VAT in the frame of providing management services to the subsidiary in the selected EU member states

DPH v rámci poskytování manažerských služeb dceřiné společnosti ve vybraných zemích EU

D. Nerudová, P. David

Department of Accounting and Taxes, Faculty of Business and Economics, Mendel University of Agriculture and Forestry, Brno, Czech Republic

Abstract: There still exist the differences in the legal frame of VAT, its interpretation and application of the rules in practice between the EU member states. The application of VAT during providing management services to an enterprise in other EU state directly or through a subsidiary in the state of the recipient is different as well. Questions of the VAT application during the provision of management services were searched by using standard methods of the scientific work in the frame of five selected EU countries – Hungary, Poland, Romania, Slovakia and the Czech Republic.

Key words: VAT, EU, management services, establishment, registration

Abstrakt: V oblasti právní úpravy DPH, její interpretaci a zejména aplikaci pravidel mezi členskými státy stále existují rozdíly. Aplikace DPH v rámci poskytování manažerských služeb společnosti v jiném členském státu ať již přímo, nebo prostřednictvím dceřiné společnosti ve státu příjemce je také odlišná. Otázky aplikace DPH při poskytování manažerských služeb byly zkoumány za použití standardních metod vědecké práce v pěti vybraných zemích EU – v Maďarsku, Polsku, Rumunsku, České republice a na Slovensku.

Klíčová slova: DPH, EU, manažerské služby, provozovna, registrace

Since the very beginning of the harmonization efforts within Europe, a great attention is paid to indirect taxation, mainly in the connection with the establishment and smooth functioning of the internal market. Therefore the European Commission had to decide about the uniform system of the general indirect taxation, which is going to be used throughout the European Union.

In the 1960s, two systems of the indirect taxation were applied within Europe. France was the only state applying the value added taxation system and all the other member states were applying the cumulative cascade tax system of the turnover tax. Third type of sales tax – retail sales taxes – has been applied in the U.S.A.

Based on the tax theory, the system of indirect taxation should meet three basic criteria. Firstly, the system of indirect taxation should not cause the market deformations. Secondly, the tax neutrality should be guaranteed. The last criterion represents the requirement, that the tax should be measurable in order to ensure the proportional tax burden Kubátová (2006). There can be also found other requirements which should be met by the taxation system in the tax theory. According to Musgrave (2002), taxation has three main aims. Taxation raises the revenue to finance public expenditure programs. Further, it can be used to redistribute income and finally, taxation is a key instrument of macroeconomic management of the government. Smith (2001) mentions four canons of taxation – equality, certainty, convenient payment and economy of collection.

The unified system of sales tax should not cause any market deformation – i.e. the situation in the

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market should not be distorted by the existence of the system of sales tax in any way. Taxation should not cause the difference in the prices of the identical products, nor should it be possible to influence the amount of the tax by the number of production or distribution stages.

A very important criterion which should be met by the system of the sales tax is represented by the requirement of the low administration costs. Administration costs are determined by the number of the taxpayers and also by the demands of the recording.

In some cases, providing of services represents a very close substitute to the good (e.g. the purchase of the lawn mower is the substitute of the services provided by the gardening – cutting the lawn; or the purchase of the washing machine is the substitute of the services provided by the laundries), therefore the system of sales tax should be applied also on the services. Another reason for taxation of services under the system of sales tax is the fact that in the advanced countries the share of expenditures on services is increasing together with the total incomes of the citizens[1] (i.e. the citizens possessing higher incomes spend a higher amount of money on the services than the citizens possessing lower incomes).

The system of the sales tax should respect the basic rule of the tax theory – vertical and horizontal equity. As Kubátová (2006) states, the vertical equity should guarantee that two taxpayers equal in the relative aspects should pay the same tax. Further, the horizontal equity should guarantee that the taxpayer being better-off in the relevant aspects pays a higher tax than the taxpayer being worse-off in the relevant aspects.

