

VAT – EU “Quick Fixes”

Call-off stocks

PUBLIC

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Handling of call-off stocks in the EU

New simplification as part of the “Quick Fixes”

Consequences of the new simplification:

- Register
- Recapitulative statement (a.k.a. EC sales list)

SAP development

Previous treatment in most EU countries¹

For the supplier, such call-off stock arrangements give rise to:

- a deemed intra-Community supply (in the member state of dispatch),
- a deemed intra-Community acquisition (in the member state of arrival), followed by
- a domestic supply in the member state of arrival.

This requires the supplier to VAT register in the member state of arrival.

¹ Some EU countries had applied some simplifications in the past.
But this lead to inconsistencies in intra-community control procedures.

Example – previous handling in most EU countries

Vendor in DE

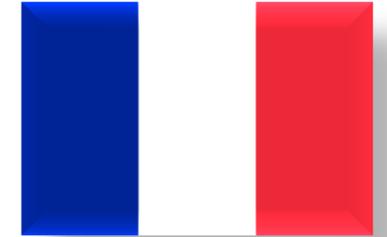


a) Transportation of goods into call-off stock
15.04.2018



b) Withdrawal of goods from call-off stock
15.06.2018

Customer in FR



c) Invoice (typically using Evaluated Receipt Settlement)
2.7.2018

	Vendor	Customer
Transportation/dispatch of goods into call-off stock	<ul style="list-style-type: none"> • Tax free intra-Community supply (in the member state of dispatch (DE)) • Intra-Community acquisition (in the member state of arrival (FR)) <p>Requires the supplier to VAT register in the member state of arrival.</p>	-
Withdrawal of goods from call-off stock/Invoice	Domestic supply in FR	Domestic purchase in FR

New regulation for call-off stocks in EU directive

Basic idea:

The basic idea of the new regulation is to **consider the storage in a call-off stock as a “short-term” interruption of an intra-community transaction.**

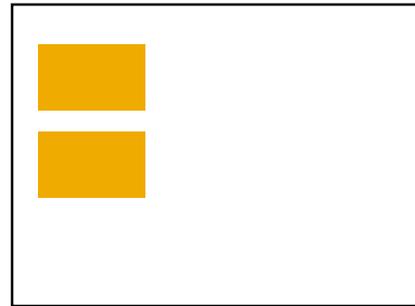
- Storage period can be up to 12 months.
- The VAT consequences are shifted to the point of time when goods are withdrawn from the call-off stock.
- It is **no longer necessary that the supplier is VAT registered** in the member state to which the goods are dispatched or transported.
- But a new **special register** for call-off stocks is required. This can be described as call-off stock “diary”. It contains logistical data content, so it is considered as MM/SD topic. It is required on supplier side but also on the customer side.
- **EC sales list becomes enhanced:** VAT id numbers of call-off stock customers must be included.

Example

Vendor in DE

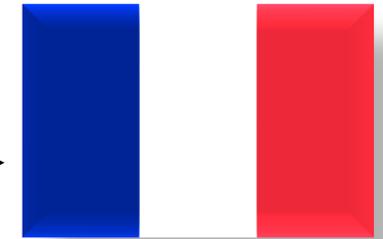


a) Transportation of goods into call-off stock
15.04.2020



b) Withdrawal of goods from call-off stock
15.06.2020

Customer in FR



c) Invoice (typically using Evaluated Receipt Settlement)

	Vendor	Customer
Transportation/dispatch into call-off stocks	- (no tax event but new reporting obligations)	- (no tax event but new reporting obligations)
Withdrawal of goods from call-off stock/Invoice	Tax-free intra-community supply DE -> FR	Intra-community purchase DE -> FR

EU change becoming active beginning of 2020

Changes to EU VAT directive

<https://data.consilium.europa.eu/doc/document/ST-12848-2018-REV-1/en/pdf>

Transformation into national law should have happened until end of 2019 – some countries were late.

