



Luxembourg

VAT rate

The standard rate in Luxembourg in 2023 is 16%.

The intermediate rate of 13% applies to some goods, for example, printed advertising materials, commercial catalogs, similar items, and tourism promotion publications.

The rate of 7% applies to the following products bicycles, shoes and leather goods, clothing, and household linen.

The 3% rate applies, for example, to some Foodstuffs and pharmacological products.

Threshold

As in all of the EU, in Luxembourg, there are rules according to which the threshold is €10,000 per year.

Deductible VAT

For some completed transactions, you can return the VAT paid:

- Transactions related to the supply of goods or services made within the country;
- Acquisition of goods and transactions within the EU, considered as such;
- Transactions for the import of goods.

Registration procedure

For legal entities (companies), the declaration must be accompanied by:

- A copy of the constitution in French or German;
- A copy of the identity card (or passport) of the partners whose names are indicated in the founding act, and/or the managing directors of the company.

Tax representative

Luxembourg does not require the appointment of a fiscal representative for VAT registration.

VAT returns filing and VAT payment date

Turnover ≤ €112,000	112,000.01 < Turnover ≤ €620,000	Turnover > €620,000
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Annual VAT declaration

Quarterly and annual
VAT declaration

Monthly and annual VAT
declaration

The tax must be paid within the same time frame.

Monthly declaration: submitted before the 15th day of the month following the one in which the tax was accrued.

Annual declaration: submitted before May 1 of the year following the year in which the tax was accrued.

Penalty

A penalty of between €50 and €5,000 may be assessed for late VAT registration. Besides, absence or late payment of the VAT due may give rise to an additional penalty amounting to 10% of the entire VAT due. This penalty shall also apply to any other infringement of Luxembourg VAT requirements.

Moreover, any person who has fraudulently tried to avoid the payment of VAT or has illegitimately recovered VAT is punishable by a penalty of 10% of the sum of the evaded VAT.



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