Another requirement which should the system of sales tax meet is the measurability. The tax has to be measurable in order to ensure the proportional tax burden. The tax has to be defined as the precise amount in the form of the percentage from the purchased price, so that it could be possible to guarantee the conformity between the expenditures of the consumers and the tax burden. The tax should be set on the same level in case of the identical products (the purchase price of the identical products should not be influenced by the different tax rates).

Neutrality of the tax system can be divided into external and internal. External neutrality is connected with the international aspects of the sales tax. It is ensured in the situation, when the tax levied on the imports does not exceed the amount of the tax, which is levied on the same domestic products; the amount of the tax which is refunded in case of export has to be equal to the tax which was levied on the exported goods. Internal neutrality (is connected with the neutrality of the internal market) of the tax is ensured in the situation, in which the exports are exempt from the tax and the amount of the tax levied on the imports is the same as the amount of the tax levied on the domestic products. Internal neutrality can be divided further into the legal, competitive and economic.

Legal neutrality of the tax is ensured in case that there is the relation between the tax burden and the propensity to consume of the tax payer, i.e. in case that the tax is measurable. The amount of the sales tax has to be set by the percentage from the selling price to ensure the proportional tax burden.

Competitive neutrality is ensured in the case that the tax burden is not dependant on the ratio of the vertical or horizontal integration. When the tax is set by the percentage from the selling price, the enterprises have no reason for the so-called tax integrations and therefore the competition is not disturbed in any way.

Economic neutrality is defined in close connection with the efficient allocation of the production resources. In order to ensure the effective resource allocation, the tax rates should influence the market mechanism as little as possible.

The European Commission has taken into account all the above described criteria during the decision process.

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MATERIAL AND METHODS

Under the system of the cumulative cascade of turnover tax, the tax on every production or distribution stage is paid as a certain percentage from the amount of the product (on the contrary to the VAT system, where the input and output taxable events are recorded). Even though the system seems to be easier from the administrative point of view, there is one substantial imperfection. The cumulative cas-

[1] E.g. individual having higher incomes rather purchase the service – cutting the lawn than to purchase the lawn mower.

cade system of the turnover tax causes the market deformation, for the tax incidence is proportionally increasing with the length of the production or distribution chain. Therefore the producer and distributors create integration for the final amount of the tax (tax burden) can be influenced by that. Under the system of the cumulative cascade turnover tax, the measurability is not guaranteed, for two identical products can comprise a different amount of tax according to the length of the production or distribution chain. The cumulative cascade turnover tax enables the taxation of all the private expenditures – goods and services.

Cumulative cascade system of the turnover tax faces also the problems with the equity. Under that system, the vertical equity can be broken, as two taxpayers in relatively the same conditions can pay a different amount of the tax for the consumption of the identical product (since the amount of the tax is dependant on the length of the distribution and production chain). On the contrary, the horizontal equity should be guaranteed, as usually the people who are better-off tend to consume more and therefore pay higher taxes than the people relatively worse-off[2].

To guarantee the external neutrality in the system of cumulative cascade turnover tax is very difficult, since it is extremely difficult to determine the amount of the tax in the case of export, because the identical products have undergone a different number of production or distribution stages. Therefore it s not always guaranteed that, that the tax levied on the imports does not exceed the amount of the tax, which is levied on the same domestic products and that the amount of the tax which is refunded in case of export is equal to the tax which was levied on the exported goods. The same is valid in the case of the internal neutrality. It cannot be always guaranteed that the exports are exempt from the tax and the amount of the tax levied on the imports is the same as the amount of the tax levied on the domestic products because of the reasons already stated above.

Competitive neutrality is not ensured under the system of cumulative cascade turnover tax either, since the tax burden is dependant on the ratio of the vertical or horizontal integration. Economic neutrality is probably maintained, for the tax rates in case of the cumulative cascade system of the tax are set very low, therefore they would not affect the market mechanism very much.

