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TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
VAT and other turnover taxes

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VAT in the European Community

APPLICATION IN MEMBER STATES

FACTS FOR USE BY

ADMINISTRATIONS/TRADERS

INFORMATION NETWORKS, ETC.

Note

This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

LUXEMBOURG

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GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, E-MAIL)

Foreign traders can obtain VAT information either from:

Bureau d'imposition 10 de l'Administration de l'Enregistrement et des Domaines
14, avenue de la Gare
Boîte postale 31
L - 2010 LUXEMBOURG-VILLE
Tel. (+352) 44905 1
Fax (+ 352) 29 11 93

or from the tax authorities' website (see answer to question 2).

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT ARE AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?

The authorities' website address is:

<http://www.aed.public.lu>

At present, this site:

- 1) enables Luxembourg intra-Community suppliers to check the validity of the VAT registration numbers of their customers established in other Member States of the European Union;
- 2) contains all VAT forms;
- 3) offers the possibility of submitting online VAT returns and recapitulative statements;
- 4) offers the possibility of submitting online requests for VAT refunds from other European Union Member States;
- 5) provides information on current laws, regulations and administrative provisions concerning VAT.

The site is available in French and German.

3. WHERE IS IT POSSIBLE TO FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGES ARE THEY AVAILABLE?

VAT legislation and regulations are published in French in:

MÉMORIAL - Official Journal of the Grand Duchy of Luxembourg
published by the:

Service Central de Législation,

43 boulevard F.-D. Roosevelt,
L-2450 Luxembourg.

Texts published on the subject since 1996 are available on the following website:
<http://www.legilux.lu/>

A consolidated version of the amended 12 February 1979 Value Added Tax Act and Grand Ducal implementing regulations in French can be obtained under '*Code Fiscal - Vol 6*' from the following address:

ÉDITIONS SAINT-PAUL, Luxembourg
14, rue Christophe Plantin
L – 2988 Luxembourg
Tel.: (+ 352) 49 93 275
Fax: (+ 352) 49 93 580
Website: <http://www.saint-paul.lu>
E-mail: editions@editions.lu

The Tax Code also contains an unofficial translation into German of the consolidated legal text.

The reader is also referred to point 5 of the answer to question 2 above.

VAT REGISTRATION OF FOREIGN TRADERS

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO BE REGISTERED FOR VAT?

Foreign traders carrying out economic transactions subject to VAT, where the place of taxation is deemed to be on the territory of the Grand Duchy of Luxembourg and for which they are liable for tax, must be registered for VAT. This concerns the following transactions:

- supplies of goods, including goods which are installed or assembled, with or without a trial run, by or on behalf of the supplier, and supplies of services for consideration;
- intra-Community acquisitions of goods effected against payment;
- imports of goods;
- distance selling where the place of supply is in Luxembourg (where the threshold of €100 000 is exceeded or the supplier option is taken up).

The following do not have to register for VAT in Luxembourg:

- taxable persons who do not have a fixed establishment within the national territory of the Grand Duchy of Luxembourg and carry out economic activities solely outside Luxembourg;
- taxable persons who do not have a fixed establishment within the national territory of the Grand Duchy of Luxembourg, engage solely in importing goods for which they are liable for VAT into the country, and use their right to appoint a tax representative;
- taxable persons who do not have a fixed establishment within the national territory of the Grand Duchy of Luxembourg and who engage solely in economic transactions subject to VAT in which the customer who is identified for VAT purposes is liable for the tax;
- taxable persons carrying out economic transactions subject to VAT where the place of taxation is deemed to be within the national territory of the Grand Duchy of Luxembourg and for which they are in principle liable for VAT, but are exempted and have no right to deduct input tax.

5. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX? IN SUCH SITUATIONS, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?

Foreign traders carrying out economic transactions subject to VAT, where the place of taxation is deemed to be within the national territory of the Grand Duchy of Luxembourg and for which they are not liable for the tax, do not have to register for VAT.

This concerns the following transactions:

- supplies of gas, via the natural gas distribution network, or electricity under the conditions laid down in Article 14(1)(e) and (f) of the 12 February 1979 Value Added Tax Act (articles 38 and 39 of Directive 2006/112/EC), for which the customer is liable for VAT in the Grand Duchy of Luxembourg;
- supplies of services to a taxable person or a non-taxable legal person identified for VAT purposes, where the place of supply is located in the Grand Duchy of Luxembourg pursuant to Article 17(1)(b) (Article 44 of Directive 2006/112/EC), for which the recipient is liable for VAT in the Grand Duchy of Luxembourg;
- supplies subsequent to intra-Community acquisitions of goods effected within the territory of the Grand Duchy of Luxembourg to taxable persons or non-taxable legal persons identified for VAT purposes under the conditions laid down in Article 18(4) of the 12 February 1979 VAT Act (Article 42 of Directive 2006/112/EC) (triangular transactions).

