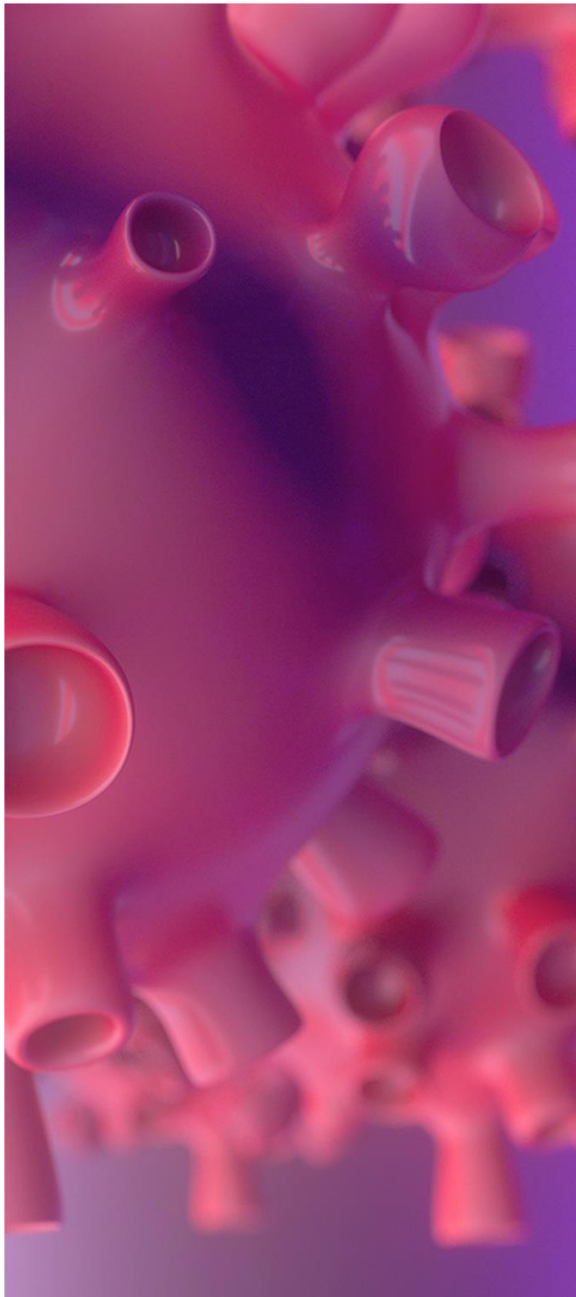

COVID-19 (No. 37)

Legal Flash | Portugal

December 4, 2020



- > **Deadline extension under DAC 6:
Order 444/2020-XXII-SEAF of
November 19**
- > **Extension of VAT exemption on
goods needed to combat COVID-19:
Order 450/2020-XXII of November
27**
- > **Certification of bad debts by a
chartered accountant (ROC) or an
independent certified accountant:
Order 452/2020-XXII of November
27**



Deadline extension under DAC 6: Order 444/2020-XXII-SEAF of November 19

Order 444/2020-XXII-SEAF of November 19 was recently published following the measures the government approved in response to the epidemiological situation caused by COVID-19. Under this order, the deadline was extended for agents to notify taxpayers about their obligation to communicate crossborder mechanisms that were first implemented between June 25, 2018, and June 30, 2020. These mechanisms must now be communicated by January 15, 2021.

Taxpayers must make the communication in question within 30 days of notification. If they fail to do so, the agent must comply with the communication obligation by February 28, 2021.

Extension of VAT exemption on transfers of goods needed to combat COVID-19

The current version of Act 13/2020, of May 7, provides for the complete exemption from VAT on intra-Community transfers and acquisitions of goods needed to combat COVID-19 that took place within Portugal from January 30, 2020, to October 31, 2020.

The State Budget proposal for 2021, which was recently given the green light by Parliament, provides for the extension of that exemption until April 30, 2021.

Order 450/2020-XXII, of November 27, was published following this approval. It allows the exemption to be applied to transactions executed between October 31, 2020, and April 30, 2021, with immediate effect, and it states that all invoices for these transactions that have been issued with VAT paid (during November) can be corrected and the respective tax adjusted.



Certification of bad debts by a chartered accountant (ROC) or an independent certified accountant

The State Budget for 2020 stated that both chartered accountants and independent certified accountants can submit underlying evidence for adjusting VAT on bad debts, provided the adjustment does not exceed €10,000 per tax return.

The State Budget proposal for 2021, which was recently given the green light by Parliament, states that this limit should be applied to each prior authorization request (and not to each tax return).

Order 452/2020-XXII, of November 27, was published following this approval. It allows both chartered accountants and independent certified accountants to certify bad debts with immediate effect when the tax adjustments do not exceed € 10,000 per request for prior authorization (and not per tax return).



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Cuatrecasas has set up a Coronavirus Task Force, a multidisciplinary team that constantly analyses the situation emerging from the COVID-19 pandemic. For additional information, please contact our Task Force by email TFcoronavirusPT@cuatrecasas.com or through your usual contact at Cuatrecasas. You can read our publications or attend our webinars on our [website](#).

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