Implementing Regulation (EU) No 282/2011

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R1912>

Prerequisites for simplified process (EU VAT directive – Article 17a)

This simplification shall be subject to the following conditions:

- Goods are dispatched or transported to another member state by a taxable person (supplier), or by a third party on his behalf.
- Dispatch or transport of the goods takes place with a view to those goods being supplied at a later stage and after arrival to another taxable person (customer) in that member state.
- Customer is entitled to take ownership of those goods in accordance with an existing agreement between supplier and customer.
- Goods are withdrawn from the call-off stock or returned to the supplier **within 12 months** after arrival in the member state.
- **Supplier is not established** in the member state of arrival.
- Customer is identified for VAT purposes in the member state of arrival and both his identity and VAT ID assigned to him by that member state are known to the supplier at the time when dispatch or transport begins.
- Supplier records the transfer of the goods in a **special register** and includes the identity of the customer and the VAT identification number assigned to him by the member state to which the goods are dispatched or transported in a revised version of the EC Sales List.

New reporting obligations

EU directive – Article 243

“(3) Every taxable person who transfers goods under the call-off stock arrangements referred to in Article 17a shall keep a **register** that permits the tax authorities to verify the correct application of that Article. Every taxable person to whom goods are supplied under the call-off stock arrangements referred to in Article 17a shall keep a register of those goods.’;”

=> Details can be found in Article 54a of EU regulation 282/2011

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32018R1912>

This EU regulation is **directly applicable in all member states**.

Recapitulative statement: EU directive – Article 262 (2)

(2) In addition to the information referred to in paragraph 1, every taxable person shall submit information about the VAT identification number of the taxable persons for whom goods, dispatched or transported under call-off stock arrangements in accordance with the conditions set out in Article 17a, are intended and about any change in the submitted information.’;

Register - Supplier side

- (a) the **Member State from** which the goods were dispatched or transported, and the **date of dispatch or transport** of the goods;
- (b) the **VAT identification number** of the taxable person for whom the goods are intended [\[customer\]](#), issued by the Member State to which the goods are dispatched or transported;
- (c) the **Member State to** which the goods are dispatched or transported, the **VAT identification number of the warehouse keeper, the address of the warehouse at which the goods are stored upon arrival**, and the **date of arrival** of the goods in the warehouse;
- (d) the **value, description and quantity** of the goods that arrived in the warehouse;
- (e) the VAT identification number of the taxable person **substituting** for the person referred to in point (b) of this paragraph under the conditions referred to in Article 17a(6) of Directive 2006/112/EC;

[\[Remarks for clarification\]](#)

Register - Supplier side (cont.)

- (f) the **taxable amount** [= sales price], description and quantity of the goods supplied and the date on which the supply of the goods referred to in point (a) of Article 17a(3) of Directive 2006/112/EC is made and the VAT identification number of the buyer; [date of supply = day of withdrawal from call-off stock]
- (g) the **taxable amount** [in this case COGS], description and quantity of the goods, and the **date of occurrence** of any of the conditions and the respective ground in accordance with Article 17a(7) of Directive 2006/112/EC;
[E.g. when prerequisites are not longer met, 12 month period is exceeded or goods get stolen/destroyed]
- (g) the value, description and quantity of the returned goods and the **date of the return of the goods** referred to in Article 17a(5) of Directive 2006/112/EC.

[Remarks for clarification]

Register - Purchasing side

- (a) the **VAT identification number** of the taxable person who transfers goods [supplier] under call-off stock arrangements;
- (b) the **description and quantity of the goods** intended for him;
- (c) the **date** on which the goods intended for him arrive in the warehouse;
- (d) the **taxable amount**, description and quantity of the goods supplied to him and the **date** on which the intra-Community acquisition of the goods referred to in point (b) of Article 17a(3) of Directive 2006/112/EC is made; [date of intra-Community acquisition = day of withdrawal from call-off-stock]
- (e) the description and quantity of the goods, and the **date on which the goods are removed from the warehouse** by order of the taxable person referred to in point (a);
- (f) the description and quantity of the goods destroyed or missing and the **date of destruction, loss or theft of the goods** that previously arrived in the warehouse or the date on which the goods were found to be destroyed or missing.