Value added tax system, contrary to the cumulative cascade system of turnover tax, does not force the producers or distributors to the vertical or horizontal integration, for on each production or distribution stage, there is paid the same amount of tax. The tax burden under the VAT system is independent on the length of the production or distribution chain. Therefore, this system of sales tax should not cause any market deformations. According to the tax theory, the VAT belongs to the category of the general consumption taxes. The aim is to tax all the private expenditures, therefore, as the subjects of the tax are not only goods but also services. There are no problems connected with taxation of services under that system.

Indirect tax collection represents another attribute of the value added tax. The tax is fully shifted to the consumer and is reflected in the purchase price of the goods and services. The application of the VAT does not disturb the market competition in any way, contrary to the cumulative cascade system of the turnover tax, the VAT is neutral. The amount of the tax liability cannot be influenced by the vertical or horizontal integration.

VAT tax neutrality can further be divided into the external and internal. External neutrality is connected with the international aspects of the turnover tax. It is ensured in the situation, when the tax levied on the imports does not exceed the amount of the tax, which is levied on the same domestic products; the amount of the tax which is refunded in case of export has to be equal to the tax which was levied on the exported goods. Internal neutrality (connected with neutrality of the internal market) of the tax is ensured in the situation, in which the exports are exempted from the tax and the amount of the tax levied on the imports is the same as the amount of the tax levied on the domestic products. Internal neutrality can be divided further into the legal, competitive and economic.

Legal neutrality of the tax is ensured in case that there is the relation between the tax burden and the propensity to consume of the taxpayer, i.e. in case that the tax is measurable. The amount of the turnover tax has to be set by the percentage from the selling price to ensure the proportional tax burden. Under the cumulative cascade system of the turnover tax, the legal neutrality can never be reached, for the tax can be reduced by the vertical or horizontal integra-

[2] An extreme situation can arise in case that the people being worse-off would by the products with very long production and distribution chain while the people who are better-off would buy the products with very short production and distribution chain. Under that situation even that well-off people consume more, the worse-off people could pay higher tax because the effect of the increased tax due to the length of production (distribution) chain.

tion. Moreover, the tax burden cannot be identified precisely, for the identical goods can bear a different amount of the tax.

Competitive neutrality is ensured in the case that the tax burden is not dependant on the ratio of the vertical or horizontal integration. When the tax is set by the percentage from the selling price, the enterprises have no reason for the so-called tax integrations and therefore the competition is not disturbed in any way.

Economic neutrality is defined in close connection with the efficient allocation of the production resources. In order to ensure the effective resource allocation, the tax rates should influence the market mechanism as least as possible.

The cumulative cascade system of turnover tax ensures neither external nor competitive neutrality. In the case of export when there is refunded a higher amount than the amount of the levied tax, it gives the preferential treatment to the producers with a longer production change (the break of the external neutrality). The above mentioned system can disturb the market competition, for the protectionisms (the protection of the domestic economy and the discrimination of the foreign products in the form of higher tax) and fiscal dumping can arise.

All the above mentioned facts have led European Commission to establish value added tax system as the unified system of indirect taxation. The VAT system chosen for the harmonization of indirect system of taxation enables to principles of taxation – principle of destination and the principle of origin. The principle of destination[3] requires the economic cooperation, as without it the competition could be disturbed. The reason of disturbance is the double taxation (in situation when the goods would be imported from the country with the principle of origin – in the country of the destination, the goods would be taxed for the second time according to the principle of destination) and the influence on the competitiveness (in situation when the countries apply different tax rates). Based on that, most of the countries (GATT – General Agreement on Tariffs and Trade) which apply the principle of destination exempt the export from the tax and levy the tax on import in order to prevent double taxation (David 2007). The aim of all the above introduced efforts is to contribute to smooth functioning of the internal market (Široký 2007).

It was necessary to use, during the elaboration of the VAT application problems in case of the provision of management services in other EU member state, the below introduced standard methods of scientific work in the frame of five selected EU states – Hungary, Poland, Romania, Slovakia and the Czech Republic. The method of the analysis is applied during the identification of characters of the surveyed phenomena and the method of synthesis for the formulation of frameworks of unifying character in the final parts of the text. It was also necessary to use the method of description for description of the actual state of objective provision regarding given problems and other facts and phenomena in order to create essential connections based on processing and evaluation of relevant data. Among others the method of induction and deduction was used. The application of those methods enabled generalization of the discovered facts and to formulate the general valid principles including their supposed effects.

