

Flash Report

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Developments in taxation of “motivational” payments

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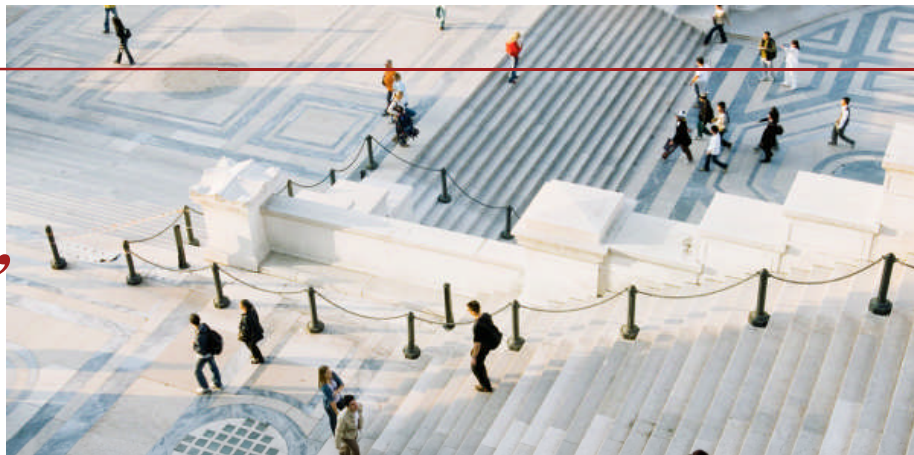
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Tax treatment of “motivational” payments

The position of the tax authorities in respect of the tax treatment of motivational payments is now clearly formed.

Motivational payments (premiums, bonuses and other incentive payments) made in favour of distributors can be treated as payments for marketing services and are subject to VAT * and should be tax deductible.**

* STSU Letter No 7540/0/61-12/15-3115 dated 21 December 2012

**STSU Order No 123 dated 15 February 2012