Foreign traders may not apply for VAT registration in Luxembourg in the situations described above.

6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT? (DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE AND FAX, E-MAIL, ETC.)

Foreign traders must apply to the department indicated in the answer to question 1 to register for VAT in Luxembourg.

7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS.

Any natural or legal persons applying for a VAT identification number must be entered in the national register of natural and legal persons before being included in the list of VAT-taxable persons. An application for registration (initial declaration for natural or legal persons) using the form which can be obtained from the administration's website referred to above should be completed and sent to the department indicated in the answer to question 1.

Natural persons must append a photocopy of their passport to the declaration. Legal persons must include a copy of their company's articles of association.

They will then be notified of their VAT registration number which they must quote in all correspondence with the administration. They will also be given a VAT identification number to be used for all intra-Community transactions.

Before commencing any business or craft activity in the Grand Duchy of Luxembourg, the trader must hold the following authorisations:

Authorisation of establishment, obtainable from:

Ministère des Classes Moyennes, du Tourisme et du Logement
6, Avenue Emile Reuter
B.P. 535
L-2420 LUXEMBOURG
Switchboard: (+ 352) 478-1
Information lines: (+ 352) 478-4711, 478-4715, 478-4716, 478-4718
Fax: (+ 352) 478-4740

Entry in the Trade Register, obtainable from:

Website: <http://www.rcsl.lu>

Where an economic activity is carried out in the administrative district of Luxembourg:

Premises in Luxembourg: Centre administratif Pierre Werner
Bâtiment F
13, rue Erasme
Postal address: Registre de Commerce et des Sociétés
L-2961 LUXEMBOURG

Tel.: (+ 352) 26 428 – 1

Fax: (+ 352) 26 42 85 55

If the economic activity is carried out in the administrative district of Diekirch:

Premises in Diekirch: Palais de Justice, place Guillaume

Postal address: Registre de Commerce et des Sociétés

B.P. 20,

L-9201 DIEKIRCH

Tel.: (+ 352) 26 80 37 60

Fax: (+352) 26 80 37 61

THRESHOLDS

8. WHICH THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 34 OF VAT DIRECTIVE (2006/112/EC)?

€100 000.

9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER THE SECOND SUBPARAGRAPH OF ARTICLE 3(2) OF THE VAT DIRECTIVE (2006/112/EC)?

€10 000.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS

10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?

The appointment of a tax representative is always optional.

11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

For imports of movable tangible property by a taxable person who is neither established nor identified for VAT purposes in the Grand Duchy of Luxembourg, that person has the option of appointing a tax representative, duly authorised by the tax authorities. This representative accepts the appointment and with it liability for the tax which, without this appointment, would be owed by the taxable person for importing the goods, for their subsequent supply and for any economic transactions concerning the goods effected on behalf of the taxable person represented. A tax representative must be appointed and accept the appointment before the goods are imported, failing which the appointment will be invalid. The tax representative is obliged to take on the role of importer of the

goods. Throughout the period of the economic transactions for which he has been appointed as tax representative, he is legally responsible for the physical supervision of the goods.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

The tax representative takes over from the taxable person all the rights and obligations attributed to that person by the 12 February 1979 VAT Act, notably:

- submission of a return covering all of the taxable transactions for which he has been appointed as tax representative;
- submission of recapitulative statements;
- issuing of invoices in the name and on behalf of the taxable person represented;
- keeping of separate and appropriate accounts for each taxable person represented;
- right to deduct input tax in respect of the transactions carried out on the represented taxable person's behalf, insofar as such transactions are directly linked to the goods covered by the representation.

He must, moreover, furnish security in order to ensure the payment of tax, interest and fines that are chargeable or may become chargeable as a result of past or future taxable transactions effected by the taxable persons whom he represents.

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?

Not applicable, see answer to question 10 above.

14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?

Taxable persons established outside the Community, engaged in importing goods into Luxembourg, without having appointed a tax representative or in any other situation in which they become liable for VAT in Luxembourg, may be required by the authorities to provide a guarantee or a letter of guarantee issued by an approved banking establishment to cover the payment of the tax and fines which are imposed or may be imposed by virtue of the taxable transactions effected or to be effected by the taxable persons.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE OR A TAX AGENT?