The situation is shown in the Figure 1, where the enterprise A from any EU state is providing management

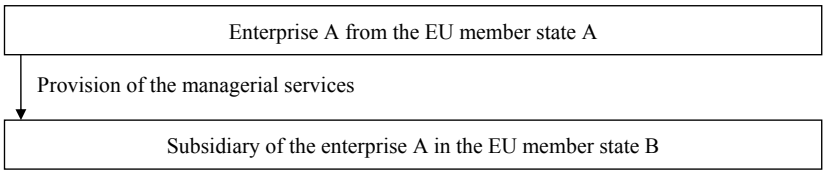

Figure 1. Providing of the management services to subsidiary without the creation of the establishment

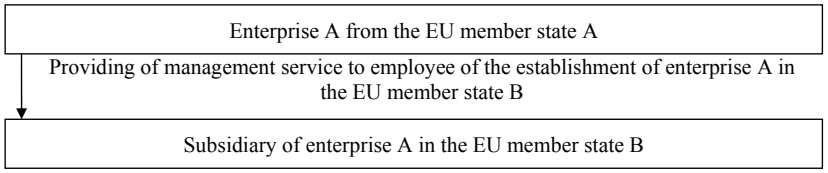

Figure 2. Providing of management services to subsidiary with the existence of the establishment

[3] Goods and services are taxed in the country of the consumption.

services to its subsidiary with residence in different EU state than the enterprise A. In this situation, the establishment of enterprise A has not arisen to the enterprise A in the state of subsidiary. The commission of enterprise A for providing management services to its subsidiary is set as a percentage from the turnover of the subsidiary. As the states, where the subsidiary is situated, Romania, Slovakia, the Czech Republic, Hungary and Poland were used. In order to highlight the reality, France will be considered to be the state, where the enterprise A is registered.

There is also shown the situation in the Figure 2, where the enterprise A from any EU member state is providing management services to its subsidiary, with the place of residence in a different EU member state than the enterprise A, through the employees of an establishment in the state of subsidiary. The commission of enterprise A for providing management services to its subsidiary is set (as well as in the previous example) by the percentage from the turnover of the subsidiary. As the state where the subsidiary is situated, there are considered to be consequently Romania, Slovakia, the Czech Republic, Hungary and Poland. As the country of origin of the enterprise A, again France has been chosen.

RESULTS AND DISCUSSION

There still exist the differences in VAT regulation, interpretation of provisions and application of these rules in practice between the EU member states. It is possible to see these imperfections also in the field of providing management services in the frame of two EU states, both during the existence of the establishment according to the regulation of VAT Act in the state of recipient and without the existence of the establishment. These problems can also relate to the subsidiaries of agricultural enterprises during acting in agricultural primary production and any following processing industry. It is possible to demonstrate this situation on the following Figure 1 and 2. Mainly the possibilities and conditions of the reverse charge mechanism application, related to problems of managerial problems division, determination of the place of the fulfillment during providing of management services and other related topics, are going to be discussed in the paper.

The management services themselves are not regulated in the Romanian legislation. However, it is possible to include them partly into services regulated in the article 56 of the Council Directive 2006/112/ES from 28th November 2006 on the common VAT system[4]. So in practice the provision of services by the enterprise A from France to subsidiary in Romania (Figure 3) is included into services during whose provision Romania is considered to be the place of the fulfillment according to the Romanian VAT regulation. Inactive enterprise from Romania is then liable to pay VAT. Theoretically, it is necessary to strictly divide and class services and commissions but until now it is not obvious according to which key.