Structure of Recapitulative statement (a.k.a. EC sales list)

Until end of 2019	VAT-ID	Totals of tax base amounts
Intra-Community supply	X	X
Intra-Community supply with triangulation	X	X
EU services	X	X

Change in Article 262

2. In addition to the information referred to in paragraph 1, every taxable person shall submit information about the **VAT identification number of the taxable persons for whom** goods, dispatched or transported under call-off stock arrangements in accordance with the conditions set out in Article 17a, are intended **and about any change in the submitted information.**’;

Recapitulative statement from 2020 on

From 2020 on	VAT-ID	Totals of tax base amounts	VAT-ID of original customer
Intra-Community supply	X	X	-
Intra-Community supply with triangulation	X	X	-
EU services	X	X	-
NEW: Transportation or dispatch into call-off-stock	X	- *	-
NEW: Withdrawal from call-off-stock	X	- *	-
NEW: Change of customer	X	- *	X

Some member states expect more data (e.g. customer address).

* Some member states require amounts here.

Recapitulative statement from 2020 on: country specifics (Slovenia)

From 2020 on	VAT-ID	Totals of tax base amounts	VAT-ID of original customer
Intra-Community supply	X	X	-
Intra-Community supply under call-off stock simplification rule	X	X	-
Intra-Community supply with triangulation	X	X	-
EU services	X	X	-
NEW: Transportation or dispatch into call-off-stock	X	-	-
NEW: Withdrawal from call-off-stock	X	-	-
NEW: Change of customer	X	-	X

Use case for EGKRZ = 'D' is sale from a call-off stock under the new regulation (see SAP note 2854593).

Some member states expect more data (e.g. customer address).

Recapitulative statement from 2020 on: country specifics (Germany)

Recapitulative statement does not change for the time being.	VAT-ID	Totals of tax base amounts
Intra-Community supply	X	X
Intra-Community supply with triangulation	X	X
EU services	X	X

Additional reporting for call-of stock simplification	VAT-ID	Totals of tax base amounts	VAT-ID of original customer
NEW: Transportation or dispatch into call-off-stock	X	-	-
NEW: Withdrawal from call-off-stock	X	-	-
NEW: Change of customer	X	-	X

See BMF circular 28.1.2020 III C 5 - S 7427-b/19/10001 :002 DOK 2020/0077618

https://www.bundesfinanzministerium.de/Content/DE/Downloads/BMF_Schreiben/Steuerarten/Umsatzsteuer/2020-01-28-angaben-zu-konsignationslagern-in-der-zusammenfassenden-meldung.pdf

System view

- It might become necessary to implement two different **processes**
 - old process (transfer and later on domestic supply)
 - new process („Simplification“)**in parallel.**
- **Call-off stock register**
 - The content of this register is available in different documents in the system (e.g. goods issue). Some information will be added during the process (tax base amount is usually determined in invoicing).
[A dedicated report is currently being developed.](#)
- **Changes for recapitulative statement**

In the new process when dispatched or transported no VAT will be recognized. However, this triggers a new reporting in EC sales list. At this point no posting in FI is necessary.

As the EC sales list is based on FI postings so far there were two options for implementation:

 - Extend EC sales list by reading logistical data or
 - create additional “artificial” FI postings and keep current architecture (=> SAP solution).

Important SAP notes

Central note: 2842899

FI:

- 2854593 – New EU tax codes for simplified call-off stock process
- 2854506 – FI Customizing + posting scheme
- 2879135, 2854595 – changes in foundation for recapitulative statement (a.k.a. EC sales list)

SD:

- 2835058 - BAdI: Determination of STCEG (VATID) in „plants abroad“ invoice
- 2840779 – SD settings for simplified call-off stock process

Posting scheme (see SAP note 2854506)

Example:

