARDPOINT) ACÓRDÃO (PT) CONCLUSÕES (EN)

In case C-42/18, the CJEU was asked if the provision of technical and administrative services (e.g. installing, replenishing, operating and maintaining ATMs, as well as sending withdrawal authorisation requests to the bank that issued the bank card used, dispensing money and registering withdrawal transactions), provided by a supplier of services to a bank operating ATMs for cash withdrawals, was included within the scope of the VAT exemption for transactions concerning payments and transfers.

On 3 October, the CJEU ruled that these services are not covered by the VAT exemption for transactions concerning payments and transfers, as they do not constitute transactions with the effect of actually or potentially transferring the funds in question or entailing legal or financial changes resulting from such transfer.

Moreover, the CJEU also recalled that the purposes underlying this exemption, such as alleviating the difficulties connected with determining the tax base and the amount of VAT deductible, were not verifiable in this case, since the tax base for the supply of services could easily be determined in reference to the invoices issued for that supply.

Taking into account this judgement issued by CJEU, it is advisable that both the providers of these services and the financial institutions hiring those services conduct a review of the tax treatment that have been followed up to the current date concerning similar transactions in order to avoid VAT contingencies and/or unexpected added costs.

CJEU | JUDGEMENT | VAT FRAUD ON EXPORTS | C-653/18 (UNITEL) ACÓRDÃO (EN)

On 17 October, the CJEU issued its judgement in a VAT fraud-related case, where the VAT fraud was committed only in the territory of a non-Member State, which was the State of destination and the place of consumption of the goods.

The request to the CJEU concerned the refusal by the Polish Tax Chamber of a VAT exemption in respect to an export of goods to a non-EU destination. In the case at hand a Company established in Poland exported mobile telephones and these goods were not been acquired by the entities stated on the invoices, but by other entities which were not identified. Considering that the entities mentioned on the invoices had not entered into possession of those goods, had not disposed of those goods as owners and did not carry out any economic activity, it was debated whether the transactions at issue could be deemed as 'supply of goods' within the meaning of the VAT Directive and whether they granted the right to the deduction of input VAT.

The CJEU further recalled that:

- The characterisation of a transaction as a "supply of goods" cannot be held subject to the condition that the person acquiring the goods is identified
- Member States may impose conditions to ensure the proper application of VAT exemptions and to prevent possible evasion, avoidance or abuse. However, in doing so, Member States must respect the general principles of the EU's legal order, namely, the principle of fiscal neutrality and the principle of proportionality
- National measures are in breach of these principles if they condition the application of a VAT exemption to the compliance with formal obligations regardless of whether substantive requirements have been satisfied

- There are only two situations in which the failure to meet formal requirements may result in loss of entitlement to a VAT exemption: (i) where the effect of this failure is to prevent the production of conclusive evidence that the substantive requirements have been met; and (ii) where the taxable person has intentionally participated in tax evasion that has jeopardised the operating of the common system of VAT

In view of the above, the CJEU established that:

- The provisions of the VAT Directive preclude a national practice that, for the purposes of granting a VAT exemption to exports, requires in all cases that the person who acquires the goods in the non-Member State must be identified, without ensuring the exit of the goods from the EU customs territory. A VAT exemption may be granted even if certain formal requirements have been omitted by the taxable person

- The provisions of the VAT Directive do not preclude a national practice that refuses the VAT exemption if the failure to identify the person acquiring the goods prevents it from proving that the transaction at stake constitutes a supply of goods or if it is established that that taxable person knew or should have known that transaction was part of a VAT fraud

- The fact that the fraudulent acts were not committed in a non-Member State is not sufficient to rule out the existence of any tax evasion committed to the detriment of the VAT system

- In circumstances where there is a refusal to grant the VAT exemption, it should be assumed that no taxable transaction for VAT purposes has taken place and, accordingly, the taxable person is not entitled to deduct input VAT on the purchase of the exported goods

With this recent judgement, the CJEU:

- Provides a good systematization of the circumstances that could determine the disregard of the formal requirements within the context of the grant of a VAT exemption

- Clarifies the relevance of fraud outside the EU when it harms the proper functioning of the VAT system

- Illustrates that committing fraud may result in the disregard of the relevance of a transaction for VAT purposes and therefore prevent the deduction of VAT even when certain substantive conditions are met