See answers to questions 10 and 11 above.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

See answer to question 11 above.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

See answer to question 12 above.

18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?

Not applicable.

INVOICING

RULES ABOUT INVOICING

19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES? ETC.) BE FOUND?

The relevant rules can be found in the 1 July 2003 Act amending the 12 February 1979 VAT Act, which transposed Council Directive 2001/115/EC of 20 December 2002 into national law (see answer to question 3 above).

ISSUANCE OF INVOICES

20. CASES WHERE AN INVOICE NEEDS TO BE ISSUED

All taxable persons subject to the normal VAT rules must ensure that invoices are issued by them, or in their name and on their behalf by their customer or a third party, for

- supplies of goods and services carried out for another taxable person or for a non-taxable legal person which are not exempt under Article 44 of the 12 February 1979 VAT Act (Chapters 2 and 3 of Title IX of the VAT Directive (2006/112/EC));
- supplies of goods referred to in Article 14(3) of the 12 February 1979 VAT Act (distance selling – Article 33 of Directive 2006/112/EC) and supplies of goods carried out under the conditions stipulated in Article 43(1)(d), (e) and (f) of the 12 February 1979 VAT Act (intra-Community supplies of goods and new means of transport – Article 138 of Directive 2006/112/EC);
- payments on account made to them before the goods referred to in the above indents are supplied and payments on account made to them by another taxable person or non-taxable legal person before the supply of services is completed.

All taxable persons must ensure that invoices are issued by them, or in their name and on their behalf by their customer or a third party for the supply of a new means of transport.

21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT / DEBIT NOTES)?

Any document or message that amends and refers specifically and unambiguously to the initial invoice is to be treated as an invoice.

22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?

Under the relevant legal provisions, the invoice must be issued no later than the fifteenth day of the month following that of the supply of the goods or services or, in the case of a summary invoice, of the supplies of the goods or services and, where a payment on account is made for the supply of goods or services which have not yet been supplied or completed, not later than the date of receipt of that payment on account.

23. WHAT ARE THE RULES FOR SUMMARY INVOICING?

Summary invoices may be issued for the transactions set out in the first and second indents of point 1 of the answer to question 20, provided that each summary invoice concerns only goods and/or services supplied during the same calendar month.

24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?

The customer of a taxable person may issue invoices for the goods or services supplied to him, provided that there is a prior agreement between the two parties setting the conditions and procedures for this form of invoicing and for the acceptance procedure and subject to an acceptance procedure being applied by the taxable person supplying the goods or services for each invoice. The prior agreement and the invoice acceptance procedure must be set down on paper or in electronic form.

25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?

The VAT Act does not contain any specific provisions on outsourcing.

CONTENT OF INVOICES

26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?

The VAT identification number of the customer must be indicated:

- in the event of intra-Community supplies of goods (supplies referred to in Article 43(1)(d), (e) and (f) of the 12 February 1979 VAT Act – Article 138 of the VAT Directive (2006/112/EC));
- when the customer is liable for VAT on the supply of goods or services pursuant to Articles 195, 196 and 197 of the VAT Directive (2006/112/EC).

27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE

Invoices issued for the transactions listed under point 1 of the answer to question 20 must mention, for VAT purposes:

- the date of issue;
- a sequential number, based on one or more series, which uniquely identifies the invoice;
- the VAT identification number under which the taxable person supplied the goods or services;
- the customer's VAT identification number in the cases referred to in the answer to question 26 above;
- the full name and address of the taxable person and of the customer;
- the quantity and nature of the goods supplied or the extent and nature of the services rendered;
- the date on which the supply of goods or services was made or completed or the date on which the payment on account was made, insofar as that date can be determined and differs from the date of issue of the invoice;
- the taxable amount for each rate or exemption, the unit price excluding VAT and any discounts or refunds if they are not included in the unit price;
- the VAT rate applied;
- the VAT amount payable, except where a special arrangement is applied for which such a detail is to be excluded;
- where an exemption is involved or where the customer is liable to pay the VAT, reference to the applicable provision of Directive 2006/112/EC, to the corresponding provision of the amended 12 February 1979 VAT Act, or to any other information showing the supply is exempt or subject to the reverse charge procedure;
- where the intra-Community supply of a new means of transport is involved, the particulars by virtue of which the means of transport supplied is considered to be a new means of transport as listed in Article 4(4)(b) of the 12 February 1979 VAT Act (Article 2(2) of Directive 2006/112/EC);
- where the profit margin scheme applies, the reference to Article 306 or 313 of Directive 2006/112/EC or to Article 56a or 56b of the 12 February 1969 VAT Act, or to any other information showing the profit margin scheme has been applied.