Also in Slovakia, there is no specific regulation on providing management services. The place of the fulfillment of the management services provided by the enterprise A from France to subsidiary in Slovakia (Figure 4) is dependent exclusively on the regulation in the agreement on providing management services. According to the Art. 43 of Council Directive 2006/112/ES from 28th November 2006 the on common VAT

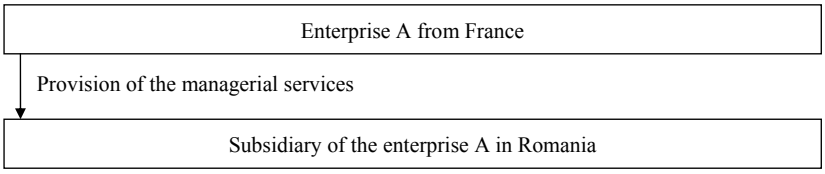

Figure 3. Providing of the management services to subsidiary in Romania without the creation of the establishment

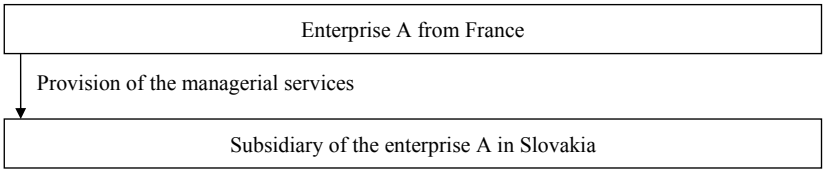

Figure 4. Providing of the management services to subsidiary in Slovakia without the creation of the establishment

[4] For details see Nerudová (2005).

system, the provider is liable to pay VAT in the state of his residence – in this case in France (for the enterprise A is resident in France). It is also possible to apply the reverse charge mechanism according to the Art. 56 of Council Directive 2006/112/ES from 28th November 2006 on the common VAT system, if the provider is not registered in the state of the recipient – in this case in Slovakia. In that case the subsidiary in Slovakia (recipient of the management service in this state) pays the VAT. Management services are divided in Slovakia only in the case of provision in the frame of more agreements. However, it is necessary to divide and specify the commission in the agreement.

The situation is relatively clear in the Czech Republic. According to the point of view of the Ministry of Finance, the management services are considered to be the object of the reverse charge mechanism according to the Art. 56 of Council Directive 2006/112/ES from 28th November 2006 on the common VAT system. The state of subsidiary (in this case the Czech Republic) during the provision of management services by the enterprise A from France is considered to be the place of the fulfillment. The subsidiary is liable to pay VAT in his state – in this case in the Czech Republic (Figure 5).

The regulation and application of rules of providing management services to subsidiary in Hungary is partly same as in the Czech Republic (Figure 6). Management services are subject to the reverse charge mechanism according to the Art. 56 of Council Directive 2006/112/ES from 28th November 2006 on the common VAT system. Hungary is the place of the fulfillment and the subsidiary in Hungary pays the VAT. Division of services and commission is possible only in the case of clear and provable separation based on agreement on providing management services (Figure 7).

Also in Poland, there is no specific regulation of providing management services. The place of the ful-

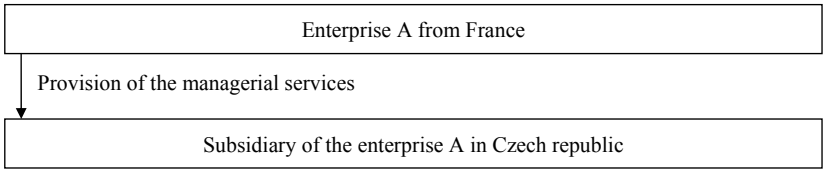

Figure 5. Providing of the management services to subsidiary in Czech Republic without the creation of the establishment

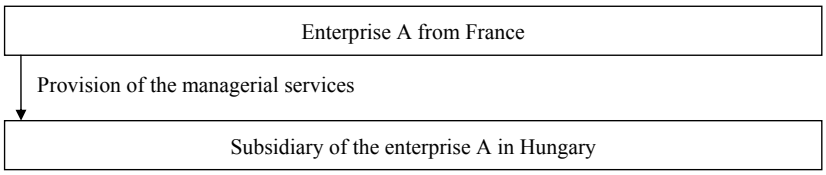

Figure 6. Providing of the management services to subsidiary in Hungary without the creation of the establishment

