Time of deduction of input value added tax

Input VAT must be deducted during the period of taxation during which the goods or services have been acquired or received in accordance with § 11 of the VAT Act (subsection 8 of § 31 of the VAT Act). Thus, as a general rule, the right to deduct input VAT arises at the time when the seller has incurred a tax liability in respect of the deductible VAT (as a rule, dispatch of goods or provision of services, as well as advance payment), provided that the invoice has been received by the time of submission of the return. **As of 1 July 2022** this principle applies to **the acquisition of goods or the receipt of services from a taxable person implementing special arrangements for cash accounting for VAT** (the right to deduct input VAT arises during the period and to the extent that the purchaser generates supply and tax liability) **regardless of whether the purchaser uses the accrual-based or cash-based VAT accounting (subsection 10 of § 31 of the VAT Act)**

Where goods acquired or services received and the invoice issued for such goods or services are received during different taxable periods, input VAT must be deducted in the taxable period when the transferor of the goods or the provider of the services created supply pursuant to § 11 of the VAT Act. If the invoice is not received by the time the VAT return is submitted for a taxable period, input VAT can be deducted in the taxable period during which the invoice is received (subsection 9 of § 31 of the VAT Act).

Upon import of goods, input VAT must be deducted during the taxable period in which the goods have been released by customs authorities. If the taxable person who imported the goods pays VAT through a customs agency, he also has the right to deduct input VAT after customs has released the goods (subsections 6 and 8 of § 31 of the VAT Act).

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