

INFORMATION LEAFLET 1

Clarifications on DAC7

The Tax Department would like to inform all Sellers that carry out relevant activities on digital platforms that are within the scope of DAC7 reporting, the following:

1. DAC7 does not introduce any new tax on consideration received by sellers that carry out relevant activities on digital platforms that are within the scope of DAC7 reporting.
2. A relevant activity concerning the sale of goods and, in particular, the sale of second-hand goods is taxable according to the existing legislation of the Tax Department.

Specifically:

a. For VAT purposes

According to the VAT Law, any person (an individual or a legal entity) with taxable transactions (in this case, taxable supplies of goods) should be registered for VAT purposes:

(i) at the end of any month, if the value of taxable supplies during the one-year period ending at that point, has exceeded € 15,600.

(ii) at any time if there are good reasons to believe that the value of taxable supplies during the thirty-day period beginning at that time, exceeds € 15,600.

Therefore, any person with taxable supplies below the above threshold is not liable for VAT purposes.

The sale of goods and, in particular the sale of second-hand goods is taxable with a 19% rate.

b. For Income Tax purposes

In general, there is no threshold for income tax purposes, unless the seller is an individual with taxable income below €19500 per calendar year.

The sale of goods and, in particular the sale of second-hand goods, is not exempted from the income tax.

If the seller is an individual and exceeds the above threshold of taxable income, the tax rate varies from 20% to 35%.

If the seller is a legal entity, the tax rate is 12.5%.

Tax Department
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