



VAT Pocket guide 2025 Luxembourg

March 2025



Our VAT pocket guide is designed to inform you on the general rules with respect to Luxembourg VAT legislation.

Although we can't cover all possible situations and rules, this handy guide sums up the essential information you need about Luxembourg VAT, legal deadlines, and administrative requirements.

Many exception to these general rules exist and each individual situation could be assessed considering them.



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As per the law, a taxable person is “any person who, independently, carries out in any place whatever the purpose or results, any business activity, including production, trade, and activities of the professions”. It thus includes legal and natural persons meeting these conditions. On 21 December 2023, the Court of justice of the European Union decided that a director of a “société anonyme” (“public limited company”) is not a VAT taxable person. After the decision of the Luxembourg District Court on 22 November 2024 onboarding the principles of the Court of Justice decision, the Luxembourg VAT authorities have issued on 11 December 2024 a circular 781-2 detailing the practical implementation of these decisions. In addition, the Luxembourg VAT authorities made available on MyGuichet.lu a special procedure enabling directors to regularize the VAT charged since 2018. This procedure is open till 30 June 2025.

Pure passive holding entities do not qualify as taxable persons for VAT purposes.

Being a taxable person for VAT purposes does not necessarily entail the obligation to register for VAT in Luxembourg. *Vice-versa*, in certain circumstances, VAT non-taxable persons may be required to be VAT-registered. VAT registration and VAT compliance regimes depend on various factors. You may refer to the adjacent table for an illustration of the potential administrative obligations in Luxembourg.

Do I need to register for VAT in Luxembourg?			
Activity (examples)	Receipt of taxable services from non- Luxembourg suppliers?	Is VAT registration required?	VAT regime
Shareholding and or interest-free financing	N/A	No	N/A
Interest-bearing financing towards EU borrowers	Yes	Yes	Simplified
	No	No	N/A
Interest-bearing financing towards non-EU borrowers	N/A	Yes	Standard
Leasing of real estate in Luxembourg without VAT option	Yes	Yes	Simplified
	No	No	N/A
Leasing of real estate in Luxembourg with VAT option	N/A	Yes	Standard



The following are considered taxable transactions for VAT purposes and may trigger VAT reporting requirements:

- **The supply of goods:** The transfer, from the supplier to the client, of the right to dispose of a tangible good;
- **The intra-community acquisition of goods:** Acquisition of the right to dispose as owner of tangible goods from another EU country, when the goods acquired are transported to the client by the supplier or by the purchaser (or by a third party on their behalf);
- **The importation of goods:** Introduction of goods originating from non-EU countries to those within the EU; and
- **The supply of services:** Any supply which does not constitute a supply of goods.

VAT treatment of these taxable transactions will depend on the “place of supply”, i.e., the place where the transaction is deemed to be located for VAT purposes.

Place of supply rules : Many exception to these general rules exist and each individual situation could be assessed considering them.		
Type of supply	Additional circumstances	Where is the supply taxed?
Goods	Without transport	Where the goods are
	With transport	Where transport begins
Intra-community acquisitions	—	Where transport ends
Importations	—	Where the goods enter the EU territory
Services	B2C	Where the supplier is established
	B2B	Where the client is established

Exemptions: Art. 43 VAT law

Transactions listed in Article 43 of the Luxembourg VAT law are VAT-exempt; they do not attract Luxembourg VAT. However, even though they are not subject to Luxembourg VAT, **they are entitling to the deduction of the input VAT incurred on the costs related to these activities.**

Such transactions include, among others:

- Exportation of goods;
- Intra-EU supply of goods;
- Supply of goods and services to the European Community bodies;
- Supply of goods and services related to aircrafts used by airlines operating for reward chiefly on international routes;
- ... etc.



Exemptions: Art. 44 VAT law

Transactions listed in Article 44 of the Luxembourg VAT law are VAT-exempt. In principle, they do not attract Luxembourg VAT and are **not entitling to the deduction of the input VAT** incurred on the costs related to such activities. **However, input VAT deduction rights are granted for financing and insurance transactions with counterparties established in a non-EU Country (except non-EU AIFs).**

Such operations include, among others:

- Most financial services;
- The management of UCITS and AIFs;
- By default, the sale of immovable property, except for the sale of immovable property yet to be built (if such property does not exist at the moment of the sale);
- The provision of insurance services;
- ...etc.



VAT rates

Name	Rate	Illustrative goods and services
Standard rate	17%	By default rate
Intermediary rate	14%	Management and safekeeping of securities, publicity and printed marketing matter, cleaning products, etc...
Reduced rate	8%	Gas, electricity, heating, plants and flowers, hairdressing services, etc...
Super-reduced rate	3%	Foodstuffs for human and animal consumption, transport of passengers, supply of books, admission to shows and cultural or educational events, radio and television broadcasting services, etc...



Domestic reverse charge

Since January 2024, the domestic reverse charge, previously applicable to the supply of climate rights and of gas and electricity certificates, is extended to some goods particularly sensitive to VAT fraud such as computers, phones, headphones, game consoles, microprocessors and raw and semi-finished materials. When the value of the supply of these goods is more than € 10,000 (ex VAT and further reduction) and the purchaser is a VAT taxable person, the supplier must issue its invoice without VAT and quote “reverse charge” and the purchaser is liable to pay the VAT to the authorities.



