

## Indirect Taxes

Global network, local expertise, individual service

# The VAT Package: Are You Ready?

## Law 3763/2009: Changes in the VAT rules for cross-border services

The VAT Package, incorporated into Greek legislation through L3763/09 comes into effect on 1 January 2010 and brings with it significant changes to key areas of VAT legislation that impact all international businesses. By the time of introduction, businesses will need to be compliant with the new regulations to avoid potential penalties for incorrect accounting. Affected companies need to start addressing the issues arising from the introduction of the VAT Package quickly to ensure that there is sufficient time to reconfigure accounting systems, if necessary, and to minimise the business disruption that these changes may cause.

### The VAT Package is going to affect the following key VAT elements:

#### 1. Place of supply of services

The rules for determining the VAT treatment of international services will change. The range of services which are deemed to be not subject to local VAT when supplied internationally will increase and the principle of taxation at the place of consumption will be introduced. Therefore, businesses will need to consider who will need to account for the VAT on supplies after 1 January 2010.

#### 2. Reporting obligations

Additional filing requirements will be introduced for businesses making intra-EU supplies of services. This will add significant compliance burdens on businesses, and failure to comply may result in severe penalties.

#### 3. 8<sup>th</sup> Directive refunds

This mechanism under which EU businesses can reclaim VAT incurred in Member States where they are not established for VAT purposes will be reformed. The new system will include: electronic filing, a detailed timetable for processing refund applications, and the right to interest on overdue refunds

## How can we help?

PricewaterhouseCoopers (PwC) VAT specialists can review the international services and associated VAT treatments you use to understand the impact of the package on your business.

- Do you know what transactions your business undertakes that may be affected by these new rules?
- Do you have a clear plan to ensure compliance by 1 January 2010?
- Have you established the scope of the changes to systems and processes that the VAT Package will require?
- Have you identified the resources you will require to make the necessary changes?
- How will your business processes, in particular the accounting systems, actually deal with the changes to the VAT treatment of transactions described in the VAT package?
- How will your financial accounting systems ensure the place of supply for services continues to be determined correctly?
- How will your system produce the recapitulative statement of supplies of services to which the reverse charge applies?

We have developed specialised tax advisory tools to analyse the existing status and identify where changes are required to take place. Also our IT experts can work together with our VAT specialists and your IT function to identify how your systems and process will need to adapt. Our teams are also available to work with you during implementation and testing to ensure that you have the processes and systems in place to meet all your requirements.

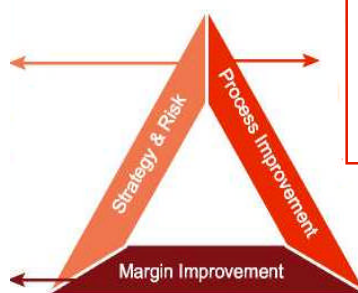
The Global Tax Monitor, independent survey, recognises PricewaterhouseCoopers as the leading firm globally for indirect taxes/VAT, by reputation, with a strong lead over the competition. These results are based on the year-ending Q1 2009 figures, with a sample size of 3,202 primary buyers of tax services globally.

## What are we offering?

- Mapping to assess how, if, and where the new legislation will have an impact on your business model, which adjustments are required, and/or which opportunities are linked to the new legislation.
- Collaborating and co-working on any in-house project teams.
- Designing a tailor made change strategy to ensure that your business continues to be VAT compliant after 1 January 2010.
- Implementing and rolling out this strategy in real time with regard to business policies, personnel, processes, and systems.
- Making changes to any system based tax logic and building new reports needed to make recapitulative statements.
- Monitoring the implementation of legal provisions — including those with direct compliance impact — in the Member States of your choice to shape your VAT strategy and anticipate systems changes.
- Providing in-house training / workshops (standard or tailored to specific needs) to explain in-depth the tax and legal aspects of the new legislation to achieve a high standard of in-house awareness and know-how.

- Understanding implications of the VAT package
- Improving reporting performance
- Reducing risk of compliance inaccuracies

- Efficient application of place of supply rules
- Planning business model to explore opportunities
- Monitoring implementation to anticipate requirements



- Implementation of system changes
- Review and improve of reporting processes
- Data analysis
- In-house training
- E-invoicing/E-archiving

## Always Ready for Action

PricewaterhouseCoopers can help you formulate, implement and manage your global indirect taxes strategy. We have a network of more than 1,900 indirect taxes experts in 130 countries, ready to work with you and your local teams. For further information in Greece, please contact:

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