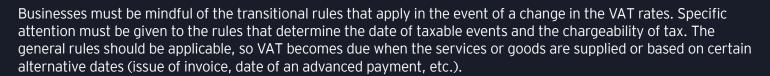
TEMPORARY VAT RATES DECREASE IN LUXEMBOURG FOR THE YEAR 2023

The law dated 26 October 2022 regarding the temporary decrease of VAT rates has been published. The said decrease of the VAT rates - among other measures - is aimed at curbing the impact of inflation on households.

NEW RATES WILL BE APPLICABLE FROM 1 JANUARY 2023 TO 31 DECEMBER 2023 (INCLUSIVE OF BOTH DATES) AND WILL BE AS FOLLOWS:

- The standard VAT rate is reduced to 16% from 17%
- ► The Intermediary VAT rate is reduced to 13% from 14%
- The reduced VAT rate is reduced to 7% from 8%
- The super reduced VAT rate remains unchanged at 3%



The date of occurrence of these events will determine which VAT rate is applicable and the practical impact to different business transactions should be carefully examined.

HOW WE CAN HELP

Our EY Luxembourg indirect tax specialists can assist businesses to perform a review of their billing and accounting systems, to ensure their readiness to accommodate the VAT rates change, and to setup an implementation plan that also caters for a seamless switch back once the decrease period ends.

OUR TEAM



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