Transport of goods from Germany to call-off stock in France

Line item (BUZEI)	Posting key (BSCHL)	General ledger account (HKONT)	Amount	Tax code (MWSKZ)	Customer (KUNNR)	VAT ID (STCEG)
1	50	XXXXXX	-100	CO, for example	CUST01	FR12345678 (VAT ID of customer for which call-off stock is intended)
2	40	XXXXXX	100			

Return transport of goods from call-off stock in France to Germany (within 12-month term)

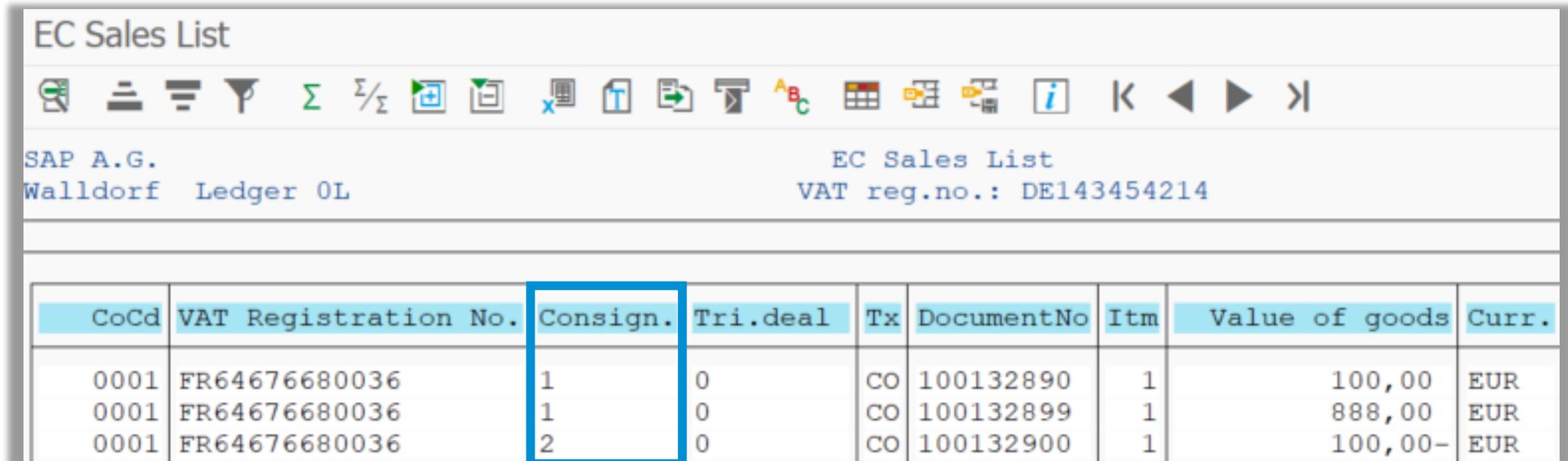
Line item (BUZEI)	Posting key (BSCHL)	General ledger account (HKONT)	Amount	Tax code (MWSKZ)	Customer (KUNNR)	VAT ID (STCEG)
1	40	XXXXXX	100	CO, for example	CUST01	FR12345678 (VAT ID of customer for which call-off stock is intended)
2	50	XXXXXX	-100			

The customer number (KUNNR) is provided here because in some countries, the address of the customer must be specified in the EC sales list.

Reporting: Recapitulative statement

After implementation of SAP notes 2879135 und 2854595 new categories are available in EC sales list (only FI postings which fulfil the scheme described in SAP note 2854506 will be considered).

Please adjust your ALV layouts:



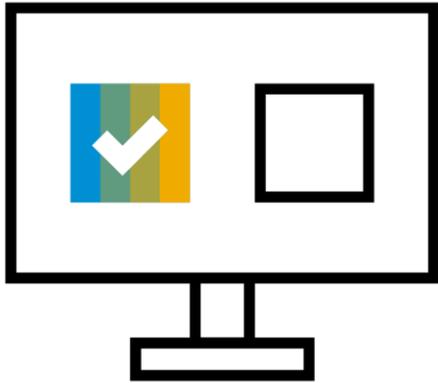
EC Sales List

SAP A.G. Walldorf Ledger 0L

EC Sales List
VAT reg.no.: DE143454214

CoCd	VAT Registration No.	Consign.	Tri.deal	Tx	DocumentNo	Itm	Value of goods	Curr.
0001	FR64676680036	1	0	CO	100132890	1	100,00	EUR
0001	FR64676680036	1	0	CO	100132899	1	888,00	EUR
0001	FR64676680036	2	0	CO	100132900	1	100,00-	EUR