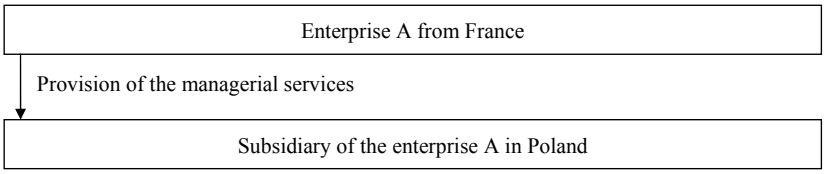

Figure 7. Providing of the management services to subsidiary in Poland without the creation of the establishment

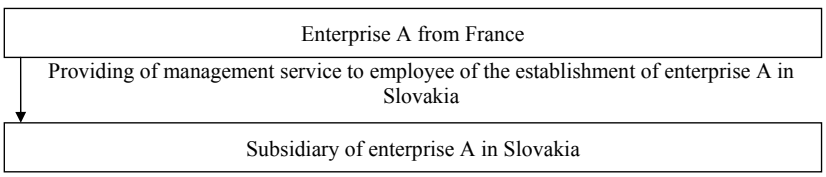

Figure 8. Providing of management services to subsidiary in Slovakia with the existence of the establishment

fillment is dependent on the regulation in every single agreement on providing management services. The enterprise A in France is liable to pay VAT according to the Art. 43 of Council Directive 2006/112/ES from 28th November 2006 on the common VAT system. It is also possible to apply the reverse charge mechanism according to the Art. 56 of Council Directive from 28th November 2006 on the common VAT system, if the enterprise A is not registered for VAT in Poland and when the recipient of management services pays VAT in his state – (in this case in Poland).

The creation of the establishment, which is influenced by a more moderate approach of the Slovak tax authority and by the single definition of establishment, is the primary presumption for realization of providing management services by the above described way. Slovak tax authorities very often hesitate with the application of the basic rule for the determination of the place of the fulfillment of management services. Slovakia is the place of the fulfillment if the establishment of the enterprise A from France is created there (Figure 8). In the situation, when the turnover of enterprise A exceeds 1.5 mil. SKK in the last 12 months, it is liable to register for VAT in Slovakia. It is not possible to apply the reverse charge mechanism even in the case that the enterprise A is not registered for VAT in Slovakia. It is possible to apply the reverse charge mechanism if the establishment of the enterprise A is not created in Slovakia and Slovakia is the place of the fulfillment.

Establishment of the enterprise A can be created in the Czech Republic mainly based on the existence of the employees who are providing management services to the subsidiary of the enterprise A in the Czech Republic. The establishment is liable to register for VAT in the Czech Republic incase, that its turnover exceeds 1 mil. CZK in the last 12 months. Then, VAT is paid by the establishment of the enterprise A in the

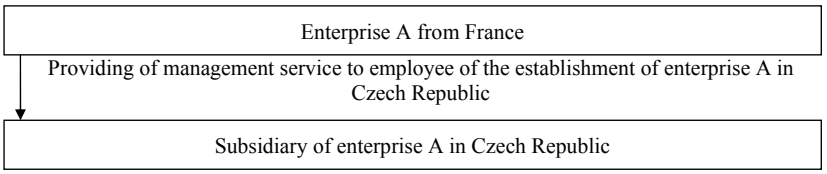

Figure 9. Providing of management services to subsidiary in Czech Republic with the existence of the establishment

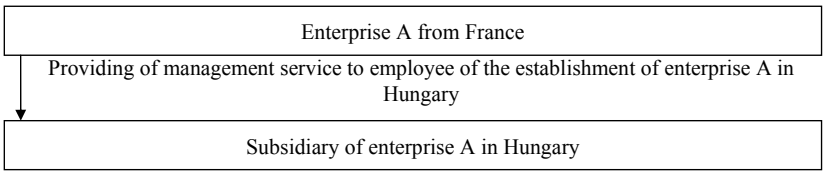

Figure 10. Providing of management services to subsidiary in Hungary with the existence of the establishment

