

**System's VAT return (KMD) rules as
from the taxable period
November 2014**

Introduction.....	3
1.1 Abbreviations	3
Rules applying to client groups.....	4
Rules	5
1.2 General rules for submitting VAT return.....	5
1.3 Rules for the main part of VAT return	6
1.4 General rules for VAT INF (informative annex to VAT return)	8
1.5 Rules for part A of VAT INF (informative annex to VAT return)	10
1.6 Rules for part B of VAT INF (informative annex to VAT return).....	12

Introduction

This document gives the description of the System rules for VAT return that have taken effect beginning from the taxable period November 2014. **The changes in the rules that will come into effect since the taxable period January 2017 are in red.**

1.1 Abbreviations

VAT return	Value added tax return (VAT return). Whereas VAT INF is the integral part of VAT return, then henceforth in this document VAT INF and VAT return shall be handled together as VAT return.
VAT INF	The informative annex to VAT return (annex to VAT return) which is divided into parts A and B.
ETCB	The Estonian Tax and Customs Board
VAT payer	Person liable to value added tax
Limited liability VAT payer	Person liable to value added tax with limited liability
Cash accounting VAT payer	Person applying the special arrangement in cash accounting for value added tax.
VAT group	Value added tax group
VAT group representative	Representative of a value added tax group submitting VAT return
VAT group member	Member of a value added tax group, except the representative
Not VAT payer	Not registered as a person liable to value added tax

Rules applying to client groups

The rules apply to the client group which is stated with the rule. If no client group is given, then it shall apply to everyone.

Client group	Description
VAT payer	VAT payer rules shall apply to a client who has been registered as a VAT payer at least one day in the taxable period on what he submits the VAT return. For example, if a client has been registered as a Limited liability VAT payer in the taxable period from 1 Jan 2014 to 29 Jan 2014 and as a VAT payer on 30 Jan 2014 - ..., then the rules for VAT payers shall apply to the client during this taxable period.
Limited liability VAT payer	Rules for Limited liability VAT payers shall apply to a client who has been registered as a Limited liability VAT payer at least one day in the taxable period on what he submits the VAT return and he lacks ordinary registration as a VAT payer in the same period.
Not VAT payer	Rules for Not VAT payer shall apply to a client who has not been registered as a Limited liability VAT payer or a VAT payer (including Cash accounting VAT payer) or the VAT group representative or a VAT group member in the taxable period on what he submits the VAT return.
Cash accounting VAT payer	Rules for Cash accounting VAT payer shall apply to a client who has applied the special arrangement in cash accounting for VAT, including the VAT group who applies the special arrangement in cash accounting for VAT, in the taxable period on what he submits the VAT return.
VAT group	Rules for VAT group shall apply to a client who is the representative of a VAT group in the taxable period and resulting from this is obliged to submit the VAT return with annexes in the name of the registered VAT group.

Rules

1.2 **General rules for submitting VAT return**

Rule code	Description
KMD1	If VAT return is submitted on a future period, then an error message shall be issued.
KMD2	The VAT return for the previous calendar year can be corrected electronically by 20 July of the current year, or else an error message shall be issued.
KMD3	VAT return cannot be submitted electronically for the period more than three years back, or else an error message shall be issued.
KMD4	Client can transmit VAT return type "tavaperiod" (ordinary period) on the taxable periods where he was not bankrupt or the date of declaration of bankruptcy was later than the first date of the taxable period. Otherwise an error message shall be issued.
KMD5	Client can transmit VAT return type "pankrotiperiod" (bankruptcy period) on the taxable periods where he was bankrupt, including the taxable period when the bankruptcy was declared. Otherwise an error message shall be issued.
KMD6	The representative of a VAT group cannot submit VAT return of the group on the bankruptcy period, or else an error message shall be issued.
KMD7	If a client wishes to submit/correct VAT return on the taxable period electronically which has been submitted in paper before and the official is just inputting it, an error message shall be issued.
KMD8	If a VAT group member wishes to submit VAT return for the taxable period where he belonged to the VAT group and was not the representative, then an error message shall be issued.
KMD9	If correction of the VAT return is prohibited (for example, a claim for refund which has proceeded from the VAT return is under control or a notice of assessment is related to the taxable period), then an error message shall be issued.
KMD10	If the registry code or personal identification code of the person submitting the VAT return (code of non-resident in the case of foreign nationals) is missing or the coincidence cannot be found in our register, then an error message shall be issued.
KMD11	If a client whose VAT return is subject to submission or correction, has been dissolved or is dead, then an error message shall be issued.

