

**AMENDMENTS TO THE CIVA (VALUE-ADDED TAX CODE) WITHIN THE PROPOSAL
OF THE STATE BUDGET FOR 2012**

Subject	Amended law	Present regime	Proposal of new rule for 2012
Copyright - exclusion of exemption	9.º, n.º16, of the VAT Code (CIVA)	The transfer of copyright and permission for use of intellectual work, as defined in the Copyright Code are exempt from VAT when made by the authors themselves, their heirs or legatees.	Abolishes the VAT exemption in the transmission of copyright and permission for use of intellectual work, defined in the Copyright Code whenever the author is a legal person.
VAT taxable value on internal operations - special relationship entities	16.º, of CIVA	The taxable value of supplies of goods and services subject to VAT is the value of the consideration obtained or to be obtained from the purchaser, consignee or a third party.	Internal operations between related entities (as defined in article 63(4) of the Corporate Income Tax Code), the taxable amount is the normal value of the same, unless it is shown that the difference between the normal value and the consideration is not due to the existence of a special relationship between the taxpayer and the recipient of the goods or services. For this purpose, the relationship between an employer and an employee, family, or any closely connected person shall also be considered as a special relationship, except in the situations listed in article 63(4) of the Corporate Income Tax Code. There is no definition as to what a "closely connected person" is.
VAT reporting obligations for micro-entities	29.º, n.º 18, of CIVA	Mandatory reporting in general terms by micro-entities.	Exemption from reporting obligation of the accounting and tax information by the taxpayers for which the micro-entities accounting standard regime is applicable.
VAT reporting obligations - exempted taxpayer	58.º, n.º 1, of CIVA	Exempted taxpayers under article 53 are required to comply with the reporting obligations relating to the start, change and termination of the activity.	Taxpayers exempted under article 53 will now be required to submit a summary statement regarding the provision of services to taxable persons who have either their headquarters, a permanent establishment, or, failing that, the home for which the services are provided, in another Member State of the EU, when such transactions are not taxed in the country, in addition to other reporting obligations (start, change and termination of the activity).
VAT official computation imposed by the central services - minimum amounts	88.º, n.º 1, of CIVA	In case of failure to file the return by the taxpayer, the Tax Authorities (DGCI) do a VAT administrative assessment, based on the available information.	The VAT administrative assessment made by the DGCI in case of failure to file the periodic statement is now subject to minimum amounts: a) for taxpayers with a turnover of less than EUR 650,000.00 for the previous calendar year (monthly scheme), the minimum is 6 times the minimum wage, ie EUR 2,910.00, and b) for taxpayers with a turnover of less than EUR 650,000.00 for the previous calendar year (quarterly scheme), the minimum is 3 times the minimum wage, ie EUR 1455.00.
Goods and services subject to a reduced rate that will be subject to the normal rate (23%)	List I annex to CIVA		1) Milk-based beverages or deserts; 2) Soy deserts; 3) Waters with added substances; 4) Fresh peeled potatoes, whole or sliced, pre-fried, refrigerated, frozen, dry or dehydrated, even mashed, cooked or fried; 5) Soft drinks, Fruit syrups, juice concentrate drinks and juice concentrate products; 6) Shows, performances and sporting events as well as other public entertainment events; 7) natural raffia.
Goods and services subject to a reduced rate that will be subject to the intermediate rate (13%)	List II annex to CIVA		1) Spring, mineral, medicinal and table water, aerated waters or containing carbon dioxide.

(continues on page 2)



AMENDMENTS TO THE CIVA (VALUE-ADDED TAX CODE) WITHIN THE PROPOSAL OF THE STATE BUDGET FOR 2012

Subject	Amended law	Present regime	Proposal of new rule for 2012
Goods and services subject to an intermediate rate that will be subject to the normal rate (23%)	List II annex to CIVA		1) Fruits and dried fruits; 2) Cans of fruits or dried fruits, namely in sauces, brine or syrup and their jams, gel, marmalade or pastes; 3) Fruits or dried fruits, with or without their peel or shell; 4) Vegetables; 5) Cans of vegetables, namely in sauces, vinegar, brine and their jams; 6) Edible oils and fats; 7) Directly edible oils and their mixes (cooking oils); 8) Margarines of animal or vegetable origin; 9) Green coffee, or raw, roasted, in grain or grinded, its substitutes and mixes; 10) Snacks made of vegetable or seed products; 11) Products prepared with a meat base, a fish base, or a vegetable base, stuffed dough, pizzas, sandwiches and soups, whether they are presented in a frozen or pre-frozen state, as well as ready for consumption meals, under the ready for consumption and take away or home delivery regime; 12) Snacks based on extruded corn or wheat, based on b) capture and draw from other alternative forms of energy; c) produce energy by way or incineration or transformation of garbage, waste and other residues; d) prospect and search for petroleum and/or development of the petroleum and natural gas discovery; measure and control to avoid or reduce various forms or pollution; 15) Provision of food and beverage services.
VAT on sales to national exporters	Decree-Law No. 198/90, June 19		Simplification of the application of the conditions for obtaining the VAT exemption on sales to national exporters of goods.
Summary statement in intra-Community transactions	Article 30 of the VAT system for IntraCommunity Transactions (RITI).	Reporting obligation of the summary statement from taxpayers from the moment the amount of such transactions exceeds EUR 100,000.00 for taxable persons carrying out intra-Community transactions.	The reporting obligation of the summary statement of taxable persons who carry out intra-Community operations shall take place from the moment the amount of such transactions exceeds EUR 50,000.00.
VAT in the transmission of gaseous fuels	Law No. 9/86, April 30	VAT special taxation regime in the transmission of gaseous fuels.	The transmissions of gaseous fuels are now subject to the general system of VAT.
Charity Institutions (IPSS and Santa Casa da Misericórdia) - restitution of paid VAT	N/A		Replacement, in force during 2012, of the possibility for the Charity Institutions (IPSS and the Santa Casa da Misericórdia) to obtain restitution in an amount equivalent to 50% of the VAT paid on goods and services related to the construction, maintenance and upkeep of buildings used wholly or mainly in the pursuit of their statutory purposes.

LISBON * | HEAD OFFICE

Av. das Forças Armadas, 125 - 12º
1600-079 Lisboa, Portugal
Tel.: (+351) 21 723 1800
Fax.: (+351) 21 7231899
E-mail: lisboa@abreuadvogados.com

OPORTO *

Rua S. João de Brito, 605 E - 4º
4100-455 Porto
Tel.: (+351) 22 605 64 00
Fax.: (+351) 22 600 18 16
E-mail: porto@abreuadvogados.com

MADEIRA *

Rua Dr. Brito da Câmara, 20
9000-039 Funchal
Tel.: (+351) 291 209 900
Fax.: (+351) 291 209 920
E-mail: madeira@abreuadvogados.com

**LISBON
OPORTO
MADEIRA
ANGOLA (IN ASSOCIATION)
MOZAMBIQUE (IN ASSOCIATION)**