CJEU | JUDGEMENT | TRANSACTIONS RELATING TO THE GRANTING, NEGOTIATION AND MANAGEMENT OF CREDIT | C-692/17 (PAULO NASCIMENTO CONSULTING) ACÓRDÃO (EN)

On 17 October, the CJEU gave its judgement in a case where it was questioned whether the VAT exemption applicable to transactions concerning the granting, negotiation or management of credits was applicable to a transaction of assignment, by a taxable person to a third party, for consideration, of all the rights and obligations deriving from the taxable person's position in enforcement proceedings for recovery of a debt judicially recognized and secured by a right over immovable property awarded to that taxable person and made the subject of attachment.

The CJEU ruled that such assignment clearly does not relate to 'credit' (consisting in making available an amount of capital, duly remunerated by the payment of interest, or in a deferred payment in the purchase price of goods agreed by a supplier in return for payment of interest remunerating that credit) and cannot, in any event, be considered to concern 'debts'. Therefore, the transaction does not fall within the above referred VAT exemption.

The CJEU also noted that the transaction at issue should be regarded distinctively when compared to a purchase by an operator, at his own risk, of defaulted debts at a price below their face value (reflecting the actual economic value of

the debts at the time of their assignment) as, in this case, the operator purchasing such debts does not effect a supply of services for consideration and does not carry out an economic activity falling within the scope of the VAT Directive. This judgment is relevant for all the taxable persons that may be interested in the assignment and/or in the acquisition of contentious debts as, depending on the terms and conditions of the transaction, it may trigger a VAT liability.

CJEU | JUDGEMENT | C-329/18 | VAT FRAUD - VAT DEDUCTION Acórdão (EN)

On 3 October, the CJEU issued its judgement in a case concerning VAT fraud, in which a company acquired foodstuff without complying with certain obligations of traceability and identification of the supplier applicable to the food sector. Following an audit, the tax administration took the view that the purchase transactions had not actually taken place. In view of this, the authorities ordered the company to pay the VAT deducted, together with a fine and default interest. This led to the question as to whether the Company knew or should have known that the transactions in question in the main proceedings amounted to VAT fraud and, in particular, if the fulfilment of certain sectorial obligations, as interpreted in the light of Article 168(a) of the VAT Directive, should be deemed as relevant for the purposes of determining whether a party knew or should have known that it was taking part in a transaction with a fictitious undertaking.

In its decision, the CJEU ruled that a taxable person who participates in the food chain cannot be denied the right to deduct input VAT on the sole ground, if it has been duly established, that such taxable person has not complied with his food law obligations, that require the taxable person to identify his suppliers for the purposes of traceability of foodstuffs. Non-compliance with those obligations may, however, constitute one element among others which, taken together and in a consistent manner, tend to show that the taxable person knew or should have known that he was involved in a transaction involving VAT fraud, which it is for the referring court to assess.

The CJEU, following the same rationale, also ruled that the failure, by a taxable person who participates in the food chain, to ascertain that its suppliers are registered with the competent authorities, for purposes of compliance with feed and food law, animal health and animal welfare rules, is not relevant for determining whether the taxable person knew or should have known that he was involved in a transaction involving VAT fraud.

PORTUGAL | CASE-LAW

SUPREME ADMINISTRATIVE COURT | 0401/14.7BEPRT | PRO RATA CALCULATION

On October 9, the Supreme Administrative court gave its judgement in a case concerning both (i) the calculation of the percentage of a financial institution's right to deduct based on the pro rata method and (ii) the VAT liability of compensations due for the total loss of leased and long-term leased vehicles.

During a tax inspection, the Portuguese Tax Authority considered that in leasing and long-term rentals, the lessor assumes the role of intermediary between the supplier and the lessee and for that reason the gains arising from such activity are solely the interest received under the respective contracts, given that financial amortization is a mere reimbursement of the amount spent by the lessor on the acquisition of the leased asset.

Similarly, the value of the capital recovered from the sale of vehicles received upon early termination/cancellation of leasing and long-term rental contracts should not contribute to the calculation of the deduction percentage, since it is also nothing more than a mere repayment of the (value of) capital borrowed / financing granted for the acquisition of the leased asset.