KMD12	If a client has not authorised a company offering transmission services (the owner of the security server of X-road) to transmit his VAT return to ETCB in the authorisation system of ETCB, then an error message shall be issued.
KMD13	If the person submitting the VAT return lacks accounting packet in the authorisation system of ETCB, then an error message shall be issued.
KMD14	If VAT return is submitted through the Machine-to-Machine interface for an earlier period than November 2014, then an error message shall be issued.
KMD15	If a client wishes to correct or submit VAT return for the taxable period on which a control/an audit has been carried out or is pending or which has been corrected in connection with drawing tax authority's attention to inaccuracies in the VAT return, then an error message shall be issued.
KMD16	Personal identification code of the person submitting the VAT return is obligatory to enter in the file to be transmitted, if data are submitted through the Machine-to-Machine interface. If not entered, an error message shall be issued.
KMD18	If VAT return of the same type (ordinary period or bankruptcy period) has already been created for the selected period of taxation, an error message shall be issued.

1.3 Rules for the main part of VAT return

Rule code	Explanation of the rule
KMDP1	Row 1.1 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP2	Row 2.1 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP3	Row 3 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP4	Row 3.1 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP5	Row 3.1.1 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP6	Row 3.2 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP7	Row 3.2.1 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP8	Row 5 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.

KMDP9	Row 5.1 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP10	Row 5.2 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP11	Row 7.1 is not allowed to fill in for client groups Not VAT payer and Limited liability VAT payer.
KMDP12	Row 8 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP13	Row 9 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP14	Row 10 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP15	Row 11 is not allowed to fill in for client groups Limited liability VAT payer and Not VAT payer.
KMDP16	If row 1.1 is filled in but row 1 is not filled in, then an error message shall be issued.
KMDP17	If row 2.1 is filled in but row 2 is not filled in, then an error message shall be issued.
KMDP18	If row 3.1 is filled in but row 3 is not filled in, then an error message shall be issued.
KMDP19	If row 3.1.1 is filled in but row 3.1 is not filled in, then an error message shall be issued.
KMDP20	If row 3.2.1 is filled in but row 3.2 is not filled in, then an error message shall be issued.
KMDP21	If row 5.1 is filled in but row 5 is not filled in, then an error message shall be issued.
KMDP22	If row 5.2 is filled in but row 5 is not filled in, then an error message shall be issued.
KMDP23	If row 6.1 is filled in but row 6 is not filled in, then an error message shall be issued.
KMDP24	If row 7.1 is filled in but row 7 is not filled in, then an error message shall be issued.
KMDP25	If rows 10 and 11 are filled in and the values entered in both are bigger than 0, then an error message shall be issued.

KMDP26	Row 13 = 0. If there is inequality, then an error message shall be issued. This rule applies to client group Not VAT payer.
KMDP32	If row 3.2 is filled in and row 3 is not filled in, an error message shall be issued.
KMDP33	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation, then client groups Limited liability VAT payer and Not VAT payer are not allowed to fill in row 5.3.
KMDP34	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation, then client groups Limited liability VAT payer and Not VAT payer are not allowed to enter the number of cars in the relevant box of row 5.3.
KMDP35	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation, then client groups Limited liability VAT payer and Not VAT payer are not allowed to fill in row 5.4.
KMDP36	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation, then client groups Limited liability VAT payer and Not VAT payer are not allowed to enter the number of cars in the relevant box of row 5.4.
KMDP37	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation and row 5.3 is filled in but row 5 is not filled in, then an error message shall be issued.
KMDP38	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation and row 5.4 is filled in but row 5 is not filled in, then an error message shall be issued.
KMDP39	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation and row 5.3 is filled in and the value entered is >0 but the number of cars has not been entered in the relevant box of row 5.3 or equals to zero, then an error message shall be issued.
KMDP40	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation and row 5.4 is filled in and the value entered is >0 but the number of cars has not been entered in the relevant box of row 5.4 or equals to zero, then an error message shall be issued.

