



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
Value added tax

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VAT IN THE EUROPEAN COMMUNITY

**VADEMECUM FOR THE ELECTRONIC
REFUND PROCEDURE TO TAXABLE
PERSONS NOT ESTABLISHED IN THE
MEMBER STATE OF REFUND BUT
ESTABLISHED IN ANOTHER MEMBER
STATE (COUNCIL DIRECTIVE 2008/9/EC)**

NOTE

**THIS DOCUMENT COLLATES A RANGE OF
BASIC INFORMATION ON THE
APPLICATION OF THE REFUND
ARRANGEMENTS IN THE MEMBER
STATES WHICH HAS BEEN OBTAINED
FROM THE TAX AUTHORITIES
CONCERNED.**

**THIS DOES NOT REFLECT THE VIEWS OF
THE COMMISSION OF THE EUROPEAN
UNION, NOR DOES IT SIGNIFY APPROVAL
OF THE LEGISLATION.**

LITHUANIA

VADEMECUM FOR THE ELECTRONIC REFUND PROCEDURE TO TAXABLE PERSONS NOT ESTABLISHED IN THE MEMBER STATE OF REFUND BUT ESTABLISHED IN ANOTHER MEMBER STATE

General

1. Where could a non-established taxable person (NETP) find information on your laws and guidelines?

The information can be found on the website of the State Tax Inspectorate: www.vmi.lt.

2. Eligibility for a refund

To be eligible for a refund the applicant must be a taxable person established in the EU making taxable supplies in his own Member State (the Member State of Establishment). He must have incurred VAT on expenses in a Member State in which he has no establishment (the Member State of Refund), and he must have made no supplies within that Member State other than reverse charge supplies, or certain exempt transport services, or supplies under the special scheme for non-established taxable person supplying telecommunications services, broadcasting services or electronic services to non-taxable persons during the refund period.

3. What can be refunded?

VAT relating to business activities carried out outside the Member State of Refund if those activities would be subject to tax or exempt with a right to deduct in the Member State of Refund if they had been made there, and VAT relating to supplies on which the reverse charge is applicable in the Member State of Refund.

4. What cannot be refunded?

VAT incurred on expenses which relates directly to activities which are exempt without the right to deduct.

VAT incurred on expenses on which there are restrictions on the right to deduct in the Member State of Refund.

There is no right of deduction or VAT can be deducted only partially for the following:

- *Input and/or import VAT on goods and services intended for entertainment and representation, if the legislation governing the taxation of profit/income does not allow the acquisition costs to be subtracted from the income received when calculating the taxable profit/income.*
- *Input or import VAT on a passenger car designed to transport no more than eight people (excluding the driver) or a passenger car classified as an off-road vehicle, provided that the car is not to be supplied or leased or used as a taxi. The same limitations apply to the deduction of input VAT on the leasing of cars of the specified categories. These limitations are not applicable only where motor vehicles of the specified categories are designated as special purpose vehicles in accordance with the legislation governing the classification and coding of vehicles.*

- *Input VAT on passenger transport services using vehicles of the categories specified above, unless the VAT payer is as an undisclosed agent in the provision of such passenger transport service.*
- *Input and/or import VAT paid on behalf of another person.*
- *No input VAT is deducted for goods and services where the seller is using the margin scheme. This applies to tourist services, second-hand goods, collectibles and antiques.*
- *Other specific cases.*

5. Proportional deduction

Where the taxable person is only able to deduct a proportion of his input tax because he makes taxable and exempt supplies, that person can only have the amount refunded according to the rules on proportional deduction in his Member State.

Procedures in the Member State of Establishment

6. What is the application procedure?

Here is the basic information:

- *The portal can be reached at <https://epris.vmi.lt/epris/> ;*
- *In order to be able to submit requests to refund VAT paid in other EU member states Lithuanian VAT payers have to register as users of the portal. If Lithuanian VAT payers do wish to use an agent the agent should become the registered user of the portal also;*
- *In order to become the user of the portal it is necessary to submit the request. The request can be submitted electronically via My STI. The form is available only in Lithuanian;*
- *If an agent is trying to register as user of the portal he has submit the power of attorney issued by his client together with registration request;*
- *There are no specific requirements for the power of attorney however if there is no period for which the client empowers the agent to represent him indicated in the power of attorney it is presumed that the power of attorney is valid only for one year from the date of issue of the power of attorney. It should also be noted that if there are no member states listed in the power of attorney it is presumed that the agent is enabled to submit the refund claims on behalf of his client to all member states;*
- *After the request to register a person as user of the portal is submitted user id and password are issued. However they can be claimed only in person (it is not allowed to send user id and password via mail, e-mail, fax, etc). The agent not able to get his own identification data is allowed to empower any other person to get this data (the power of attorney should be issued for that though it is does not need to be legalized).*

Please note that the changes to the portal and to the registration process in order to become user of the portal are foreseen and expected to be implemented by the middle of 2015.