Thus, the PTA sustained that in the calculation of the VAT deduction percentage, capital underlying the leasing and long-term rental should be excluded and only the interest received should be accounted for. The financial institution argued that the Portuguese VAT Code, contrarily to Article 173 (2)(c) of the VAT Directive, does not foresee the possibility for tax authorities to correct the pro rata method for calculating the deduction percentage used by the taxable person.

The court ruled in line with the CJEU's judgement in case C-183/13, considering that the PTA was enabled to correct the pro rata method for calculating the deduction percentage used by the taxable person, but that, in this particular case, it was necessary to determine whether the mixed use of purchased goods or services (such as buildings, electricity consumption and other collateral consumption), is mainly determined by the financing and management of leasing contracts concluded with customers (with financial consideration for the interest component of the rent); or by the provision, maintenance, repair and assistance of leased vehicles (with financial consideration for the capital component of the rent).

Secondly, the PTA also argued that compensations due for the total loss of leased and long-term leased vehicles should be subject to VAT, since the value of the payment to be made by the lessee to the lessor concerning the value of rents due and the residual value, updated at the time of the total loss of the asset, is the compensation for the loss of profits and should therefore be regarded as consideration for a transaction subject to VAT.

On this topic, the court considered that a distinction must be made between the instalment that the lessee pays to the lessor and which relates to the amount of rents due but not yet paid and the respective default interest, and that to be paid by the insurer. In the first situation, the amount paid still has its source in the contract (rents already due and respective interest) and, consequently, in the bilateral relationship that existed between the lessor and the lessee, which is normally subject to VAT, since financial leasing is a taxable operation. The amount paid by the insurer is only intended to compensate the lessor for the capital allocated to the operations, compensating the loss of the assets (vehicles) and is therefore not subject to VAT.

LEGISLATIVE DEVELOPMENTS

PORTUGAL | DECREE-LAW 165/2019 | NEW RULES ON CERTAIN SUPPLIES RELATED TO FORESTY SUPPLIES

On 15 October, Decree-Law no 165/2019 approved the introduction of the reverse charge mechanism to certain supplies of goods (cork, timber, pine cones and pine nuts in shell) related to forestry undertakings.

Under this new reverse charge mechanism, a resident taxable person acting as a recipient of these supplies becomes the person liable for the assessment and payment of the VAT (instead of the supplier), while being nonetheless able to deduct the VAT due on those supplies on the same VAT return.

Moreover, it is also established that the invoices related to such supplies must be drawn up by the recipient (self-billing) – without the need of a previous written agreement between the parties and of the acceptance of its content by the supplier – whenever the supplier is not a taxable person or is solely subject to VAT due to the practice of a single taxable transaction.

PORTUGAL | DECREE-LAW 158/2019 – SINGLE WINDOW FOR LOGISTICS

Decree-Law 158/2019, of 22 October 2019, creates the Logistics Single Window ("Janela Única Logística" or "JUL") and implements Directive 2010/65/EU, on reporting formalities for ships arriving in and/or departing from ports of the Member States.

The JUL is a specialized system intended to facilitate the secure electronic transmission of information necessary for the movement of means of transport, goods and persons through national ports and of the relevant logistic chains, allowing for different flows of information to be managed throughout the transport chain and ensuring the existence of a unified collection of reporting data.

PORTUGAL | ORDER 350/2019 – TAX WAREHOUSES FOR THE PRODUCTION OF TOBACCO PRODUCTS

This order regulates the accounting and reporting control system foreseen in article 114 of the excise duties code, which applies to tax warehouses to produce tobacco products.

Specifically, under this order, economic operators are required to declare, until the 15th day of the following month, the monthly quantities of (i) raw materials consumed in the production process; and (ii) tobacco products or brands produced by category (CTAB). Economic operators are also required to declare to the relevant customs office the effective income rates determined by CTAB, until 15 February of the year following the one to which those values refer.

Tax warehouses to produce waterpipe tobacco, snuff tobacco, chewing tobacco and liquid containing nicotine in containers used for the loading and reloading of electronic cigarettes are excluded from the scope of the diploma.

The system enters into force on 1 January 2020.

Order 1630/2007, of 31 December 2007, and order 68/94, of 31 January, are revoked as of this date.