Changes in the rules of loading the XML and CSV files

Rule code	Explanation of the rule
XML_SELF_SUPPLY_20	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation and the XML file to be loaded contains the tag <selfSupply20>, then an error message shall be issued.
XML_SELF_SUPPLY_9	If VAT return is submitted on the taxable period December 2014 or for a future period of taxation and the XML file to be loaded contains the tag <selfSupply9>, then an error message shall be issued.

XML_CARS_VAT	If VAT return is submitted on the taxable period November 2014 and the XML file to be loaded contains the tag <carsVat>, then an error message shall be issued.
XML_NUMBER_OF_CARS	If VAT return is submitted on the taxable period November 2014 and the XML file to be loaded contains the tag <numberOfCars>, then an error message shall be issued.
XML_CARS_PARTIAL_VAT	If VAT return is submitted on the taxable period November 2014 and the XML file to be loaded contains the tag <carsPartialVat>, then an error message shall be issued.
XML_NUMBER_OF_CARS_PARTIAL	If VAT return is submitted on the taxable period November 2014 and the XML file to be loaded contains the tag <numberOfCarsPartial>, then an error message shall be issued.
XML_TRANSACTIONS_14	If VAT return is submitted for the taxable period 11.2014 – 12.2016 and the XML file to be loaded contains the tag <transactions14>, then an error message shall be issued.
XML_TRANSACTIONS_14_DEPRECATED	If the XML file to be loaded contains the tag <transactions14>, then its value must be 0.
CSV_KMD2_RECORD	If VAT return is submitted on the taxable period November 2014 and in the CSV file to be loaded the code for row is <KMD>, then an error message shall be issued.
CSV_KMD_RECORD	If VAT return is submitted for the taxable period 12.2014 – 12.2016 and in the CSV file to be loaded the code for row is not <KMD2>, then an error message shall be issued by the system.
CSV_KMD3_RECORD	If VAT return is submitted for the taxable period January 2017 or for a later period and in the CSV file to be loaded the code for the row is not <KMD2> or <KMD3>, then an error message shall be issued by the system.
CSV_TRANSACTIONS_14_DEPRECATED	If the code for row is KMD3, then column 8 must be empty or its value must be 0.

1.4 **General rules for VAT INF (informative annex to VAT return)**

Rule code	Explanation of the rule
INF1	If Limited liability VAT payer states that he has invoices to be declared in part A, then an error message shall be issued.
INF2	If Limited liability VAT payer or Not VAT payer states that he has invoices to be declared in part B, then an error message shall be issued.
INF3	Part A must be filled in, if no notation has been made on part A of lack of invoices to be declared. This rule does not apply to Limited liability VAT payer.
INF4	Part B must be filled in, if no notation has been made on part B of lack of invoices to be declared. This rule does not apply to Not VAT payer and Limited liability VAT payer.

INF5	If a notation has been made on part A of lack of invoices to be declared and there are still invoices in part A, then an error message shall be issued.
INF6	If a notation has been made on part B of lack of invoices to be declared and there are still invoices in part B, then an error message shall be issued.
INF7	If data in part A or B of VAT INF are transmitted on a VAT group member and there is no coincidence between the data forwarded and the registry code of the VAT group member, then an error message shall be issued.
INF8	If data in part A or B of VAT INF are transmitted on a VAT group member and the VAT group member does not belong to the VAT group, according to the information by ETCEB, then an error message shall be issued.
INF9	If data on a VAT group are transmitted, then you have to state for each VAT group member whether the VAT group member has invoices to be declared in part A and whether the data are transmitted in the aggregate.
INF10	If data on a VAT group are transmitted, then you have to state for each VAT group member whether the VAT group member has invoices to be declared in part B and whether the data are transmitted in the aggregate.

1.5 Rules for part A of VAT INF (informative annex to VAT return)

Unless stated otherwise, this rule applies to client groups VAT payer, Not VAT payer, VAT group and Cash accounting VAT payer.