Impact of new call off stock procedure on EU sales listings



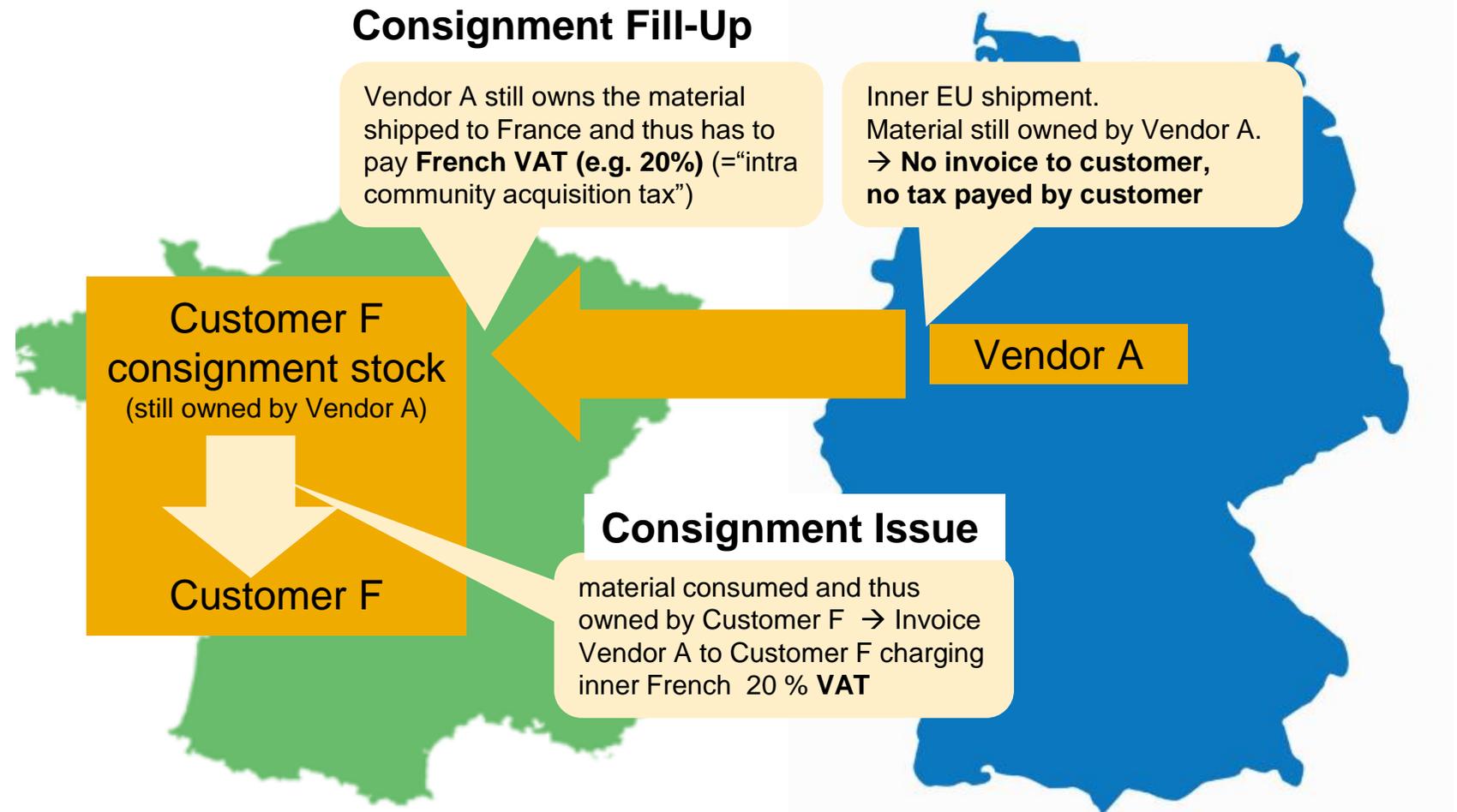
Central Note: **2892298** – EU sales listings - impact of EU VAT Quick Fixes 2020

