Indirect Tax Solutions

SII in Spain – What You Need to Know…

Spanish SII at a Glance

- First country to implement (near) real time reporting
- Provide transactional sales and purchase information in XML format
- Transmit VAT data to the website of the Spanish tax authorities within four days
- Compulsory as of 1 July 2017 for taxpayers in Spain meeting the conditions set
- Electronic information for the first semester of 2017 to be submitted before 1 January 2018
- Elimination of filing Forms 340, 347, and 390

SII in Spain

In early December 2016 the Spanish Government passed the Royal Decree 596/2016 for the modernization, improvement and promotion of the use of electronic means in the management of the Value Added Tax, the "Suministro Inmediato de Información", also known as the SII. With this legislation, the Spanish government is introducing (almost) real time VAT reporting, starting from 1 July 2017. Certain taxpayers in Spain are required to electronically submit transactional invoice data for both sales and purchases to the Spanish tax authorities, on a regular basis.

Spain is the first country in Europe following Latin America's electronic invoicing model to adopt automation in efforts to eliminate tax fraud in order to maximize tax collections. Several European Member States like Poland, Portugal, Austria, Luxembourg, France and Lithuania have introduced the SAF-T requirement on a periodic basis, but none of them has requested near real-time information yet.

Who is Impacted?

The SII is compulsory as of 1 July 2017 for businesses, resident or not, filing monthly VAT returns. The real time transactional invoice data information is mandatory for (i) businesses considered as "large entrepreneurs" for VAT purposes with a Spanish turnover above €6,000,000; (ii) businesses applying the so called REDEME the monthly refund scheme; and (iii) those belonging to VAT groups in Spain.

Deadlines

Taxpayers that are subject to the SII filing obligations have to submit transactional invoice data for both sales and purchases in XML format meeting the requirements set by the authorities, to be directly transmitted to the website of the Spanish tax authorities and within four (4) days of the date of its issuance or from the date it was accounted for respectively. Saturdays, Sundays and national holidays are not included.

Additionally information relating to investment goods should be provided when filing the last VAT return of the year (to January 30 of the year following that in which the goods were acquired).

It is important to note that for intra-community sales of goods, the information should be electronically provided within four days **from the moment the transport begins**; for intra-community acquisitions the deadline is **four calendar days from when the goods are received** (as opposed to four days from the invoices being issued/received for other transactions). Again, Saturdays, Sundays and national holidays are not included.

Exceptionally, between 1 July and 31 December 2017 the submission deadline is eight days instead of four. Although SII is compulsory as of 1 July 2017, the VAT ledgers for the first semester of 2017 must be submitted before 1 January 2018 as well, unless the taxpayer filed the Modelo 340 during that period.

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Benefits

Taxpayers obliged to comply with the SII benefit from an extended deadline to file their monthly VAT return. The new due date is the 30th day of the following month (instead of the 20th of the following month), or for the return relating to January until the last day of February. In addition, they do not have to submit the Annual summary VAT return (form 390), VAT ledgers return (form 340) and Annual Sales and Purchase Listings (form 347).

Vertex Support for Spain SII

Vertex® Indirect Tax Returns automation software, generates signature-ready returns and/or returns files ready to upload to government websites. Vertex Returns includes support for Spain SII, allowing companies to automatically submit their Record Book electronically for Invoices Issued, Invoices Received, and Certain Intra-EU Transactions to meet their compliance requirements for Spain. The solution greatly reduces the time to submit invoice and tax compliance information to the authority to better achieve the required daily or near-daily deadlines.

In addition to this, Vertex® Enterprise, Vertex's data management and analytics solution that unifies, validates, and enriches VAT data from across multiple EPRs and finance systems, can be utilized to prepare large quantities of transaction data. By using Vertex Enterprise, all the data is made accessible to enhance VAT compliance efforts in support of Spain SII. This in turn reduces the time and staff needed to obtain the complete and accurate information required by the tax authority, and to meet the tight timeframes for continuous submission.

Implementing Vertex Solutions

Clients can leverage the expertise of Vertex® Consulting and our Alliance Partners for system implementation services, to accelerate the start-up and maximize the value of Vertex's solution. More than 2,000 companies over the last 10 years have relied on proven methodologies and an invaluable knowledge base from Vertex and our Partners.

Our consultants and partners have worked with companies of every size, across industries and technical environments, providing a:

- Thorough assessment of your tax processes and related technology
- Proven methodology with reliable project management
- System design, configuration, and implementation
- Custom integration development
- Specialized practices to meet the needs of retail and leasing companies, and SAP and Oracle technology environments

Utilizing their vast knowledge and know-how, you'll optimize your software investment and benefit from the experience that these professionals can provide.

To learn more about our indirect tax solutions, contact a Vertex representative on **+44 (0)20 3906 7630** (Europe) or **+1 800.355.3500** (USA) or visit **vertexinc.com/europe** today.

About Vertex

Founded in 1978, Vertex Inc. is the leading provider of corporate tax software and services to automate, integrate, streamline or outsource tax processes for companies of all sizes, from small to medium-sized businesses to global multinationals. Vertex provides solutions for all tax types with industry-specific solutions for retail, communications, hospitality and leasing industries.

Locations

North America
King of Prussia, PA

Latin America
Sao Paulo, BR

Europe
London, UK

Asia Pacific
Chennai, IN

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