

Modernisation of Luxembourg VAT law

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The Law of 15 December 2020, applicable as of 1 July 2021, implemented and completed the implementation of multiple EU VAT Directives into the Luxembourg VAT Law of 12 February 1979, as amended, which mainly aims at:

1. - modernising and adjusting existing VAT rules on e-commerce;
2. - harmonising and simplifying certain VAT rules applicable to intracommunity supplies of goods.
 - Special provisions applicable to supplies of goods facilitated by electronic interfaces (Directives (EU) 2017/2455 and 2019/1995)
 - The distance sale of goods by non-EU suppliers to EU private consumers will become subject to VAT in the same way as the supply of goods by EU suppliers is already subject to VAT;
 - The distance sale of goods or services for more than EUR 10,000 to private consumers within the EU will be subject to VAT in the Member State of arrival;
 - Online platforms will become accountable for VAT due on distance sales to EU private consumers carried out within their e-marketplace.
 - Chain transactions facilitated through the use of an electronic interface (Directives (EU) 2017/2455 and 2018/1910)

In the case of successive transactions of goods delivered directly from the first supplier to the last consumer in the chain, Luxembourg VAT Law already provides that the transport is ascribed to the supply made to the intermediary operator, except where that intermediary operator communicates to the supplier the VAT identification number issued to him by the Member State from which the goods are transported, in which case the transport must be

ascribed to the supply of goods made by the intermediary operator. It is now specified that these rules will not apply where the supply of goods within the EU or from third countries and having an intrinsic value not exceeding EUR 150, is made through the use of an electronic interface such as a marketplace, platform, portal or similar means.

For any further information please contact us or visit our website at www.elvingerhoss.lu.

The information contained herein is not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific legal advice concerning particular situations.

We undertake no responsibility to notify any change in law or practice after the date of this newsletter

ELVINGER HOSS PRUSSEN

Société anonyme, Registered with the Luxembourg Bar, RCS Luxembourg B 209469, VAT LU28861577