TAX AND CUSTOMS AUTHORITIES

ANGOLA | AGT'S GUIDANCE ON VAT

Within the context of the implementation of VAT, the general tax administration ("AGT") approved three instructions with relevance for economic operators:

- Instruction 01/DSIVA/AGT/2019, dated 2 October, sets the procedures for the issuance of invoices for passenger and cargo transport, on air and sea transport, by airlines and travel agencies

- Instruction 02/DSIVA/AGT/2019, dated 14 October, clarifies the way in which the telecommunication and television service operators and their agents charge VAT on the services supplied (telecommunication and television recharges, including SIM cards) and comply with the rules of the VAT code and the legal framework of invoices and equivalent documents

- Instruction 03/DSIVA/AGT/2019, dated 18 October, explains the procedures for calculating and paying stamp duty and consumption tax due on tax events that occurred before the entry into force of VAT

On 23 October, the AGT also issued an announcement aimed at informing all economic agents that have opted for the standard vat scheme but that have not met the requirement of having an invoicing software certified by the AGT, that they will be removed from the standard vat scheme and deemed to be covered by another vat scheme.

Those economic operators will be prevented from charging VAT on their supplies, but they will be liable to remit to the treasury all VAT they have already charged. This procedure does not apply to taxable persons mandatorily covered by the standard VAT scheme (v.G. Those listed with the large taxpayers' office).

In addition, several circular letters were also made available, containing relevant guidance for economic operators:

- Circular letter no. 154 which sets out the tax treatment of customs procedures initiated, but not finalized, before the entry into force of excise duty. This circular states that all customs clearances procedures initiated but not completed by September 30 will be subject to import surcharge (and not to excise duty) and only clearances submitted after October 1 will be subject to excise duty
- Circular letter no. 155 establishes an exemption for the import of food preparations for infants and young children
- Circular letter no. 156 lays down the regime applicable to imports in which the payment of VAT and other customs duties is carried out through title of meeting and where the importer is a taxable person VAT under the general regime. To avoid double deduction of VAT, this circular clarifies that where the importer is a taxable person in the normal VAT regime, customs delegations should not include VAT in the instrument of meeting for refund purposes and instead the VAT borne on importation should be deducted in the corresponding VAT return
- Circular letter no. 157 determines the competent bodies for procedures for management, control and supervision procedures as well as for the evaluation of administrative complaints and hierarchical appeals from taxable persons
- Circular letter no. 160 (which revokes circular letter no. 153) and circular letter 169 define the goods exempt from VAT on imports which are included in the categories listed on article 12 of the VAT code
- Circular letter no. 171, which revokes circular letter 152, determines the destination to be given to the funds collected as VAT, namely the accounts to where they should be transferred

PORTUGAL | ADMINISTRATIVE GUIDANCE 30213 | DECREE-LAW 28/2019 | INVOICING AND ARCHIVE RULES

This administrative guidance provides further orientation regarding Decree-Law no. 28/2019, of 15 February ("DL 28/2019"), which regulates the obligations relating to the processing of invoices and other tax relevant documents, as well the preservation and archive of books, records and their supporting documents.

DL 28/2019 determined the extension of the obligation to issue invoices through certified invoicing software to non-established (VAT registered) companies that perform taxable transactions to which Portuguese invoicing rules apply and that meet one of the following conditions:

(i) Turnover in Portugal exceeding € 50,000

(ii) Already use invoicing software, or

(iii) Obliged to have, or opted for, organized accounting

Administrative guidance 30213 has pushed back the entry into force of this obligation for non-established (VAT registered) companies to 1 January 2021 (it was initially foreseen for 1 January 2020).

For more information on the changes introduced by DL 28/2019 please click here.

PORTUGAL | ADMINISTRATIVE GUIDANCE 35.111 | SOFT DRINKS CONCENTRATES

Law no. 119/2019, of 18 September, amended Article 87-C (2)(e) of the Excise Duties Code (CIEC), introducing new tax bands applicable to soft drinks concentrates, both in the form of powder, granules or other solid forms.

Administrative guidance 35.111 aims at informing economic operators of the new additional codes to be declared at the time of release for consumption, according to the applicable tax band.