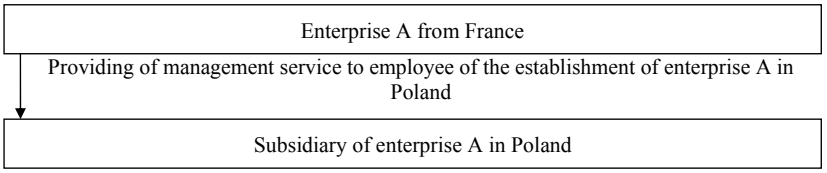

Figure 11. Providing of management services to subsidiary in Poland with the existence of the establishment

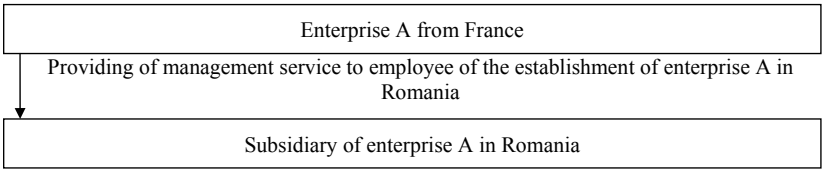

Figure 12. Providing of management services to subsidiary in Romania with the existence of the establishment

Czech Republic (Figure 9). In this situation, it is not possible to the apply reverse charge mechanism.

The establishment of the enterprise A from France is not created considering the presence of its employees and the existence of its property on the territory of Hungary (Figure 10). In this case, it is necessary to apply the Hungarian VAT. The recipient of the management services – subsidiary of the enterprise A – cannot apply the reverse charge mechanism.

Table 1. Registration limits in all EU member states

Country	Registration limit
Belgium	5 580 EUR
Denmark	50 000 DKK
Estonia	250 000 EKK
Finland	8 500 EUR
France	76 000 EUR
Ireland	51 000 EUR
Italy	0 EUR
Cyprus	9 000 CYP
Lithuania	100 000 LTL
Latvia	10 000 LVL
Luxembourg	0 EUR
Hungary	2 000 000 HUF
Malta	15 000 MTL
Germany	16 500 EUR
Netherlands	0 EUR
Poland	10 000 EUR
Portugal	9 976 EUR
Austria	22 000 EUR
Greece	9 000 EUR
Slovakia	500 000 SKK
Slovenia	22 000 EUR (6 500 EUR in agriculture)
Spain	0 EUR
Sweden	0 EUR
United Kingdom	55 000 GBP
Czech Republic	1 000 000 CZK
Romania	35 000 EUR
Bulgaria	50 000 BGN

Note: Registration limit 0 EUR means, that every business subject automatically becomes VAT tax payer

Source: Nerudová (2005)

The establishment is liable to register for the VAT in Hungary in case that its net total sales exceeds 35 000 EUR in the last 12 months.

In Poland the agreements concluded during the provision of management services are based on provision of consultancy or provision of employees (Figure 11). The Polish tax administration has not been very strict in the question of the creation of establishment till now. It is necessary to follow the valid conditions of VAT registration in Poland in the case of establishment creation. The management services mode depends on their character and on their statistic classification. Providing management services can be considered just as one fulfillment in case that these services are separable from each other. Poland is the place of the fulfillment in case of the creation of establishment of the enterprise A from France in Poland during the provision of management services to its subsidiary in Poland. The enterprise A is liable to register for VAT in Poland in the case that its turnover exceeds 35 000 EUR in the last 12 months. It is not possible to apply reverse charge mechanism if the enterprise A is registered for VAT in Poland and neither when it is not. It is possible to apply the reverse charge mechanism only in the case that the establishment of the enterprise A in Poland is not created and Poland will be the place of the fulfillment of the providing management services.

