

LATEST REPORTS



Umsatzsteuer:

Supplies via consignment stock – The period for transitional arrangements has been extended again

In January 2018, we reported that in its circular from 10.10.2017, the Federal Ministry of Finance (Bundesministerium der Finanzen, BMF) had adopted the recent ruling of the Federal Fiscal Court (*Bundesfinanzhof*, BFH) concerning the VAT treatment of deliveries from abroad via consignment stock in Germany and had amended the VAT Application Decree accordingly (PKF Newsletter 1/2018 p.6). According to this, from a VAT perspective, a direct supply (transport or dispatch deliveries) shall be deemed to have occurred if the customer is already known at the beginning of the transfer operation and if the goods are temporarily stored in a consignment warehouse for just a short period. The BMF circular should generally be applied to all open cases as of 1.1.2018 and was extended by another circular from 14.12.2017 (cf. PKF Newsletter 4/2018 p.2). In its circular from 31.10.2018,

the BMF has now once again extended the transitional arrangements, which were originally presented in its circular from 14.12.2017, for deliveries that were carried out prior to 1.1.2019. According to that, there will be no objections if the hitherto valid regulations are applied to supplies made prior to 1.1.2020.

Please note

Businesses that are affected will now have the opportunity, until 31.12.2019, to clarify the VAT treatment or future contractual arrangements and logistical processing of such supplies.

Statutory Health Insurance Funds-Contribution Relief Law

Equal financing of health insurance

Up to the end of 2018, the general contribution rate for health insurance had to be equally shared between employers and employees while the supplementary contribution, which was set by the individual health insurance companies, was financed by the employees alone. That changed as of 1.1.2019. At the turn of the year, the

members of the statutory health insurance schemes – around 56 million people – obtained significant relief under the Statutory Health Insurance Funds-Contribution Relief Law (*GKV-Versichertenentlastungsgesetz*), from 23.11.2018, because employers now, once again, have to pay half of the total contribution.