PORTUGAL | BINDING RULING 15054 | DEDUCTABILITY OF ELECTRICITY FOR THE CHARGING OF ELECTRIC/HYBRID VEHICLES

In this binding ruling, a taxable person whose activity consisted of transport of passengers inquired the Portuguese Tax Authority whether the VAT borne on the acquisition of electricity for the charging of electric vehicles could be deducted.

The Portuguese Tax Authority stood by its usual opinion that taxable persons whose corporate purpose is exhausted in the operation of vehicles are enabled to deduct the VAT charged on the acquisition of the vehicles and "fuel-related" costs, while surprisingly concluding that electricity was neither an acquisition cost nor a fuel-related cost and was, therefore, not eligible to be deducted.

PORTUGAL | BINDING RULING 15050 | VAT EXEMPTION APPLICABLE TO THE LEASE OF IMMOVABLE PROPERTY

The Portuguese Tax Authority confirmed that the VAT exemption should apply to a sub-letting of an empty (with no equipment and furniture) warehouse even when the Landlord already adapted that warehouse for the tenant's economic activity with the necessary interior divisions.

PORTUGAL | BINDING RULING 16068 | VAT EXEMPTION ON BUILD-TO-SUIT LEASES

In this binding ruling, a taxable person inquired the Portuguese Tax Authority whether a build-to-suit lease of office buildings with cafeteria and of a residential building (where the building was going to be constructed, developed and adapted to be fully customized to the specific needs of the tenant) should be qualified as a supply of services not covered by the concept of letting of "naked-walls" and should thus be subject and not exempt to VAT.

Contrarily to previous rulings on build-to-suit leases, in this ruling, the Portuguese Tax Authority ruled that both the lease of the office building with cafeteria and the lease of the residential buildings, should be regarded as exempt from VAT under article 9(29) of the Portuguese VAT Code, since they should be qualified as "naked-walls" leases.

This new guidance translates into a significant change in the position the Portuguese Tax Authority had adopted so far according to which, whenever the landlord adapted and tailored the property to the specific needs of the activity that would be carried out by the tenant, the immovable property should not be regarded as made available to the tenant "naked walls" and therefore the VAT exemption established in article 9(29) of the Portuguese VAT Code should not apply.

In this binding ruling, the Portuguese Tax Authority bases its decision on a recent judgement from the CJEU, in Case C-278/18, from 28 February 2019. In this judgement, the CJEU adopted a broader interpretation of the concept of "lease" as foreseen in the VAT Directive, in order to establish that the VAT exemption should apply even when the landlord makes the immovable property available to the tenant together with equipment and stock necessary for the commercial activity to be carried by the tenant, since the main interest of the tenant is still the lease of the immovable property.

However, in Case C-278/18, the CJEU also clarified that "the exemption provided for [the lease of immovable property] (…) is due to the fact that the leasing of immovable property, whilst being an economic activity, is normally a relatively passive activity, not generating any significant added value. Such an activity is thus to be distinguished from other activities which are either industrial and commercial in nature".

Also, the Portuguese Tax Authority in the binding ruling 16068, also mentioned that a lease of a building for industrial or commercial taxable activities, such as activities of short-term rental or within the hotel sector, should be understood as a supply of services that exceeds the "naked walls" lease agreement and should be not exempt from VAT.

Additionally, the Portuguese Tax Authority also ruled that its view would have been different if the landlord, together with making the space available to the tenant, would also supply services to the tenant "such as cleaning and maintenance services for interiors or exteriors, the supply of water, electricity, Internet, communications, etc.".

This decision has a significant impact for investors, namely for Real Estate Developers, who had structured their business plan on the assumption that the VAT borne in construction could be deducted since the beginning of the construction in build-to-suit projects.

However, although it is clear that both the CJEU and the Portuguese Tax Authority changed the position adopted so far, at this stage, we are unable to ascertain whether this change of position is definitive since it is not entirely in line with the VAT principles set out in the VAT Directive, fully explained in the Explanatory Memorandum for the Proposal of the Sixth VAT Directive, which establish a general rule of taxation and a narrow interpretation of the exemptions.

PORTUGAL | BINDING RULING 15421 | VAT REDUCED RATE APPLICABLE TO IMPROVEMENT WORKS MADE ON PROPERTIES USED FOR DWELLING PURPOSES

According to point 2.27 of Annex I of the Portuguese VAT Code, the 6% VAT reduced rate applies to works of improvement, remodelling, renovation, restoration, repair or conservation made on properties used for dwelling purposes if the materials that are incorporated in those works do not exceed 20% of the global value.

