XXXII OGÓLNOPOLSKA KONFERENCJA NAUKOWA

Rachunkowość w zarządzaniu jednostkami gospodarczymi

Nina Stępnicka

Accounting using a unit of account that is a compensating currency

Compensation currency – proposed definition

They are classified as so-called **alternative exchange systems** (or local money systems), which are a bottom-up initiative, a regionally oriented federation of decentralized, independent entities that are guided by the principles of grassroots democracy controlled by citizens or civic groups and which constitute one of the instruments to support economic stability.

In the light of economics	In the light of the law
it acts as a medium of exchange (measure of value)	is not money
money in the economic sense, but without the possibility of it being regarded as a universal and unconditionally acceptable means of payment in the country	it is a special case of a means of payment, functioning in a limited group of entities which undertake to honour the local currency
a tool for creating the right conditions for the development of entrepreneurship and small and medium-sized enterprises in local communities	its functioning is based on the will of the parties and is not contrary to the provisions of the Constitution and the Act on the National Bank of Poland

Under tax law, the compensatory currency is:

a conventional unit of account for which the tax liability for transactions regulated in this currency is the same as for a generally accepted currency

and

under an individual tax interpretation issued for the compensating currency, settlement in this currency on the account in the settlement system of the compensating currency is recognized as acceptance of payment

This means that:

entities belonging to the compensation currency system are subject to the same tax settlement rules as when paying with a universally accepted currency, the acceptance of which cannot be refused

Sources of national law regulating tax issues of the compensatory currency

- Act of 23 April 1964 – Civil Code (Journal of Laws of 2014, item 121, as amended)
- Act of 29 August 1997 - Tax Ordinance (Journal of Laws of 2012, item 749, as amended)
- Individual tax interpretation issued by the National Revenue Information (Regulation of the Minister of Finance of 20 June 2007 on the authorization to issue interpretations of tax law provisions (Journal of Laws No. 112, item 770, as amended)

Accounting using a compensating currency

Accounting books: Using the accounts of the 2. Settlements and claims team, we conduct settlements using the compensating currency with contractors, including those who will pay using the compensating currency, as before. However, in order to maintain transparency, in the documentation, you should create an analytical account for the account - "Other settlements" - "Settlements using the compensating currency". We use this account to record settlements using the compensating currency.

Tax book of revenues and expenses: we record business transactions using the compensating currency in the same way as we have previously recorded documents settled in PLN. Tax regulations do not require this form of settlement to conduct settlements, which does not mean that entrepreneurs should not conduct them for their own needs. The settlement system maintained by the Compensating Currency Administrator will undoubtedly be helpful in this respect.

Recognition of transactions involving a compensating currency as settled

Instruction

- If we keep our accounting in a simplified form and it is a book of income and expenses, then we record economic transactions using the compensating currency in the same way as we have been keeping accounting records of documents settled in PLN
- Tax regulations do not require this form of settlement to be conducted, which does not mean that entrepreneurs should not keep them for their own needs. The settlement system maintained by the Administrator for settlements of the compensating currency will undoubtedly be helpful in this respect

Cash method of settling transactions using a compensating currency

Method of issuing invoices for sellers who have chosen to settle VAT on a cash basis

- For small taxpayers who have chosen the cash method of settling VAT, the tax liability will arise on the day of receipt of all or part of the payment - in the case of delivery of goods or provision of services to a taxpayer registered as an active VAT taxpayer, or on the day of receipt of all or part of the payment, no later than 180 days from the date of delivery of the goods or provision of the service - in the case of delivery of goods or provision of services to an entity other than an active VAT taxpayer.

Deduction of input VAT from an invoice received from a taxpayer settling on a cash basis

- If we keep our accounting in a simplified form and it is a book of income and expenses, then we record economic transactions using the compensating currency in the same way as we have been keeping accounting records of documents settled in złoty. Tax regulations do not require keeping accounts for this form of settlement, which does not mean that entrepreneurs should not keep them for their own needs. The settlement system kept by the Administrator for settlements of the compensating currency will undoubtedly be helpful in this respect.

KONTAKT

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