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Reverse charge VAT on mobile phones and integrated circuits

From July 1, 2011 the VAT on B2B sales of mobile phones and integrated circuits is payable by the customer where the consideration is at least €5,000.

https://blogs.pwc.de/de/german-tax-and-legal-news/article/229141/

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As part of the campaign against "missing trader" fraud, the VAT Act has been revised to reverse charge sales of mobile phones and integrated circuits to another business for a consideration of at least €5,000. The VAT Implementation Decree has been amended to match. The concepts of mobile phones and integrated circuits are to be taken literally, that is, similar items, such as navigation instruments, tablet PCs, MP3 players, games consoles or on board units continue to be subject VAT under the standard system. Similarly, the reverse charge on integrated circuits is not to be extended to other electronic components, or to assemblies with integrated circuits, but sold in a form suitable for delivery to an end user (e.g. as a PC). The €5,000 limit refers to the total transaction as agreed at the time; thus a B2B sale of €10,000 is reverse charged even if the actually delivery is split into separately invoiced partial deliveries of each less than €5,000. On the other hand, a repeat order later of less than €5,000 will not be reverse charged, even if the first transaction was for more than that amount. The new rules apply to sales from July 1, 2011, with changeover provisions for transactions straddling that date.

Schlagwörter

B2B, missing trader, mobile phones, reverse charge