

VAT Books -New “Immediate Supply of Information” system foreseen to come into force in 2017

1 October 2015

In accordance with the **draft Royal Decree** which modifies, among others, the VAT Regulations in order to introduce the new system "Immediate Supply of Information-SII", which in principle will come into force in 2017, certain taxpayers will have to provide electronically to the Tax Authorities the data information about the invoices they issue and receive within a very tight timeframe.

VAT Books -New
“Immediate
Supply of
Information”
system to come
into force in 2017

What is this new system about?

- Under this system, a new procedure of supply of electronic information related to the VAT Books is implemented, by means of which the data concerning the transactions carried out by the taxpayers will be almost immediately made available to the Tax Authorities.

Who has to fulfill this obligation?

- It will be compulsory for large size entities, entities belonging to a VAT group and taxpayers registered in the VAT Monthly Refund Special Regime (REDEME), i.e. all taxpayers which file monthly VAT Returns.
- It will be voluntary for any other taxpayer who exercises this option through a census form, in the month of November prior to the calendar year in which the taxpayer wants to apply this regime.

Which information will have to be provided?

- The information corresponding to the VAT Books of Received and Issued Invoices, along with certain additional information which at present is not included in such books, as, for example, the description of the transactions, the VAT period to which the invoice corresponds or specific data relevant for VAT purposes (application of exemptions, reverse charge mechanism, etc.).
- Where appropriate, also the information corresponding to the Books of investment goods and the Books of certain intra-Community transactions, taking into account certain specialities.
- The method to rectify prior registry entries is also foreseen in this system.

When must the information be provided?

- In general terms, the information about the invoices issued and received will have to be supplied within four days (excluding Saturdays, Sundays and national holidays) as of the moment the invoice is issued/received, or its accounting record takes place.
- In cases of third-party billing or customer self-billing, the deadline is extended to eight days (excluding Saturdays, Sundays and national holidays).
- Furthermore, this project also includes certain distinctive features in connection with some transactions such as exports and imports, or data relating to the books of investment goods.

What other consequences does this system have on the taxpayers?

- The formal obligations are simplified, since these taxpayers will not have to file the annual summary of operations carried out with third parties (347 form) nor the monthly

informative return for those in the special refund regime (340 form).

- The deadline for filing the VAT returns will be extended from the 20th until the 30th of each month (or the last day of February).
- The Tax Authorities will provide to these taxpayers all the information gathered through this system, thus providing a tool in order to help them to prepare their VAT returns.

At this point in time this is a mere **draft Royal Decree**, which has **not yet been approved**, and therefore it will be necessary to wait for the final version, which can include modifications with regards to this draft. We will keep you informed about the definitive content of the final Royal Decree.

In any case, it emphasizes the great importance of a **correct data management** by taxpayers, specially considering the large volume of information that will have to be supplied within very tight deadlines.

For any question that may arise in this regard, please do not hesitate to contact the Indirect Tax Practice of KPMG Abogados, S.L. (Data Analytics Section).

Natalia Pastor Caballero

Partner

Madrid

Tel. +34 91 456 34 92

npastor@kpmg.es

Javier Sánchez Gallardo

Partner

Madrid

Tel. +34 91 451 31 89

jsanchezg@kpmg.es

Maite Vilardebó Abella

Director

Barcelona

Tel. +34 93 253 29 62

mvilardebo@kpmg.es

If you do not wish to continue receiving information from KPMG, please reply to this message including "unsubscribe" in the subject.

KPMG Abogados S.L., Paseo de la Castellana, 95, 28046 Madrid

© 2015 KPMG Abogados S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The information contained herein [or insert the name of the publication, newsletter, or other mailing] is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

In light of your relationship with certain professionals of KPMG Asesores S.L., KPMG Abogados S.L., KPMG Auditores S.L. and/or KPMG S.A. (hereinafter "KPMG") we are pleased to provide you with certain information regarding the processing of your personal data ("data"), in compliance with Organic Law 15/1999 of 13 December 1999 on Personal Data Protection ("LOPD") and its implementing regulations, as well as Law 34/2002 of 11 July 2002 on Information Society Services and Electronic Commerce ("LSSI").

1. Data collection and end purpose

The data that you have provided or that we may obtain in the future will be included in data processing files owned by KPMG, with registered office at Paseo de la Castellana, 95, 28046 Madrid, to maintain, further or control our professional relations.

2. Other data processing purposes and communication to third parties

Additionally, unless you have advised us otherwise as indicated in section 4 below within 40 days from the date of issuing this communication, the data will be processed: (i) to send commercial information and communications on KPMG's services, activities, publications, social and professional meetings and events, as well as greetings, by any means, including email and other equivalent electronic communications; and (ii) for communication to other Spanish firms affiliated with KPMG International (KPMG in Spain) and other firms affiliated with KPMG International (hereinafter "KPMGI"), so that those firms may send you, by any means, including email or other equivalent means of electronic communication, commercial information and communications on their services, activities, publications, social and professional meetings and events, as well as greetings.

The KPMGI firms are located in Spain and abroad (in EU member states, as well as third countries that might not offer data protection comparable to that in Spain). These entities are listed on the following website, where you can obtain more detailed information thereon: www.kpmg.es

3. Personal data retention

Your data will be stored in our files for the duration of our professional relationship and for the legal or contractual periods stipulated for the exercise of any action by you or KPMG. In any case, upon termination of our relationship your data will be duly blocked, as set forth in the LOPD.

Notwithstanding the foregoing, after our relationship has ended we may continue to use your data for commercial purposes, strictly according to the terms and conditions indicated in the above section, until such time as you may revoke your consent, if this were the case.

4. Exercising your rights

In relation to any of the firms of KPMG in Spain, to exercise: (i) rights of access, rectification and erasure of the data, (ii) the right to object to any of the data processing indicated in sections 1 and 2 above, and (iii) the right to revoke any of the consents granted; you may contact the Office of General Counsel of KPMG, at Paseo de la Castellana, 95, 28046 Madrid by post or by sending an email to the following address: derechosarco@kpmg.es indicating in both cases your name and surname(s) and specifying the right you wish to exercise.

Should you wish to object to the data processing requested in sections 1 and 2 above, please send an email to derechosarco@kpmg.es, indicating:

- i) Your name and surname(s) and the text "I DO NOT CONSENT to the processing of my personal data for any purpose".
- ii) Your name and surname(s) and the text "I DO NOT CONSENT to the processing of my personal data for the sending of commercial information and communications, by any means, on services, activities, publications, social and professional events of KPMG".
- iii) Your name and surname(s) and the text "I DO NOT CONSENT to the processing of my personal data for the benefit of KPMGI firms for the purposes communicated".

Finally, we are pleased to inform you that there is a Data Protection Working Group in KPMG, which you may freely contact regarding any doubts, consultations or suggestions that might arise in relation to the processing of your data, via the following address, indicating your name and surname(s): derechosarco@kpmg.es.