Regularly updated when new information about local EU sales listings is available

SD part: Inner EU Consignment: old process

Disadvantage:

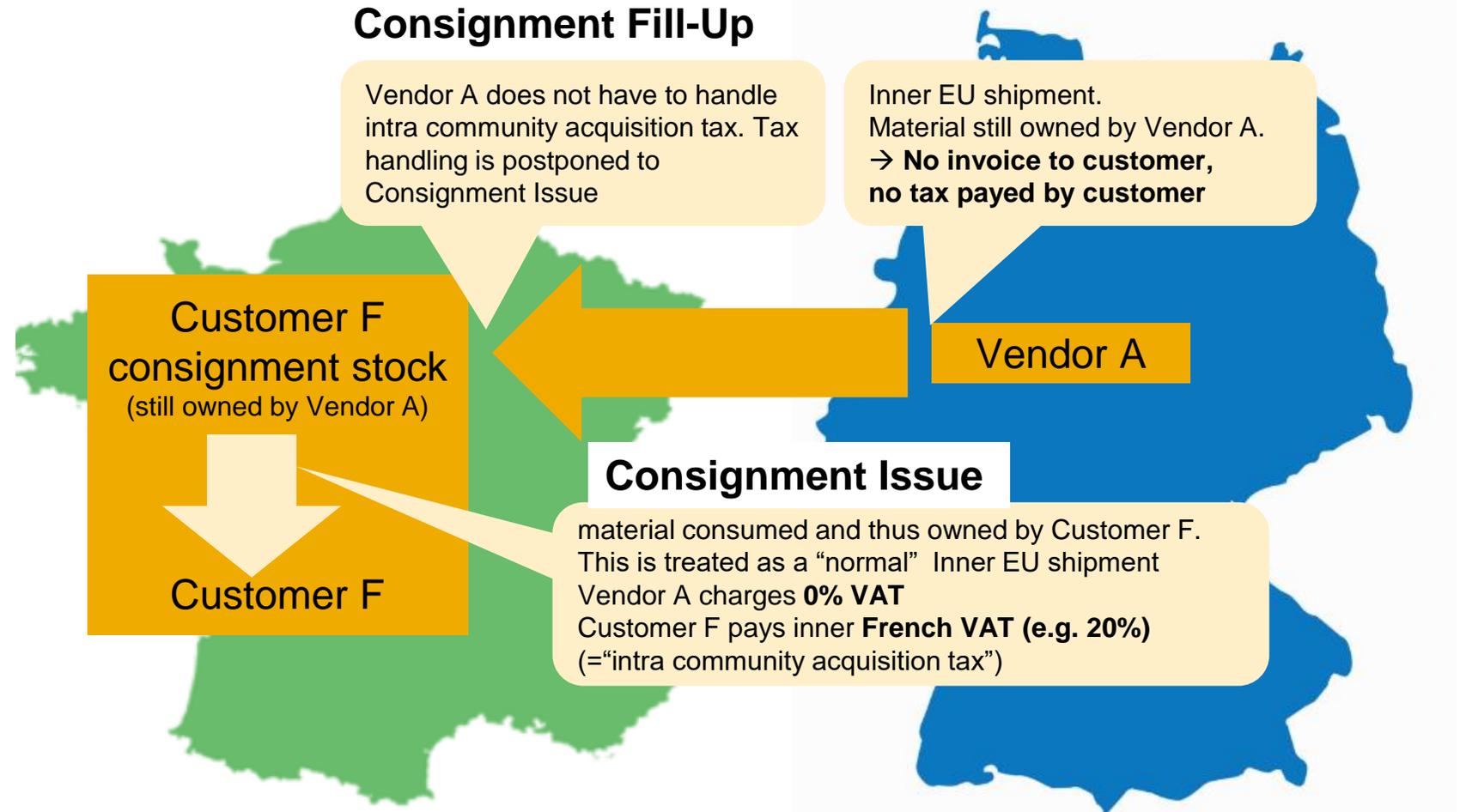
- Vendor A needs to be registered in France for VAT → Problem: administrative overhead for the Vendor
- In case the two countries have different regulations (exemption already in place / not yet in place) the administration process fails → authorities can not monitor the process