The amounts entered on the invoice may be expressed in any currency provided that the amount of tax to be paid is established in euros using the conversion mechanism provided for in Article 37 of the VAT Act of 12 February 1979, namely:

- 1) where the information for determining the taxable amount on import is expressed in a foreign currency, the rate of exchange is determined in accordance with the Community provisions in force governing the calculation of customs duty;
- 2) where the information for determining the taxable amount of a transaction other than the import of goods is expressed in a currency other than the euro, the rate of exchange applicable is the most recent rate determined by reference to the rate published by the Banque Centrale de Luxembourg or an approved banking

establishment on the basis of the rate fixed by the European Central Bank, at the moment when the tax becomes chargeable.

The administration may, for verification purposes, require a French or German translation of invoices for goods or services supplied in Luxembourg, and invoices received by taxable persons established in Luxembourg when the invoices are issued in a foreign language.

When batches containing several invoices are sent to the same recipient by electronic means, the details that are common to the individual invoices need be mentioned only once if, for each invoice, all the information is accessible.

ELECTRONIC INVOICING

28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED CERTIFICATED AND SECURE-SIGNATURE-CREATION DEVICES? IF SO, PLEASE GIVE DETAILS.

Invoices issued pursuant to the relevant current legal provisions may be sent either on paper or, subject to acceptance by the customer, by electronic means. Invoices sent by electronic means are treated as invoices provided that the authenticity of the origin and integrity of the content are guaranteed

- by means of an advanced electronic signature within the meaning of Article 2(2) of Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures;
- or by means of electronic data interchange (EDI), as defined in Article 2 of Commission Recommendation 1994/820/EC of 19 October 1994 relating to the legal aspects of electronic data interchange, when the agreement relating to the interchange provides for the use of procedures guaranteeing the authenticity of the origin and integrity of the data.

Advanced electronic signature standards have not yet been defined.

29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.

No.

30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO ARTICLE 233(1), SECOND SUBPARAGRAPH, OF THE VAT DIRECTIVE ('BY USING ANY OTHER ELECTRONIC MEANS')? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?

No.

31. ANY OTHER SPECIFIC RULE IN RELATION TO ELECTRONIC INVOICING

None.

STORAGE OF INVOICES

32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?

Taxable persons may decide the place of storage provided that they make the invoices stored there available to the authorities without undue delay on request.

Taxable persons established in the Grand Duchy of Luxembourg must store invoices within the country unless they are stored by electronic means guaranteeing full online access to the data concerned.

The place of storage may not be a country outside the European Community with which no legal instrument exists relating to mutual assistance similar in scope to that laid down by Directive 2008/55/EC and by Regulations (EC) Nos 1798/2003 and 1179/2008 and the right to access by electronic means, download and use referred to in the next paragraph.

When a taxable person not established in the Grand Duchy of Luxembourg stores invoices which he issues or receives by electronic means guaranteeing online access to the data, and the place of storage is in Luxembourg, the competent authorities of the Member State in which he is established have the right to access by electronic means, download and use these invoices within the limits set by the regulations of the Member State where the taxable person is established and in so far as is necessary for VAT verification purposes.

33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.

No. Taxable persons established in the Grand Duchy of Luxembourg must inform the authorities of the place of storage if it is outside Luxembourg territory. This information must be given in their annual returns.

34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?

Invoices must be stored for ten years.

35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?

Electronic storage of invoices is valid provided that data guaranteeing the authenticity of origin and integrity of content of the books and documents are also stored. Electronic storage means storage by means of electronic data storage equipment using wire, radio, optical or other electromagnetic media.

36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE.

None.

SIMPLIFIED INVOICES

37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE (206/112/EC)? AND WHAT ARE THE SPECIFIC RULES?

The total amount of a simplified invoice, including VAT, may not exceed €100.

A simplified invoice need only contain the following information:

- the date of issue;
- the name and address of the supplier of the goods or service;
- the quantity and nature of the goods supplied or the extent and nature of the services rendered;
- the price including VAT;
- the rate of VAT.

