



CitiService News

August 1, 2019 | Edition No. 8

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Modification of the charging process in the absence of funds

Dear Sir/Madam,

In order to ensure the quality of our services and the continuous improvement of our processes, we hereby inform you that in the case of incoming foreign payments for which there are no funds to pay for the transfer, the Bank shall charge the fee from the account to which the transfer was made, or it shall charge such fee from another account of the Customer - in accordance with the Citi Handlowy fee schedule.

In the case of outbound foreign transfers, where the payment account indicated differs from the one the transaction originated from, but there are no funds to charge the fee, the Bank shall collect the funds from that account anyway in order to make it possible to transfer the funds immediately, without having to suspend the transaction until it is cleared up. Such an operation will result in a negative balance in the account, which may result in interest imposed on the negative balance.

In the case of outbound foreign transfers, where the payment account indicated is the same as the transaction account, and there are no funds to pay the fees, the Bank shall offer a change in the fee collection process into a monthly cycle. Should you have any additional questions, please contact your banking advisor.

The Bank intends to retract from the process of topping up the payment account if there are no funds in such account for settlements resulting from clearing the OUR, NON-STP, and abbreviated currency date costs.

Should you have any questions, please contact your banking advisor or a CitiService advisor.

Service Shortcuts



Extract from the Table of Fees and Commissions



Foreign Exchange Rates



CitiService News



Market Analyses

Contact with CitiService:
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Changes in the Split Payment Mechanism (MPP)

On July 23, the act on amending the act on VAT and some other acts, pertaining to MPP (Split Payment II) was filed with the Senate. The planned date of its entry into force is **1 November 2019**.

Major changes featured in the new law:

Mandatory MPP

The mandatory MPP will be applied in respect of supplies of goods and services, which are essentially covered by the reverse charge regime and the existing tax liability of the purchaser for VAT arrears.

Rules of application of the mandatory MPP:

- applies to taxpayers settling their payments with invoices (B2B) concerning goods or services listed in Appendix No. 15 to the act
- the invoice issuer is required to introduce a special marking on the invoice in the form of the entry: "split payment mechanism"
- the obligation to include that information shall relate to invoices exceeding gross PLN 15 000, which document the purchase of goods or services listed in Appendix No. 15 referred to above.

MPP Payments for More Than One Invoice

The law introduces a possibility to make payments with one transfer for more than one invoice.

Such a transfer must include:

- all the invoices **issued** for a given period by one supplier
- the total VAT amount shown on these invoices
- the period for which the payment is made, whereas that period cannot be less than one day and more than one month.

In the payment details, the period will be indicated instead of the invoice numbers.

Possibility to pay other taxes, duties and ZUS contributions from a VAT account

The draft act introduces a possibility to regulate payments from the funds collected on the VAT account:

a) to the tax office account for:

- VAT, including VAT on the import of goods, additional tax obligations, referred to in art. 112b and 112c of the act of 11 March 2014 on VAT, late payment interest in VAT or late payment interest on additional tax obligations
- corporate income tax and advances thereon, late payment interest on the corporate income tax
- personal income tax and advances thereon, late payment interest on the personal income tax
- excise duty, pre-payment of excise duties, daily payments and late payment interest on the excise duty
- customs duties and late payment interest thereon

b) to ZUS (Social Insurance Institution) as relates to premiums referred to in art. 47 of the act of 13 October 1998 on the social insurance system, and late payment interest on such premiums, to the premium account.

Account Closing

The new provisions are supposed to regulate the closing of the customers' accounts. Where - following the agreement termination - the account closing period expires, and there are funds in the VAT account, but the bank has received no information regarding the decision of the tax office head (which would make it possible to rebook the funds to the customer's settlement account), the bank will be able to rebook the funds from the VAT account to the bank's technical account. Having rebooked the funds to a technical account, the bank will be able to close the accounts.

No MPP Payment

The penalty of 30% of the amount of tax shown on the invoice may be imposed on:

- any entity which, despite the obligation to regulate the amount of VAT in MPP, pays such amount by another means
- any entity which has not indicated on the invoice that the invoice should be paid using MPP.

The draft law also stipulates amendments to a number of other laws, introducing, inter alia, different types of sanctions for non-compliance with the MPP rules.

Please feel free to learn more about the recommended changes.

The draft of the published amendment to the law can be found at the following address:

<http://www.sejm.gov.pl/Sejm8.nsf/PrzebiegProc.xsp?nr=3255>

The Bank has been actively participating in the interpretation meetings related to the new law. We are preparing to implement the required amendments. Should you have any questions, please contact your advisor.



Bank holidays in August and September 2019

Please note below the days in August and September 2019 when orders received on that day will be effected on the following business day due to a currency exchange holiday (i.e. a public holiday in a given country).

AUGUST	
1	CH
5	AU, HR, IE, IS
9	SG, ZA
12	JP, SG, TR
13	TR
14	TR
15	AT, BE, CY, ES, FR, GR, HR, IT, LT, LU, PL, PT, RO, SL
19	HU
20	EE, HU
26	GB, UA
29	SK
30	TR

SEPTEMBER	
1	CA, US
6	BG
13	CN
16	JP
23	BG, JP
24	ZA