SD part: Inner EU Consignment: new process (“EU Quick Fixes”)

Advantage:

- Vendor A does not need to be registered any more in France for VAT
- authorities have an EU wide consistent TAX handling which they can monitor (no country specific exemption process anymore)



SD part

New Consignment Fillup

Document

- Consignment Fill-up 0000037269 / 10
 - Outbound Delivery 0080005044 / 10
 - Picking request 20190913 / 10
 - GI consgmt: lending 4900013590 / 1
 - Plants Abroad 0090015148 / 10
 - Accounting document 0100049349

New Transaction Type: e.g. ZKB

N..	CnTy	Name	Amount	Crcy	p..	U...	Condition value	Curr.
PR00		price	100,00	EUR	1	EA	500,00	EUR
R100		100% discount					500,00-	EUR
WIA4		Output Tax Dep. Ctry	0,000	%			0,00	EUR

CoCd	Item	Key S...	Account	Description	Amount	Curr.	Tx
0001	1	50	194600	Plants abroad	500,00-	EUR	KO
	2	40	194600	Plants abroad	500,00	EUR	

Additional Details for Line Item 001

Reason code

Reference Key 1

Reference Key 2

Reference key 3

EU triang. deal

Reporting cntry

VAT Reg. No. FR12345678901 VAT-ID of customer!

Trading partner

Hard crcy amt 210,00 USD House bank

Payment Ref. 0090015168

KUNNR transferred from SD to FIN is stored in table BSEG

Needed for EC Sales List

New Consignment Issue

Document

- Consignment Issue 0000037211 / 10
 - Outbound Delivery 0080005042 / 10
 - Picking request 20190904 / 10
 - GI iss: cust.consgmt 4900013543 / 1
 - Invoice(GT) 0090015137 / 10
 - Accounting document 9999901782

New Transaction Type: e.g. ZKE

N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.
PR00		price	100,00	EUR	1	EA	100,00	EUR
		Gross	100,00	EUR	1	EA	100,00	EUR
KA00		Customer Accountng	0,000	%			0,00	EUR
		Discount Amount	0,00	EUR	1	EA	0,00	EUR
		Rebate Basis	100,00	EUR	1	EA	100,00	EUR
		Net Value for Item	100,00	EUR	1	EA	100,00	EUR
KF00		Freight	4,00	EUR			4,00	EUR
		Net value 2	104,00	EUR	1	EA	104,00	EUR
		Net Value 3	104,00	EUR	1	EA	104,00	EUR
MWST		Output Tax	0,000	%			0,00	EUR
		Total Amount	104,00	EUR	1	EA	104,00	EUR
SKTO		Cash Discount	2,000-	%			2,08-	EUR
VPRS		Internal price	100,00	EUR	1	EA	100,00	EUR
		fit Margin	4,00	EUR	1	EA	4,00	EUR

CoCd	Item	Key S...	Account	Description	Amount	Curr.	Tx	Cos
0001	1	01	4712	MY_CUST_FR	104,00	EUR	A0	
	2	50	800000	Sales revenues-dom.	100,00-	EUR	A0	
	3	50	281100	Gain-freight diffs	4,00-	EUR	A0	

Delivery

General SAP Note: 2842899

FIN part SAP Note: 2854506

SD part SAP Note: 2840779

→ Including configuration guide attached to note

Thank you.

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