



NEWS INTERNATIONAL

E-MAIL NEWSLETTER
First edition of 2020

New consignment stock regulations - are you prepared?

Dear Sir or Madam,

In anticipation of the planned comprehensive reform of VAT by the EU, the first step consisting of so-called 'quick fixes' came into force on 1 January 2020.

This meant the first introduction in Germany of a legal simplification regulation for consignment stock with a fixed buyer (so-called call-off stocks), in the form of Section 6b of the Value Added Tax Act (UStG). Other member states had already implemented various simplification regulations, which were arranged differently for each country, in order to avoid compulsory registration of the supplier in another member state. With the quick fixes, these regulations lapse and in future, a single standardised regulation will apply Europe-wide.

The applicability of this regulation - and thereby avoidance of the obligation to register - is, however, linked to significant formal requirements.

What do the new regulations mean for stock levels in consignment stores on 31 December 2019? Section 6b UStG only applies to deliveries to consignment stores from 1 January 2020 onwards. This means that when changing to the new regulations, there will be practical demarcation difficulties when removing old and new stock and complexities regarding correct sales tax billing.

Cases of theft and shrinkage:

In general, the simplification regulation is dropped at this time, meaning that

Mandatory disclosure of the buyer's VAT no. in the summary statement (ZM) at the time of delivery to the consignment store:

The additional form required for reporting is available at www.formulare-bfinv.de under tax forms VAT, alongside instructions on how to complete the form. Electronic submission is not yet possible.

Bulk goods:

The question is whether the new regulations are even practicable in relation to consignment stores for bulk goods, given the removal terms, and which application sequences will prove effective.

If you have not already yet done so, we highly recommend carefully checking the processes and contractual arrangements regarding consignment stores in Germany and abroad to ensure correct sales tax operations, particularly if you have made use of national simplification regulations up until now. If you have already registered abroad, we recommend retaining the present approach regarding consignment stock for now, until unresolved issues are settled. Acting in a conclusive manner when the requirements are not fulfilled, such as failure to supply the additional form, is sufficient to avoid using the simplification regulation.

Feel free to contact us and we will be happy to explain the details to you and support you with their implementation!

Best regards

registration becomes necessary. Future de minimis regulations are likely to be examined.


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Ms Wilks works in the field of auditing and creating annual financial statements for medium-sized companies, with a focus on the automotive industry and commerce. She also advises clients on business topics as well as on questions regarding national and international tax law.

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Company presentation



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