



VAT ON E-COMMERCE

E-commerce vendors selling goods or services to consumers (B2C) must apply those VAT rates which are in force in the Member State of consumption. The Member State of consumption is the EU Member State to which the goods are despatched or where the service purchaser resides. So if Poland is the Member State of consumption, Polish VAT rates apply.

What VAT rates apply in Poland?

The basic VAT rate in Poland is 23%. In addition, there are special regulations allowing for reduced rates, mainly 8% and 5%. But Poland also has the zero rate of VAT and the rate of 4%, and offers a number of VAT exemptions.

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Below you will find example cases when reduced VAT rates of 8% or 5% apply in Poland.

VAT rate	GOODS OR SERVICES
8 %	<ul style="list-style-type: none">• Certain foodstuffs, such as coffee, tea, spices, confectionery.• Certain goods used in agriculture, such as trees and plants, tubers, roots, cut flowers and ornamental leaves, grain, seeds, fruit.• Certain goods associated with health care, such as medical devices and accessories, operating sets, medicinal products.• Certain services, including those related to passenger transportation, accommodation, sports facilities, copyright licenses, assignment of rights in artistic performances.
5 %	<ul style="list-style-type: none">• Certain foodstuffs, such as meat and offal, fish, dairy, eggs, honey, vegetables, fruit, cereals, fats, baked confectionery, non-alcoholic beverages, dietary foods for special medical purposes.• Certain printed matter, such as books, brochures, newspapers and magazines.• Other goods, such as personal care products, products and foods for infants, electronic data storage devices, menstrual pads (naps) and tampons, diapers and diaper naps, pacifiers and teats for infants and children, baby car seats, discs, tapes, semiconductor ROMs, smart cards.

Reduced VAT rates can be applied to the goods and services above only if:

- the goods or services have the appropriate CN or PKWiU codes, and/or
- special legal requirements are satisfied to allow the application of the given rate.

Why choosing the right VAT rate is important?

E-commerce businesses will find it important to choose the right VAT rate for the following reasons:

- First of all, if the rate is too low, the business may have to pay arrears of tax with interest and an additional penalty tax at 30% of the overdue amount.
- Secondly, if the rate is too high, the goods and services offered in Poland may become less competitive or the profitability of the Polish business may be impaired. The main reason is that consumers are unable to recover VAT included in the prices they pay.

How can Sendero help?

- We will determine the right VAT rate for your goods or services based on the applicable statistical classification and in accordance with the information and documentation relating to the goods/services.
- We will verify the rates already used by you.
- We will identify opportunities for use of reduced rates.
- We will obtain an official confirmation from the authorities that the given VAT rate or exemption is properly applied.

Why Sendero?

We have years of experience assisting businesses, including e-commerce businesses, in the application of VAT to their transactions.

We have provided support to our clients in course of various projects related to use of reduced VAT rates or exemptions. We have successfully secured many favourable tax rulings and Binding Rate Information documents, including after litigation against the issuing authorities.

If you have further questions, do not hesitate to contact us!



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