Rule code	Explanation of the rule
INFA1	If registry code or personal identification code in column 2 is not correct (does not coincide with the one in the register of the ETCEB), then an error message shall be issued.
INFA2	If the name of a transaction partner in column 3 is not correct (does not coincide with the one in the register of the ETCEB), then an error message shall be issued.
INFA3	If column 2 or column 3 is not filled in, then an error message shall be issued. If values in column 2 and column 3 are transmitted, then the name given in column 2 which is found by the registry code or the personal identification code must coincide with the name given in column 3, or else an error message shall be issued.
INFA4	If column 8 has been filled in by client groups VAT payer, Not VAT payer, Limited liability VAT payer or VAT group (except Cash accounting VAT group), then an error message shall be issued.
INFA5	If a value has been entered in column 7 which does not conform to the classifier 'The rate of VAT in part A of VAT INF', then an error message shall be issued.
INFA6	If there exists a code in the values of column 10 which does not conform to the classifier 'Special code in part A of VAT INF', then an error message shall be issued.

INFA7	If Cash accounting VAT payer (including Cash accounting VAT group) has not filled in column 8, then an error message shall be issued.
INFA8	If column 9 is filled in and special code is 02, then an error message shall be issued.
INFA9	If columns 4 and 5 are filled in and the special code 02 is stated in column 10, then the rate of VAT in column 7 shall be 20 per cent. If some other rate of VAT is stated in column 7, then an error message shall be issued.
INFA10	If the rate of VAT in column 7 is expressed as '20erikord' (special arrangement 20%) or '9erikord' (special arrangement 9%), then special code 01 shall be stated in column 10. If column 10 is not filled in or code 01 is missing among the input values, an error message shall be issued.
INFA11	If special code 01 is stated in column 10, then the rate of VAT in column 7 shall be '20erikord' (special arrangement 20%) or '9erikord' (special arrangement 9%). If the rate of VAT in column 7 is stated 20 per cent or 9 per cent, then an error message shall be issued.
INFA12	If columns 4 and 5 are filled in, then the amount entered in column 6 must be equal to or bigger than the amount entered in column 9 (if column 9 is filled in). If it is not filled in, then an error message shall be issued. This rule applies to client groups VAT payer, VAT group and Not VAT payer.
INFA13	If columns 4 and 5 are filled in, then the amount entered in column 6 must be equal to or bigger than the amount entered in column 8. If columns 4 and 5 are filled in, then the amount entered in column 6 must be equal to or bigger than the amount entered in column 9 (if column 9 is filled in). This rule applies to client group Cash accounting VAT payer.
INFA14	If columns 4 and 5 are filled in, then the amount entered in column 8 must be equal to or bigger than the amount entered in column 9 (if column 9 is filled in). If it is not filled in, then an error message shall be issued. This rule applies to client group Cash accounting VAT payer.
INFA15	If VAT return is submitted for the taxable period which falls into the period between November 2014 and December 2015 and columns 4 and 5 are not filled in, then column 10 must not be filled in. If it is filled in, then an error message shall be issued.
INFA16	If VAT return is submitted for the taxable period which falls into the period between November 2014 and December 2015 and it lacks the notation of submission of the data in the aggregate, then columns 4 and 5 must be filled in. Otherwise an error message shall be issued. This rule shall apply to each VAT group member separately.
INFA17	If VAT return is submitted for the taxable period which does not fall into the period between November 2014 and December 2015 and the notation of submission of the data in the aggregate has been made, then an error message shall be issued. This rule shall apply to each VAT group member separately.

INFA18	<p>If VAT return is submitted for the taxable period which does not fall into the period between November 2014 and December 2015 and columns 4 and 5 are not filled in, then an error message shall be issued.</p> <p>This rule shall apply to each VAT group member separately.</p>
INFA19	<p>If columns 4 and 5 are filled in and special code is not 02, and column 9 is not filled in, then an error message shall be issued.</p>
INFA20	<p>If the name of a person/company denoted in column 2 or 3 of VAT INF part A as a transaction partner coincides with the name of a person/company whose VAT return is entered, then an error message shall be issued.</p>
INFA21	<p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part A is negative, then the amount entered in column 9 (if it is filled in) must also be negative.</p> <p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part A is positive, then the amount entered in column 9 (if it is filled in) must also be positive.</p> <p>This rule shall apply to client groups VAT payer, VAT group and Not VAT payer.</p>
INFA22	<p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part A is negative, then the amounts entered in columns 8 and 9 must also be negative, the amount in column 9 may be also 0 (if these columns are filled in).</p> <p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part A is positive, then the amounts entered in columns 8 and 9 must also be positive, the amount in column 9 may be also 0 (if these columns are filled in).</p> <p>This rule shall apply to client group Cash accounting VAT payer (incl. Cash accounting VAT group).</p>

1.6 Rules for part B of VAT INF (informative annex to VAT return)

Unless stated otherwise, this rule applies to client groups VAT payer, VAT group and Cash accounting VAT payer.

