

By PwC Deutschland | 28 September 2011

# VAT reverse charge also for boards and cards

**The finance ministry has amended its VAT Implementation Decree in the light of the new reverse charge on wholesale sales of mobile phones and integrated circuits.**

With effect from July 1, 2011 wholesale sales of mobile phones and integrated circuits are subject to reverse charge VAT in a bid to curb „missing trader” and similar fraud involving deliberate non-payment of VAT whilst allowing the (possibly unwitting) customer the chance to recover the amount invoiced. The finance ministry has now revised its VAT Implementation Decree to follow the new statute.

The decree extends the definition of „integrated circuit” to include complete boards and cards (such as sound and graphic cards), but is more restrictive when applying the turnover limit of €5,000. Only deals in excess of this sum fall to reverse charge. Repeat orders are not part of the same deal, even if they informally placed as withdrawals from consignment stocks or call-downs within a framework agreement setting the overall terms of sale. However, if there is doubt as to the final value of the order (e.g. because of an adjustment clause in the agreement), no objection will be taken to reverse-charging the sale, provided both parties agree – and act – accordingly.

### **Keywords**

boards, cards, integrated circuits, mobile phones, reverse charge