

Remark | VAT, Customs and Excise Duties

Time limit for applying for registration and/or exercising certain options for VAT purposes

12th November 2020

The purpose of this note is to recall that, **during November 2020, certain benefits and obligations may be claimed for VAT purposes**, with effect from 1st January 2021.

Regarding the **refund scheme for input and non-deducted VAT**, as a rule, taxable persons may request a refund of input and non-deducted VAT in the statement-settlement for the last settlement period. However, to avoid the financial cost, certain taxable persons meeting certain requirements may apply for a refund on a monthly basis through the so-called Monthly Refund Register (**REDEME**). These requirements are as follows:

- Request registration in the register within the deadline by submitting the corresponding census declaration.
- Not to carry out activities that are subject to the simplified regime.
- Be up to date with your tax obligations.
- Not be in any of the cases that could lead to the precautionary cancellation of the Monthly Refund Register or the revocation of the tax identification number.
- Not having been excluded from the Register in the 3 years prior to the presentation of the application for registration.
- In the case of entities included in the special regime of the group of entities, registration in the Register will only proceed when all the entities of the group that apply this special regime have so agreed and meet the requirements stipulated by the regulations for this purpose.

With regard to the **application for deferred VAT**, from 1st January 2015 the VAT legislation provides for the possibility of applying a new scheme for settling VAT on imports which, in practice, means that these payments are settled by means of their inclusion in the periodic declaration-settlement, so that, as a result of the compensation mechanism, this settlement scheme will not involve any cash outflow.

This settlement scheme avoids the financial cost of paying VAT on imports in advance using form 031 and is only applicable to those taxable persons who are obliged to submit monthly VAT returns, either as a result of their volume of transactions or because they are members of REDEME, prior to and/or at the same time as exercising this option.

In order to benefit from the import VAT deferral system, the applicable regulations require that VAT taxpayers be subject to a monthly declaration period, and they must apply for this settlement scheme



during the month of November of the current year through the presentation of the corresponding census declaration.

It should be noted that, **as a consequence of the exercise of both options, taxpayers will be obliged to supply the VAT record books through the Immediate Information System (SII)** as they are obliged to submit returns-settlements on a monthly basis.

Finally, we want to remind you that during this month of November 2020, those VAT taxpayers who are not obliged to keep VAT registration books through the SII may **exercise their voluntary acceptance with effect from January 1st 2021** through of the presentation of the corresponding census statement as well as **to inform of the option and / or waiver of the invoice issuance by the recipient or by a third party** in accordance with the terms established in article 5.1 of the Spanish Billing Regulations.

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