



TAX ALERTS POLAND

SLIM VAT – CHANGE IN THE RULES FROM 1 JANUARY 2021 REGARDING DOMESTIC NEGATIVE CREDIT NOTES WITH POLISH VAT OF SALES AND PURCHASE INVOICES – EXAMPLES



SLIM VAT – Change in the rules from 1 January 2021 regarding domestic negative credit notes with Polish VAT of sales and purchase invoices – Examples

Date 19 Mar 2021 / **Category** Tax Alerts Poland

Our Customer Relation department, in cooperation with the Accounting department, has prepared the following explanation of the changes to Polish Slim VAT regulations.

On 1 January 2021, the so-called SLIM VAT (Simple, Local And Modern VAT) came into force, introducing changes with regard to the settlement of negative credit notes. As a result of the amendment to the VAT Act the obligation to acknowledge receipt of negative credit note was abolished, a number of other obligations were introduced.

The new rules apply to domestic negative credit notes with Polish VAT for incoming and outgoing invoices.

From 1 January 2021, the reduction of the taxable base (or the deduction of input VAT under a negative credit notes) may be made in the month in which the credit note was issued, provided that the documentation available to the taxable person shows that:

1. the taxable person has agreed with the buyer of goods or the buyer of services the conditions for the reduction of the taxable amount for the supply of goods or services specified in the credit note;
2. the conditions in point 1 have been met and the invoice is in accordance with the available documentation.

If the taxable person does not have the above documentation in the accounting period in which the credit note was issued, the reduction of the taxable amount is applied to the accounting period in which the documentation was received.

In summary:

The parties (supplier and buyer) can sign an agreement that they will settle negative credit notes according to the old rules in 2021. Such an agreement must be signed by both parties before the first credit note is issued to the buyer in 2021.

If no agreement is signed, the buyer and the supplier will settle the negative credit notes (reduction of tax base) in accordance with the new rules in force from 01.01.2021.

Example 1: The parties mutually agree to adjust the invoice

1. in January 2021, the parties have agreed on the basis of an agreement between the parties, email correspondence or other written form that there will be a return of goods, a price change, a discount, etc.;
2. a negative credit note was issued in February 2021;
3. VAT settlement based on the credit note will be in January 2021, no further confirmation from the buyer is required.

Caution: Please issue the negative credit note as soon as agreed with the buyer, preferably in the same month. Please attach a copy of the correspondence with the buyer to all your negative credit notes and send this set of documents to our office (it can be via email).

If it turns out that the correspondence shows that the arrangements for the negative credit note are from January and the negative credit note was issued after the JPK file for 01.2021 was sent, then these JPK files need to be corrected and a self-complaint sent to the tax authority stating the reasons for issuing the credit note. I would like to remind you that these are also negative credit notes that you receive from your buyers.

Example 2: No agreement between the parties to adjust the invoice

1. missing arrangements with the buyer, e.g. the supplier noticed an incorrect price and issued a negative credit note, but no correspondence was entered into with the buyer about it;
2. confirmation from the buyer in a specific form is required, i.e. the negative credit note must contain the buyer's notification: **"We confirm that the invoice is in accordance with the agreements and that the delivery conditions have been complied with"**, as well as the date and the buyer's signature. Such confirmation can be made by e-mail.

It is possible that your customers apply the old and new rules. Therefore, please send us your agreements with buyers as well as [negative credit notes for outgoing and incoming invoices](#) with attached correspondence with the buyer (if any).

If you have any further questions or require additional information, please contact your business relationship person or use the enquiry form on the [getsix®](#) website.

[CONTACT US »](#)

*This circular is non-binding information and serves for general information purposes. The information provided does not constitute legal, tax or management advice and does not replace individual advice. Despite careful processing, all information in this circular is provided without any guarantee for the accuracy, up-to-date nature or completeness of the information. The information in this circular is not suitable as the sole basis for action and cannot replace actual advice in individual cases. The liability of the authors or **getsix®** are excluded. We kindly ask you to contact us directly for a binding consultation if required. The content of this circular is the intellectual property of **getsix®** or its partner companies and is protected by copyright. Users of this information may download, print and copy the contents of the circular exclusively for their own purposes.*