Filing of VAT returns



Since January 2020, all VAT returns—whether they are filed monthly, quarterly, or annually — must be submitted electronically. This requires the use of digital certification tools.

Are available :

- The eCDF platform, i.e., the Platform for the Collection of Financial Data: The filing of VAT returns must be done by completing an online form or uploading an XML file via the eCDF platform.
- The eVAT platform (on MyGuichet.lu) on which the taxable person can file VAT registration applications and view the status of their VAT account online.

VAT returns deadlines

Turnover	Regime	Periodicity	Legal deadline
Exempt (with no input VAT deduction right)	Simplified	Annual	Before 1 March of the following year
Turnover < €112K	Standard	Annual	Before 1 March of the following year
€112K < Turnover < €620K	Standard	Quarterly	15th day of the month following the quarter
		Annual	Before 1 May of the following year
Turnover > €620K	Standard	Monthly	15th day of the following month
		Annual	Before 1 May of the following year



Penalties:

- Failure to file a VAT return: Lump sum penalty between €250 and €10,000
- Failure to pay or late payment: Up to 10% of tax due per year
- For non-communication of information or documents in due time: Penalty up to €25,000 per day



Invoicing requirement

Invoices are very important for VAT purposes. They are required for VAT taxable persons aiming at recovering the VAT paid in relation to goods/services received from providers. Invoices can be issued in paper or electronic format. Invoices must be issued at the latest the 15th day of the month following the transaction. In case of advance payment, the invoice must be issued at the latest when the advance payment is received.

Invoices are required, amongst others, in the following cases:

- Supply of goods and/or services to other VAT taxable persons;
- Supply of goods and/or services to non-VAT taxable legal body;
- When receiving an advance payment.

Invoices should be stored for a minimum period of 10 years, starting from 31 December of the year in which they were included in the VAT return.

Electronic invoices

It is possible to issue electronic invoices if acceptance by the client is properly documented. If the client agrees to receive invoices in an electronic format, in terms of content and timing, such electronic invoices follow the same rules as the traditional paper invoices.

The authenticity of the origin, the integrity of the content, and the legibility of invoices must be ensured until the end of the period for storage of invoices.

For B2G transactions, the issuance of proper electronic invoices is mandatory for all taxpayers since 18 October 2023.



Content of invoices

To be compliant with the VAT law, invoices must include a minimal set of mandatory items such as:

- The date of issuance;
- A sequential number which uniquely identifies the invoice;
- The VAT identification number under which the taxable person supplied the goods or services;
- The customer's VAT identification number, under which the customer received a supply of goods or services in respect of which he is liable for payment of VAT;
- The full name and address of the taxable person and of the customer;
- The quantity and nature of the goods or services supplied;
- The date when the goods or services are supplied or of the advance payment when this date is determined and different of the date of issuance of the invoice;
- The taxable amount per rate or exemption, the unit price exclusive of VAT and any discounts or rebates if they are not included in the unit price;
- The VAT rate(s) applied;
- The VAT amount payable, except where a special arrangement is applied under which, in accordance with the VAT law such detail is excluded;
- Where the customer receiving a supply or service issues the invoice instead of the supplier, e.g., 'self-billing';
- In the case of an exemption, reference to the applicable provision of the Luxembourg or EU VAT law indicating that the supply of goods or services is exempt;
- Where the customer is liable for the payment of the VAT, mention of 'reverse charge' is required.

These are general rules. Exceptions exist imposing less or additional items.



Accounting



The Luxembourg VAT law provides that any taxable person must keep accounts in sufficient detail for VAT to be applied and its application checked by the tax authorities. Accounting documents should be stored for a minimum period of 10 years, starting from the 31 December of the year they relate to.

FAIA/SAF-T



Any taxable person must keep accounts in sufficient detail for VAT to be applied and its application checked by the tax authorities.

For large companies, automated checks performed by the VAT authorities are more efficient than traditional “on-site” manual audits. Consequently, in the context of VAT audit, the authorities may demand to be provided with a Standard Audit File for Tax (SAF-T) file.

A SAF-T—referred to as FAIA in Luxembourg—is a standard file designed to export accounting and static data upon request of the VAT authorities in the context of a VAT audit. The authorities can run many automated verifications to assess the accuracy and consistency of the VAT returns filed compared to the accounting information of the taxable person.

The following are currently excluded from this obligation:

- Taxpayers exempt from implementing the Standard Chart of Accounts;
- Taxpayers subject to the simplified VAT return regime;
- Taxpayers whose annual turnover is below €112,000;
- Small taxpayers with few transactions (+/- 500), where a manual check is easier than the submission of an electronic file.



DAC 7

Since January 2023, EU digital platform operators must collect, verify through initial and on-going due diligence exercises and report to their national tax authorities, information on sellers and income they earned on their platforms. Operators must report by 31st of January each year the relevant information relating to the previous calendar year. The national Tax Authorities are then obliged to automatically exchange this information with the tax authorities of the EU Member States of the sellers.



CESOP

Since January 2024, payment services providers must report to “CESOP”, an EU data base and via the intermediation of national tax authorities specific reporting portal, EU originated cross-border payments they facilitated for their clients when the number of these payments exceeds 25 per quarter and per payee and to keep record of these payments. The reporting is quarterly (30 April, 31 July, 31 October, and 31 December). The aim of this reporting is the fight against VAT fraud.





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Designed and produced by MarCom at Deloitte Luxembourg.

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