Rule code	Explanation of the rule
INFB1	If registry code or personal identification code in column 2 is not correct (does not coincide with the one in the register of the ETCB), then an error message shall be issued.
INFB2	If the name of a transaction partner in column 3 is not correct (does not coincide with the one in the register of the ETCB), then an error message shall be issued.
INFB3	If column 2 or column 3 is unfilled in, then an error message shall be issued. If values in column 2 and column 3 are transmitted, then the name given in column 2 which is found by the registry code or the personal identification code must coincide with the name given in column 3, or else an error message shall be issued.
INFB4	Column 7 must not be filled in. If filled in, an error message shall be issued. This rule applies to client groups VAT payer, Not VAT payer, Limited liability VAT payer, VAT group (except Cash accounting VAT group).
INFB5	If there exists a code in the values of column 9 which does not conform to the classifier 'Special code in part B of VAT INF', then an error message shall be issued.
INFB6	If Cash accounting VAT payer (including Cash accounting VAT group) has not filled in column 7, then an error message shall be displayed.
INFB7	If columns 4 and 5 are filled in, then the amount entered in column 6 must be bigger than the amount entered in column 8. If it is not so, then an error message shall be issued. This rule applies to client groups VAT payer and VAT group.
INFB8	If columns 4 and 5 are filled in, then the amount entered in column 6 must be bigger than the amounts entered in column 7 and column 8. If it is not so, then an error message shall be issued. This rule applies to client group Cash accounting VAT payer.
INFB9	If columns 4 and 5 are filled in, then the amount entered in column 8 may not be bigger than the result of column 6: $1.2 \times 0.2 + 0.20$. If the amount entered in column 8 is bigger, then an error message shall be issued.
INFB10	If columns 4 and 5 are filled in, then the amount entered in column 7 must be equal to or bigger than the amount entered in column 8. If it is not so, then an error message shall be issued. This rule applies to client group Cash accounting VAT payer.
INFB11	If VAT return is submitted for the taxable period which falls into the period between November 2014 and December 2015 and columns 4 and 5 are not filled in, then column 9 must not be filled in. If it is filled in, then an error message shall be issued.

INFB12	<p>If VAT return is submitted for the taxable period which falls into the period between November 2014 and December 2015 and it lacks the notation of submission of the data in the aggregate, then columns 4 and 5 must be filled in. Otherwise an error message shall be issued.</p> <p>This rule shall apply to each VAT group member separately.</p>
INFB13	<p>If VAT return is submitted for the taxable period which does not fall into the period between November 2014 and December 2015 and the notation of submission of the data in the aggregate has been made, then an error message shall be issued.</p> <p>This rule shall apply to each VAT group member separately.</p>
INFB14	<p>If VAT return is submitted for the taxable period which does not fall into the period between November 2014 and December 2015 and columns 4 and 5 are not filled in, then an error message shall be issued.</p> <p>This rule shall apply to each VAT group member separately.</p>
INFB15	<p>If the name of a person/company denoted in column 2 or 3 of VAT INF part B as a transaction partner coincides with the name of a person/company whose VAT return is entered, then an error message shall be issued.</p>
INFB16	<p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part B is negative, then the amount entered in column 8 (if it is filled in) must also be negative.</p> <p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part B is positive, then the amount entered in column 8 (if it is filled in) must also be positive.</p> <p>This rule shall apply to client groups VAT payer, VAT group and Not VAT payer.</p>
INFB17	<p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part B is negative, then the amounts entered in columns 7 and 8 must also be negative, the amount in column 8 may be also 0 (if these columns are filled in).</p> <p>If columns 4 and 5 are filled in and the amount entered in column 6 of VAT INF part B is positive, then the amounts entered in columns 7 and 8 must also be positive, the amount in column 8 may be also 0 (if these columns are filled in).</p> <p>This rule shall apply to client group Cash accounting VAT payer (incl. Cash accounting VAT group).</p>