A simplified invoice cannot be issued for the following transactions:

- supplies of goods which are installed or assembled, with or without a trial run (Article 36 of the VAT Directive);
- supplies of goods through distance selling (Article 33 of the VAT Directive);
- supplies of goods effected as part of triangular transactions (referred to in Article 42(a) of the VAT Directive);
- intra-Community supplies of goods (Article 138 of the VAT Directive);
- supplies of services for which the service provider is liable for VAT.

PERIODIC VAT RETURNS

38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

All taxable persons who habitually and independently carry out transactions which form part of any economic activity in general, irrespective of the purpose or results of that activity and irrespective of the place where such transactions are carried out, are required periodically to declare and pay tax due and to submit annual returns for each tax period, which is the calendar year.

39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?

The general rule is for monthly returns and payments: the return and the payment must reach the VAT administration before the fifteenth day of the following month.

Certain taxable persons or groups of taxable persons are authorised to declare and pay the VAT for which they are liable on a quarterly or annual basis (see answer to question 41 below for details).

Taxable persons who are required to submit monthly or quarterly returns must also submit before 1 May of each year an annual return for the VAT due during the preceding calendar year and must pay the balance of any tax due as shown on this recapitulative return within the same period.

40. WHAT IS THE PROCEDURE FOR THE REPAYMENT OF EXCESS VAT REPORTED IN THE PERIODIC VAT RETURN? WHAT ARE THE TIME LIMITS FOR THE EXCESS VAT REFUNDS IF ANY?

When, for a given declaration period, total deductions exceed the value added tax due, the balance is carried over to the following period.

However, at the request of the taxable person, the following will be refunded:

- a) any excess of more than €1200;
- b) any excess of a lesser amount, but of more than €2.40, outstanding at the end of the calendar year.

Any right to a VAT refund is limited to a period of five years running from 31 December of the calendar year to which the refund relates.

41. DO SPECIAL REGIMES EXIST AS REGARDS PERIODIC VAT RETURNS FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM.

- 1) Taxable persons whose annual turnover, excluding tax, during the calendar year preceding the tax period was more than €112 000 but not more than €620 000 may, before the fifteenth day of each calendar quarter, submit a return for the VAT which became chargeable during the preceding calendar quarter and pay this tax by the same date;
- 2) taxable persons whose annual turnover, excluding tax, during the calendar year preceding the tax period was no more than €112 000 may, before 1 March each year, submit an annual return for the VAT which became chargeable during the preceding calendar year and pay this tax by the same date;
- 3) taxable persons subject to the flat-rate scheme for the agricultural and forestry sectors are allowed to submit annual returns before 1 March each year for the value added tax chargeable for the preceding calendar year and pay this tax by the same date;
- 4) taxable persons eligible under the small-business exemption scheme are allowed to submit before 1 March each year annual returns for:
 - (a) supplies of services, when the place of supply is located in another Member State, for which VAT became chargeable during the preceding calendar year, and for which the customer is liable for the VAT in that other Member State;

- (b) supplies of goods and services made to them for which they are liable for VAT pursuant to Articles 195, 196, 197 and 200 of the VAT Directive and for which the VAT became chargeable during the preceding calendar year, and to pay the tax by the same date;
- 5) non-taxable legal persons are allowed to submit before 1 March each year annual returns concerning supplies of goods and services made to them for which they are liable for VAT pursuant to Articles 195, 196, 197 and 200 of the VAT Directive and for which the VAT became chargeable during the preceding calendar year, and must pay that tax by the same date;
- 6) taxable persons who cease trading during a calendar year must, within two months of ceasing trading, submit a return in place of the annual return for the calendar year and pay any outstanding VAT which may be due according to this return by the same date.

42. DO YOU OPERATE SIMPLIFIED CALCULATIONS OF TAX LIABILITY? IF SO WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

Not applicable.

RECAPITULATIVE STATEMENTS

43. DO YOU ALLOW THE SUBMISSION OF RECAPITULATIVE STATEMENTS BY CALENDAR QUARTER ? IF SO, WHAT THRESHOLDS AND CONDITIONS APPLY?

Taxable persons are allowed to submit quarterly recapitulative statements:

- for supplies of services to taxable persons and non-taxable legal persons identified for VAT purposes in another Member State to which they have provided services other than those exempt from VAT in the Member State where tax is due on the transaction, where the customer is liable for payment of the tax;
- for intra-Community supplies of goods, provided that the quarterly total, excluding VAT, of supplies of goods on which VAT became charge during the preceding quarter does not exceed, either for the quarter concerned or for any of the four previous quarters, €100 000.