The establishment of the enterprise A from France is created in Romania if it posses sufficient technical and human resources for regular providing of taxable fulfillment – so also the management services (Figure 12). The registration for VAT is necessary when the turnover exceeds 200 000 RON during the last 12 months. The Romanian regulation on the place of the providing management services corresponds with the Art. 43 of Council Directive 2006/112/ES from 28th November 2006 on the common VAT system. According to this article, services are taxed in the EU member state, in which the provider of service has residence or establishment, from which the services are provided. The case law of the European Court of Justice solves the problems of determination of the place of providing services in order to avoid conflicts of jurisdictions of the EU member states. The application of reverse charge mechanism depends again on character of provided services and on the fact, whether the management services are provided by the enterprise A from France or by its subsidiary in Romania. It is suitable to divide management services in respect to the reverse charge mechanism application.

The registration limits in all EU member states are shown in Table 1.

CONCLUSION

The long-term aim of the European Commission is to reduce the individual differences in tax systems of the member states, whether through tax harmonization or through tax coordination, in order to not cause inhibitions to the smooth functioning of the internal market, to not cause market distortions, and not to the cause inefficient allocation of production factors or production caused by the obstacles of tax character. The intention of the European Commission is to realize the value added tax modernization, to simplify VAT, to ensure its more uniform application and to improve administrative cooperation.

In the frame of the VAT problems, it is possible to see a wide range of differences in national legislations, their interpretations and application by tax authorities in practice in the individual EU member states. Many ambiguities appear during providing management services to other EU member state through the establishment or subsidiary, in the state of the recipient of management services or directly by the enterprise from other EU member state. The disclosure of the lacks and differences in national provisions of the selected EU states is the only possible way how to continue in fulfillments of efforts leading to the achievement of the fundamental goal of the EU tax policy. The goal of the EU tax policy is represented by the elimination of differences in tax system of the individual member states, mainly through minimization of disproportions in their impacts on economic competition and facilitation of free movement of goods, services, persons and capital on the EU internal market and by contribution to the improvement of its functioning.

The application of reverse charge mechanism during the provision of management services by the enterprise A from France to the selected EU states is partly influenced by the application of the objective regulations of the Council Directive 2006/112/ES from 28th November 2006 on the common VAT system. The state of residence of the recipient of service is considered to be the place of the fulfillment during providing management services again, in relation to the application of the Council Directive 2006/112/ES from 28th November 2006 on the common VAT system. In the frame of the problems regarding the possible application of the reverse charge mechanism and determination of the place of the fulfillment during provision of management services by enterprise from other EU member state to the recipient of service in the selected EU state through its establishment, the creation of the establishment is mainly problematic. There exist considerable differences, both in regulations of the establishment creation in the selected states and also in the application of these regulations in practice.

In situation when there arises a collision between the national regulations whether the establishment was established or not, double taxation or non-taxation can take place. It is not possible to apply the reverse charge mechanism if the establishment is created in the given state with no respect to the VAT registration of the given enterprise in the selected state and conditions of this registration. A certain complication in this problem can be brought about by the classification of management services as the certain type of services, which takes place for example in Romania or Poland. The state, where the services are provided, is considered in all respect to be the place of the fulfillment.

The companies providing management services into another EU member states very often face the problem of "tax retention" – for example in Poland. This is caused not only by the excessive administrative demands on the case processing, but very often by the incompetence and unwillingness of the competent tax authorities. The taxpayer can sometimes get the feeling of double taxation.

The risk of double taxation during the providing of management services can be prevented by splitting of the services and also by splitting of the respective payments. Many countries as for example Poland or Rumania do not have any key for splitting the management services, therefore the tax payers are forced to define their own keys and therefore bear an unnecessary risk.

It is possible to see certain shortages and heterogeneity of national regulations also in other EU member states and that is the reason why the above described problems should not be connected just with the new EU member states. It is necessary to give those problems a relevant treatment, to solve them by unambiguous and mandatory decisions of the relevant authority of the EU, in the complex way and to the benefit of the participating subjects.

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Contact address:

Danuše Nerudová, Petr David, Mendel University of Agriculture and Forestry in Brno, Zemědělská 1, 613 00 Brno, Czech Republic
e-mail: d.nerudova@seznam.cz, david@mendelu.cz