



VAT Engine v19.1.1

Release Note

Overview

This release is a patch release of the VAT Engine application for the month of January 2019. It includes changes / updates in the VAT Engine as from 1 January 2019.

Main changes in VAT Engine

The following improvements have been made in the VAT Engine.

- **EU**

New place of supply rules for TBE services as from 1 January 2019 in the EU

- **Croatia**

Limitation of the general reverse charge - applicable only for non-VAT-registered taxpayers as of 1 January 2019

- **Netherlands**

We have updated the reduced rate in the Netherlands. From 1 January to 2019 it is increased from 6% to 9%.

Change Log

Ref	Description
VEN-169	<p>EU - new place of supply rules apply for TBE services as from 1 January 2019 in the EU</p> <p>As from 1 January 2019, the threshold will be introduced for B2C telecommunications, broadcasting and electronic (TBE) services in the EU.</p> <p>Article 1 of Directive 2017/2455 requires EU Member States (MS) to implement improvements to the mini-one-stop-shop (MOSS) scheme as of 1 January 2019. The improvements are aimed at reducing the compliance burden for SMEs, by allowing taxable persons who supply telecommunications services, radio and television broadcasting services or electronically supplied services (TBE services) in an annual value not exceeding EUR 10,000 to apply the VAT rules of the country of their establishment instead of those of the country where the customer is located, which also means that such suppliers will not be required to use the MOSS scheme.</p> <p>However, such suppliers who do not exceed the threshold may still opt for application of the VAT of their customers' country and MOSS scheme.</p> <p>Consequences:</p> <p>Until 1 January 2019, if the customer was a private individual or other non-taxable person then the VAT of the MS of the customer applied. As from 1 January 2019, the VAT rules of the country of the supplier's establishment apply if the annual value of the supplies in this MS is not exceeding EUR 10,000. Please note that it only applies if the supplier is established in one EU MS.</p>

Ref	Description
VEN-173	<p>The Netherlands - the reduced VAT rate is increased from 6% to 9%</p> <p>We have updated the reduced rate in the Netherlands. From 1 January to 2019 it is increased from 6% to 9%.</p>
VEN-260	<p>Croatia – the general reverse charge does not apply to VAT registered non-residents as from 1 January 2019</p> <p>Non-resident taxpayers that are registered for VAT in Croatia will no longer be eligible to apply the local reverse charge mechanism stipulated in Section 75 (2) of the Croatian VAT Act to their local supplies in Croatia. In other words, as from 1 January 2019, VAT registered non-residents will have to charge VAT on their local supplies. Local reverse charge will still apply to local supplies of non-residents that are not registered for VAT purposes in Croatia.</p>

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