The taxable person inquired the Portuguese Tax Authority on the application of the VAT reduced rate whenever the value of the materials exceeded 20% of the global value.

To answer the taxable person's query, the Portuguese Tax Authority firstly pointed out that the relevant document to calculate the percentage of materials incorporated is the invoice issued by the supplier of the improvement works.

Therefore, if the materials incorporated in the works represent a value less than or equal to 20% of the total value of the invoice, the VAT reduced rate should apply to the global amount included in the invoice.

On the contrary, if the materials represent more than 20% of the global amount invoiced, the applicable VAT rate will depend on the following:

- In the scenario where the invoice issued by the supplier discriminates both the value of the services supplied (labour) and the value of the materials, the VAT reduced rate is only applicable to the supply of services. The supply of material is subject to the VAT standard rate of 23%

- In the scenario where the invoice issued by the supplier only includes the global price for the works supplied (without discriminating the amount of services and goods), the standard VAT rate is applicable to the global price

PORTUGAL | BINDING RULING 15432 | VAT REDUCED RATE APPLICABLE TO IMPROVEMENT WORKS MADE ON PROPERTIES USED FOR DWELLING PURPOSES

In binding ruling 15432, the Portuguese Tax Authority confirmed that the VAT reduced rate does not apply to the purchases of material made by the owner of the property.

PORTUGAL | ULTIMATE BENEFICIAL OWNER | 30 NOVEMBER 2019

Law no. 89/2017 of 21 August 2018 which transposed EU Directive 2015/849 of 20 May 2015 on the prevention of money laundering and terrorist financing, has created the Portuguese UBO's legal regime. According to this law, foreign legal entities that have a Portuguese taxpayer number (including non-resident entities that are registered in Portugal for VAT purposes) are required to submit an online declaration with the Central Registry of the UBO.

The relevant deadline to comply with this obligation was 31 October 2019 for entities subject to commercial register (such as companies and branches) and 30 November 2019 for entities not subject to commercial register (such as VAT registrations).

PORTUGAL | NEW INVOICING RULES AND REQUIREMENTS

Decree-Law No. 28/2019, which consolidates and updates Portuguese obligations concerning invoices and other tax-relevant documents, entered into force on 16 February but its most impactful measures apply in a phased manner.

The obligation to notify the PTA of information on establishments, provided for in Article 34 of DL 28/2019, was set to be fulfilled until 31 October 2019 or within 30 days after the beginning of the activity of the taxable person, for the taxable persons who initiate activity after 30 September 2019. By order no. 4/2019-XXII, of 30 October 2019, the Secretary of State for Tax Affairs determined that the communication of information on establishments may be made until 30 June 2020 (the model form is yet to be published).

EU | QUICK FIXES | 1 JANUARY 2020

In 2018, the Council adopted three short legislative acts aimed at adjusting VAT rules in order to fix four specific issues: call-off stock, conditions to apply the exemption for intra-EU supplies of goods, chain transactions and proof of intra-EU supply. EU Member States need to implement the Quick Fixes into their national legislation by 1 January 2020 at the latest. Although some EU countries (namely Belgium, Czech Republic, Germany, Luxembourg. Poland and Slovakia) have already issued draft legislation, in Portugal no legislative developments are known as of yet.

ANGOLA | VAT AND EXCISE DUTY | 1 OCTOBER 2019

After being postponed (with the entry into force being initially scheduled for 1 July), the Angolan Value Added Tax Code and Excise Duty Code entered into force on 1 October. The VAT transitional period is set to last between 1 October 2019 and 31 December 2021.

INCOTERMS® 2020| DECEMBER 2019

The International Chamber of Commerce is preparing the publication of Incoterms® 2020 before the end of 2019, the year when the world business organization celebrates its Centenary. This newest edition of the Incoterms® rules is expected to help prepare business for the next century of global trade.

BREXIT| 31 OCTOBER 2019

In the absence of a Withdrawal Agreement, which would put in place a transition period with the possibility of an extension, the UK will be treated as a non-EU country for customs purposes as of 31 January 2020. Therefore, trade relations with the UK will be governed by general WTO rules, without application of preferences, as of 31 January 2020.