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TAX NEWSLETTER
FOR
FRENCH INDUSTRIAL
& COMMERCIAL CHAMBER
(CCIFP)

TURNOVER RECORDS ON CASH REGISTERS AFTER 1 OCTOBER 2013

Dear Sirs,

The new Ordinance on cash registers issued by the Ministry of Finance came into force on the 1st of April 2013.¹ (hereinafter: the Ordinance). Changes resulting from the Ordinance should be implemented by the taxpayers using cash registers until 30 September at the latest. Taxpayers have now only three months left for adaptation of current systems of registering turnover in cash registers.

The aim of our Newsletter is to present the most important changes introduced by the Ordinance in the user friendly form. We are aware of the fact that the limited formula of our bulletin does not allow us for presentation of all important issues related with the registration of turnover in cash registers under the new rules. Therefore, if you have any questions with respect to the content of this Newsletter feel free to contact ASB Tax Team directly.

Best regards,

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¹ The Ministry of Finance Ordinance on cash registers dated 14 March 2013.

CHANGES TO THE CASH REGISTER'S RECEIPT CONTENT

THE DESCRIPTION "CASH REGISTER'S RECEIPT" (PARAGON FISKALNY)

The new Regulation imposes on the taxpayers the obligation of including in the content of cash register's receipt the description "paragon fiskalny" (which means "cash register's receipt"). Therefore taxpayers are obliged to modify cash register's systems so that to include this information in the printouts of cash register's receipt handed to the client from 1 October 2013. (notwithstanding the interim provisions, see page 6).

THE DESCRIPTION OF GOODS OR SERVICES ALLOWING FOR THEIR "UNAMBIGUOUS IDENTIFICATION"

After the 1st of October 2013 taxpayers will be obliged to include in the cash register's receipt the description of goods or services allowing for their "unambiguous identification". The legislator did not indicate how detailed this description should be to satisfy this requirement. In reply to numerous taxpayers' questions, the Ministry of Finance issued the announcement in which he explained that:

- It is obligatory to specify the kind of goods or services for items covered by different price or tax rate;
- The simplifications in the description of goods or services are allowed when the given non - specified group of goods is covered by the same price and tax rate. The taxpayers who sell similar items, taxed with the same VAT rate but subject to different prices cannot apply any simplification in the description of goods –these items should be distinguished in the cash register's receipt by the relevant descriptions.
- The taxpayers may apply the regulation concerning the description of goods (services) allowing for their unambiguous verification accordingly to the cash registers technical capabilities, e.g.: when the stock of goods of a given taxpayer is bigger than the number of items available in the good's base of used cash register, he may adjust applied descriptions to the number of accessible items available in this base.
- Under the interim provisions the taxpayers who holds relevant decisions issued by the Ministry of Finance or the confirmations issued by the President of the Central Office of Measures on admission to trading of used cash registers may apply previously used system of goods' description even though it does not satisfy the requirement of unambiguous identification. This preference is allowed provided that the previously used system of goods' description does not result in decrease of turnover and as a consequence to the decrease of output VAT.

VALUE OF REBATES

The cash register's receipts issued after 30 September 2013 should include additionally the discount granted at the moment of sale. As regards the discounts granted after the moment of sale the new cash register's regulations does not specify any new requirements. Bearing in mind the previous practice in this field such discounts should be included in the register of corrections.

FISCAL IDENTIFICATION NUMBER (NIP) ON THE CASH RECEIPT UPON CLIENT'S REQUEST

Pursuant to the regulations of the Ordinance the taxpayers are obliged to include in the cash register's receipt the Fiscal Identification Number (NIP) of the purchaser. Such cash register's receipt should constitute, in accordance with the Ordinance related to invoicing², the simplified invoice.

REGISTER OF RETURNS OF GOODS AND CLIENT'S COMPLAINTS

The Ordinance indicates directly that the taxpayers are obliged to keep records of confirmed client's complaints and return of goods which should contain the following data:

- the date of sale;
- the name of goods/service allowing for its unambiguous verification and additionally: the description of good or service developing its name;
- the date of return of good/service or client's complaint related to the good/service;
- in case of return of total price to the client - the gross amount of returned good or the gross value of good/service subject to the client's complaint along with the output VAT;
- in case of partly price return - the gross value of returned amount along with the output VAT;
- the document confirming the sale (i.e. cash register's receipt);

² The Ministry of Finance Ordinance on the tax return to the certain categories of taxpayers, issuing invoices, the way of storing them and the list of goods and services to which VAT exemptions are not applied dated 28 March 2011.

- the protocol of acceptance of goods return or client's complaint signed by the seller and the client.

THE RECORDS OF OBVIOUS ERRORS

The Ordinance obliges the taxpayers to keep records of obvious errors: Such records should contain the following data:

- incorrectly registered amount of sale (gross amount and output VAT);
- short description of the reason and the circumstances of committing an error;
- original of the incorrect cash register's receipt .

The records for purposes of documenting obvious errors may be kept together with the records of confirmed client's complaints and return of goods.

DAILY REPORTS

The Ordinance provides that the taxpayers who settle more than one transaction at the same time should close all operations on cash register opened within the 24 hours before preparing daily report.

Additionally the scope of obligatory data which should be included in the daily reports was extended. In particular the following changes introduced into the goods' base should be included in the daily report:

- The description in Polish: "WYKONANO ZMIANY W BAZIE TOWAROWEJ" which exactly means "the changes to the goods' base were made";
- Total number of introduced changes and its specification with respect to the kind of added/ removed good and its VAT rate.

THE DEADLINE FOR PREPARATION OF MONTHLY REPORT

The Ordinance extends the deadline for preparation of monthly report until the 25th day of the month following the month of sale.

INTERIM PROVISIONS

The Ordinance provides certain interim provisions allowing taxpayers for adaptation to the new requirements previously used cash register systems. The interim provisions also extend the validity of previously received decisions and confirmations regarding admission of cash registers to trading.

The most important regulation provides for 6-month interim period for the adaptation of cash register's systems to the new regulations: until 30 September 2013 taxpayers may keep records in accordance with the regulations binding at 31 March 2013.

Moreover, the taxpayers using cash registers which were acquired:

- during the validity of the decision of Ministry of Finance issued before 1 December 2008;
- during the validity of the confirmation issued by the President of the Central Office of Measures issued after 1 September 2008;

- may still use them for purposes of keeping records after 30 September 2013 provided that these cash registers guarantee the correctness of taxpayer's settlements, i.e. guarantee registering the total turnover subject to VAT taxation.

The taxpayers using cash registers without technical capabilities allowing the printout of the cash register receipt with the new data may apply regulations of the Ordinance accordingly. In accordance with the explanations of the Ministry of Finance such taxpayers should keep less detailed records of goods' identification (i.e. the identification should be adapted to the technical capabilities of the cash register). For example, in case when the stock of goods is higher than the number of available positions in the cash register's good's base the taxpayer should adapt the names of goods to the number of available positions in the cash register.

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