7. Are there any particular requirements for an agent to be able to submit a claim on behalf of the applicant?

Please see the answer above.

8. Content of the application:

The application should contain the following information:

- the applicant's name
- the applicant's VAT identification number or tax reference number
- the applicant's full address including country code (the address which is on record in Member State of Establishment)
- e-mail address
- a description of the applicant's business activity for which the goods and services are acquired via NACE v.2 codes
- the refund period covered by the application
- declaration by the applicant that he has supplied no goods and services deemed to have been supplied in Member State of Refund during the refund period, with the exception of the supply of specific transport services and services ancillary thereto or supplies to which the reverse charge mechanism is applicable in Member State of Refund
- bank account details including IBAN and BIC codes

In addition, the following details of each invoice or importation document

- name and full address of the supplier;
- the VAT identification number or tax reference number of the supplier except in the case of importation
- the prefix of the Member State of Refund (except in the case of importation)
- date and number of the invoice or importation document
- taxable amount and amount of VAT expressed in the currency of Member State of Refund
- the amount of deductible VAT calculated expressed in the currency of Member State of Refund
- where applicable, the deductible proportion expressed as a percentage
- nature of the goods and services acquired according to the codes 1 to 10

- Where requested, further information on the nature of the goods and services acquired according to the sub-codes of 1 to 10.

9. The circumstances under which a Member State of Establishment will not send an application to the Member State of refund.

- If the details in point 8 above are not filled in.
- The applicant is not a taxable person during the refund period.
- The applicant only carries out exempt supplies in the Member State of establishment during the refund period.
- The applicant is covered by the exemption for small businesses.
- The applicant is covered by the flat rate scheme for farmers.

10. Minimum refund limits

- 400 EUR or the equivalent in national currency if the refund period is between 3 months and less than a calendar year
- 50 EUR or the equivalent in national currency if the refund period is of a calendar year, or the remainder of a calendar year.

For the periods till 31st of December 2014:

400 EUR equals 1380 LTL

50 EUR equals 170 LTL

11. Time limit

The application must be submitted to the Member State of Establishment by 30 September of the calendar year following the refund period. The application is only considered as submitted if the applicant has filled in all the required information.

12. Is an applicant able to correct an error on an application which has been forwarded to a Member State of Refund?

Yes, it is allowed if the final decision for the application is not yet received.

In order to correct the application the applicant must use the application that was submitted and change certain data in it. Such corrected application will have the same number as the first application but will have a different version.

Procedures in the Member State of Refund

13. Are copies of invoices required?

Yes, they are (according to the provisions of the Directive 2008/9/EC).

14. The maximum size limit for an attachment has been agreed at 5 mb. What is the applicant to do if they exceed this limit?

To attach as much invoices as they can. The remainder of the invoices will be asked when the application will be received and will be processed.

15. As a Member State of refund, do you require additional documentation for claims submitted by an agent?

Yes, we do. The power of attorney should be submitted. If it is not attached together with the invoices it will be asked after the receipt of the application.

16. Can payments be made to agents?

Yes, it can be made. However if the applicant wishes payment to be made to its agent then it should be stated so in the agent's power of attorney.

17. How will the Member State of Refund communicate with the applicant?

It depends on the reason for the communication. All the receipts will be send via Member State of Establishment, however the decision itself will be send via e-mail provided. All the additional information will be also asked via e-mail.

18. Time limits for the processing of an application

The Member State of refund has four months from the date of receipt of an application to notify the applicant of its decision to approve or refuse the application, or to ask for further additional information. Where additional information is required, it has a further two months from receiving that information. Where it has asked for further information, it shall, in any case, notify the applicant of its decision within 8 months of the receipt of the application.

Where the refund application is approved, payment should be made within 10 working days.

19. Procedure for sending additional information to the Member State of Refund

Member States can ask for additional information from persons other than the applicant. In all cases, the information should be provided to the Member State of Refund within one month of the date on which the request is received by the addressee.

Information should be provided in English or Lithuanian.

20. The refund period

The applications are accepted for the periods not less than three calendar months (with the exception if it is the remainder of the year) and not exceeding one calendar year.

21. Number of applications accepted per year.

1 for each calendar quarter and annuals (the corrected applications do not count). The number of annual applications is unlimited.

22. What is the procedure for appealing against a decision? Are there any time limits for appeals?

The decisions taken by the Vilnius County State Tax Inspectorate must be appealed to the State Tax Inspectorate. The time limit for the appeal is 20 days from the day when the

decision was received. The decisions by The State Tax Inspectorate might be appealed either to the Commission on Tax Disputes under the Government of the Republic of Lithuania or to the Vilnius County Administrative Court (the appellant might choose which institution to use).

23. Incorrect applications

If an amount has been recovered in a fraudulent or incorrect way, Member States may recover those amounts.