The possibility described in the second indent ceases to be applicable as of the end of the month during which the total amount, excluding VAT, for the supplies of goods concerned exceeds, for that quarter, €100 000. In this event, a recapitulative statement or statements must be completed for the month or months passed since the beginning of the quarter.

44. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 266 OF THE VAT DIRECTIVE (2006/112/EC)?

No.

45. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?

No.

ELECTRONIC RETURNS

46. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?

Periodic and annual VAT returns may be sent to the VAT administration electronically, provided that the procedure used is one authorised by the administration and guarantees the authenticity of their origin and the integrity, non-repudiation and confidentiality of their content (see information note on www.aed.public.lu – eTVA) .

Receipt by the administration of the relevant data sent electronically in accordance with the above rules constitutes submission of the returns concerned. Such receipt and the reproduction or representation of the data on a readable medium have probative value for the purposes of the VAT Act.

Traders wishing to submit VAT returns by electronic means must submit to the administration by post an application to subscribe to the electronic VAT system (eTVA). The relevant application form can be downloaded from the administration website (www.aed.public.lu – eTVA – Formules TVA).

47. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHICH TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?

Recapitulative statements may be sent to the administration electronically, provided that the procedure used is authorised by the administration and guarantees the authenticity of their origin and the integrity, non-repudiation and confidentiality of their content (see information notice at www.aed.public.lu – eTVA).

Receipt by the administration of the relevant data sent electronically in accordance with the above rules constitutes submission of the recapitulative statements concerned. Such receipt and the reproduction or representation of the data on a readable medium have probative value for the purposes of the VAT Act.

Traders wishing to submit recapitulative statements by electronic means must submit to the administration by post an application to subscribe to the electronic VAT system (eTVA). The relevant application form can be downloaded from the administration website (www.aed.public.lu – eTVA – Formules TVA).

OBLIGATIONS AT IMPORTATION

48. WHO ARE THE PERSONS THAT CAN BE DESIGNATED OR RECOGNISED AS LIABLE TO PAY VAT ON IMPORTS UNDER ARTICLE 201 OF THE VAT DIRECTIVE ?

VAT on imports of goods pursuant to Article 2(f) of the 12 February 1979 VAT Act must be paid by the importer of the goods. The person in whose name the goods were declared for import is deemed to be the importer. The person in whose name the goods have been declared for import is generally the person indicated as the consignee in the import papers.

49. WHAT ARE THE RULES FOR DECLARATION AND PAYMENT OF VAT ON IMPORTS?

When goods are imported and it is established that the person liable for tax on them is identified for VAT purposes in Luxembourg, the VAT due on the imported goods must be declared and paid by that person (taxable person or non-taxable legal person identified for VAT purposes) according to the rules governing the declaration and payment of VAT on supplies of goods and services (deferred payment scheme – see answer to question 50 below).

This provision is also applicable to traders who have neither their place of business nor a fixed establishment in the country, but are identified there for VAT purposes.

When goods are imported by persons who do not fulfil the above conditions, i.e. do not have a VAT identification number, the tax is levied by the Customs and Excise administration in accordance with customs regulations.

50. DO YOU APPLY THE OPTION OF "POSTPONED ACCOUNTING" REFERRED TO IN ARTICLE 211 OF THE VAT DIRECTIVE? IF SO, UNDER WHICH CONDITIONS?

Luxembourg has availed itself of the possibility provided for in Article 211(2) of the VAT Directive (2006/112/EC) (see answer to question 49 above).

ADMINISTRATIVE REQUIREMENTS

51. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?

Yes, there is the flat-rate scheme for taxable persons who supply goods or services in connection with their agricultural or forestry holdings.

52. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION.

No.

53. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?

VAT forms are available in French and German.

RIGHT TO DEDUCTION

54. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?

VAT on goods and services used to supply goods and services which are exempt under Article 44 of the 12 February 1979 VAT Act (Chapters 2 and 3 of Title IX of the VAT Directive (2006/112/EC)) or which are not subject to VAT is not deductible.

Goods and services used by taxable persons for intra-Community acquisitions of goods or imports of goods are subject to the deduction rules applicable to supplies of goods and imports of services for which the goods acquired or imported are used.

However, the transactions referred to in Article 135(a) to (f) of the VAT Directive give rise to a right to deduction when the customer is established outside the European Union or when the transactions relate directly to goods that are to be exported outside the European Union.

Value added tax on expenditure which is not of a strictly professional nature, such as entertainment expenditure, is also not deductible.

55. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?

Luxembourg law does not provide for any partial right to deduct any particular percentage.