



# Recent VAT changes in Luxembourg



VAT SOLUTIONS

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## Starting 1<sup>st</sup> January 2021



Small entrepreneur scheme threshold is increased to 35,000 €

*(Article 57 of the VAT Law)*



Temporary VAT exemption applies until 31st December 2022 on anti covid vaccines, in vitro test devices and closely related services

*(Article 43.1.t. of the VAT Law - Circular 806)*



Super reduced VAT rate of 3 % for renovation works may apply on 10-years old buildings (was 20 years old buildings before 1/01/21)

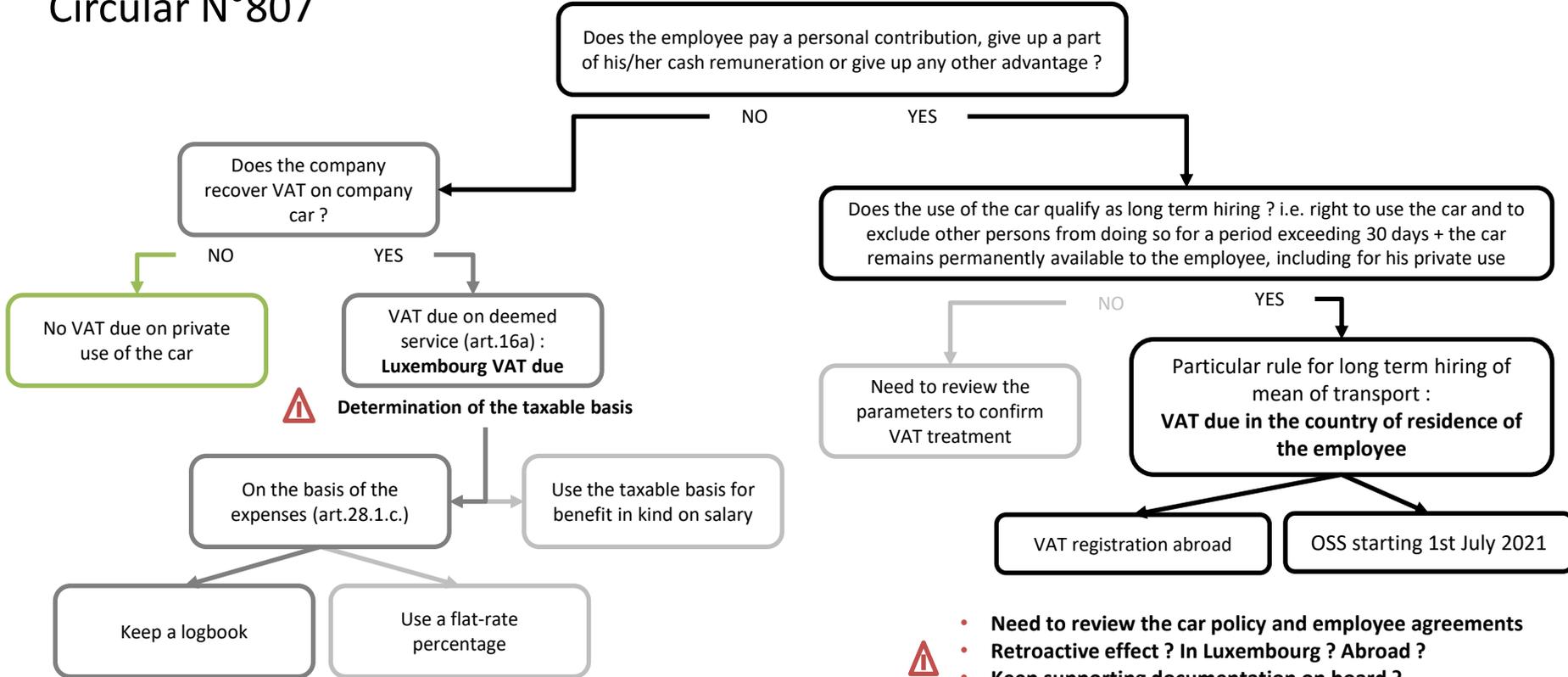
*(Grand Ducal Regulation dated 19/12/20 amending the Grand Ducal Regulation dated 30/07/02)*



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## ECJ Case C-288/19

### Circular N°807



 **Determination of the taxable basis**

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- Need to review the car policy and employee agreements
  - Retroactive effect ? In Luxembourg ? Abroad ?
  - Keep supporting documentation on board ?
  - Impact on VAT deduction right



# Main customs features of the EU/UK Trade and cooperation Agreement



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# Main customs features of the EU/UK Trade and Cooperation agreement

The trade agreement does not release exporter/importer from the **obligation to file customs declarations**

The trade agreement **eliminates customs duties** on most of the products traded between the EU and the UK, if the goods originate from the EU or from the UK

- Goods that were fully or sufficiently produced in the UK/in the UE originate from the UK/from the EU
- Goods of Chinese origin that were stored in the UK before being dispatched to the EU do not originate from the UK

To benefit of the relief of customs duties, the **origin must be proved** upon filing of customs declarations

- EU → UK : statement of origin on invoice (<6000€) + [Registered exporter \(REX\)](#) number (>6000€)
- UK → EU : statement of origin on invoice + UK EORI number
- or importer's knowledge that the product is originating

Some goods are **zero rated by nature and do not require any proof of origin**. Applicable customs duties rate shall be determined based on the customs classification of the goods :

- in the EU (import) : [TARIC](#) website
- in the UK (export) : [HMRC](#) website



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