



VAT Engine v19.2.1

Release Note

Overview

This release is a patch release for the VAT Engine application for February 2019. It includes new changes and improvements.

Main changes in the VAT Engine

The following changes and improvements have been made to the VAT Engine covering:

- **Bahrain**
 1. The correct VAT treatment for the import of services subject to the main B2B rule.
- **Denmark**
 1. The domestic reverse charge that applies to supplies of mobile phones.
 2. The domestic reverse charge that applies to supplies of game consoles, tablets, laptop computers.
 3. The domestic reverse charge that applies to supplies of integrated circuits.
 4. The domestic reverse charge that applies to supplies of scrap metal.

Change Log

Ref	Description
VEN-191	<p>Bahrain – the correct VAT treatment of import of services subject to the main B2B rule</p> <p>The following GCC VAT Framework’s basic rules have already been implemented in the VAT Engine.</p> <p>GCC implementing states have slightly different rules that apply to the import of services. According to the GCC Framework, and the Bahrain, UAE and KSA VAT Laws, the place of supply for services provided by a taxable supplier to a taxable customer is the customer’s place of residence, unless a specific place of supply rule applies (such as those applicable to e.g. transport, cultural, educational, hotel, restaurant and catering services, and services relating to real estate).</p> <p>The terms ‘taxable supplier’ and ‘taxable customer’ are defined slightly differently in the various GCC VAT acts. However, in Bahrain, ‘taxable person’ means a person carrying out independent economic activities, who is registered (or required to register) for VAT in Bahrain. In addition, the reverse-charge mechanism applies to supplies of services subject to VAT in Bahrain, which are made by non-resident suppliers and purchased by a taxable person resident in Bahrain.</p> <p>However, if a non-resident supplier supplies goods or services subject to VAT in Bahrain, to customers who are not taxable persons (e.g. private individuals), the reverse charge mechanism does not apply. In this situation, the supply falls within the general liability rule and non-resident suppliers will probably have to register for VAT in Bahrain to charge Bahrain VAT on their supplies.</p>
VEN-328	<p>Denmark – domestic reverse charge applies to mobile phones</p> <p>The domestic reverse charge on mobile phones has been implemented in the VAT Engine. This domestic reverse applies to a supply if both of the following conditions apply:</p> <ul style="list-style-type: none"> • The buyer is registered for VAT in Denmark; and • The seller is a business established in Denmark. <p>It follows that:</p> <ul style="list-style-type: none"> • Non-established companies should invoice with Danish VAT as the reverse charge does not apply to their supplies. • Customers, which are taxable persons but not already registered for VAT, must register to account for the VAT under the reverse charge. • If mobile phones are bought from a retailer who mostly sells to final customers, the reverse charge does not apply, and the relevant VAT should be charged on the invoice. Those scenarios are not included in the VAT Engine. <p>This domestic reverse charge applies to the following item in the VAT Engine: “Mobile phone (120)”.</p> <p>The implementation date is 1 July 2014.</p>

Ref	Description
VEN-329	<p>Denmark – domestic reverse charge applies to game consoles, tablets and laptop computers</p> <p>The domestic reverse charge for game consoles, tablets and laptop computers has been implemented in the VAT Engine. This domestic reverse charge applies to a supply if both of the following conditions apply:</p> <ul style="list-style-type: none"> • The buyer is registered for VAT in Denmark; and • The seller is a business established in Denmark. <p>It follows that:</p> <ul style="list-style-type: none"> • Non-established companies should invoice with Danish VAT. • Customers, which are taxable persons but not already registered for VAT, must register to account for VAT under the reverse charge VAT. • If game consoles, tablets or laptop computers are bought from a retailer who mostly sells to final customers, the reverse charge does not apply, and the relevant VAT should be charged on the invoice. Those scenarios are not included in the VAT Engine. <p>This domestic reverse charge applies to the following item in the VAT Engine: “Laptops”, “Game consoles”, and “Tablet Computers”.</p> <p>The implementation date is 1 July 2014.</p>
VEN-330	<p>Denmark – domestic reverse charge applies to integrated circuits</p> <p>The domestic reverse charge for integrated circuits (item 119 - “CPU” in the VAT Engine) has been implemented in the VE. This domestic reverse charge applies to a supply if both of the following conditions apply:</p> <ul style="list-style-type: none"> • The buyer is registered for VAT in Denmark. • The seller is a business established in Denmark. <p>It follows that:</p> <ul style="list-style-type: none"> • Non-established companies should invoice with Danish VAT. • Customers, which are taxable persons but not already registered for VAT, must register to account for VAT under the reverse charge VAT. • If CPUs are bought from a retailer who mostly sells to final customers, the reverse charge does not apply, and the relevant VAT should be charged on the invoice. Those scenarios are not included in the VAT Engine. <p>This domestic reverse charge applies to the following item in the VAT Engine: “CPU (119)”.</p> <p>The implementation date is 1 July 2014.</p>

Ref	Description
VEN-331	<p>Denmark – domestic reverse charge applies to scrap metal</p> <p>The domestic reverse charge for scrap metal (item “waste products” in the VAT Engine) has been implemented in the VE. This domestic reverse charge applies to a supply if both of the following conditions apply:</p> <ul style="list-style-type: none">• The buyer is registered for VAT in Denmark; and• The seller is a business established in Denmark. <p>If follows that:</p> <ul style="list-style-type: none">• Non-established companies should invoice with Danish VAT.• Customers, which are taxable persons but not already registered for VAT, must register to account for the VAT under the reverse charge VAT. <p>This domestic reverse charge applies to the following item in the VAT Engine: “Waste products (121)”. Item “Metal (127)” in VAT Engine is connected to another rule and should not be used for scrap which is subject to this domestic reverse charge.</p> <p>The implementation date is 1 July 2012.</p>

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