

Poland plans to replace VAT returns with new SAF-T in 2019

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The requirement to file a monthly SAF-T, i.e., Standard Audit File for Value Added Tax (VAT) (pl. *Jednolity Plik Kontrolny*) was implemented in Poland as of 1 July 2016 for large companies and since 2018 for all entrepreneurs. Therefore, all taxpayers registered for VAT in Poland are obliged to submit monthly SAF-T and simultaneously monthly (or quarterly for some entities) VAT returns.

The main difference between both files is that SAF-T presents all data of the concluded transactions (e.g., VAT number of the contractor, VAT amount) that are required to correctly prepare the VAT settlement of the given transaction (so it is essentially an e-VAT register) whereas VAT returns present the total sums of values of each kind of transactions as well as the sum of VAT to be paid, refunded or carried forward to the next month.

However, based on information announced by the Polish Ministry of Finance, VAT-registered taxpayers will no longer have to file VAT returns and SAF-T at the same time, **but will submit only one file JPK_VDEK** i.e., the new scheme of monthly SAF-T filings for VAT. The idea of the Ministry is to eliminate the obligation to submit a VAT return as the new file will contain all information that is currently presented in the VAT return, including:

- ▶ Summary of the amount of VAT payable to the tax office
- ▶ Amount of VAT to be refunded
- ▶ VAT to be carried forward to subsequent periods

New schedule expected to be introduced in 2019

The idea of eliminating the obligation to file VAT returns was announced during the Deputy Minister of Finance's speech in the Parliament in December 2017. However, since that speech it is still not known when the VAT returns filing obligation will be dropped. It is also not known whether JPK_VDEK will replace the existing VAT returns and the current SAF-T file i.e., JPK_VAT at the same time or whether the elimination of VAT returns will be applied later. Based on the information published in several press releases, including in the last interview with Polish Minister of Finance Teresa Czerwińska, JPK_VDEK is expected to replace VAT returns and the current JPK_VAT, no later than **by the end of 2019**.

As for now, the wording of a draft bill is at the stage of internal consultation at the Ministry of Finance. The Ministry has also announced that together with the relevant bill, the authorities will also publish **the relevant regulation indicating the method of the correct submission of the new file and the schedule needed for IT purposes**.

Taxpayers subject to changes in the SAF-T and elimination of VAT returns will need to consider:

- ▶ Adaptation of the applied **data systems** to correctly transfer and summarize data to the appropriate scheme (file)
- ▶ Proper **training** for people internally responsible for preparation of the VAT compliance
- ▶ Determination of the scope of the **outsourced VAT compliance**

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