

Council Directive 2006/112/EC of 28 November  
2006 on the common system of value added tax

TITLE VII

**TAXABLE AMOUNT**

CHAPTER 2

**Supply of goods or services**

*Article 73*

In respect of the supply of goods or services, other than as referred to in Articles 74 to 77, the taxable amount shall include everything which constitutes consideration obtained or to be obtained by the supplier, in return for the supply, from the customer or a third party, including subsidies directly linked to the price of the supply.

*Article 74*

Where a taxable person applies or disposes of goods forming part of his business assets, or where goods are retained by a taxable person, or by his successors, when his taxable economic activity ceases, as referred to in Articles 16 and 18, the taxable amount shall be the purchase price of the goods or of similar goods or, in the absence of a purchase price, the cost price, determined at the time when the application, disposal or retention takes place.

*Article 75*

In respect of the supply of services, as referred to in Article 26, where goods forming part of the assets of a business are used for private purposes or services are carried out free of charge, the taxable amount shall be the full cost to the taxable person of providing the services.

*Article 76*

In respect of the supply of goods consisting in transfer to another Member State, the taxable amount shall be the purchase price of the goods or of similar goods or, in the absence of a purchase price, the cost price, determined at the time the transfer takes place.

*Article 77*

In respect of the supply by a taxable person of a service for the purposes of his business, as referred to in Article 27, the taxable amount shall be the open market value of the service supplied.

*Article 78*

The taxable amount shall include the following factors:

- (a) taxes, duties, levies and charges, excluding the VAT itself;

- (b) incidental expenses, such as commission, packing, transport and insurance costs, charged by the supplier to the customer.

For the purposes of point (b) of the first paragraph, Member States may regard expenses covered by a separate agreement as incidental expenses.

#### *Article 79*

The taxable amount shall not include the following factors:

- (a) price reductions by way of discount for early payment;
- (b) price discounts and rebates granted to the customer and obtained by him at the time of the supply;
- (c) amounts received by a taxable person from the customer, as repayment of expenditure incurred in the name and on behalf of the customer, and entered in his books in a suspense account.

The taxable person must furnish proof of the actual amount of the expenditure referred to in point (c) of the first paragraph and may not deduct any VAT which may have been charged.

#### *Article 80*

1 In order to prevent tax evasion or avoidance, Member States may in any of the following cases take measures to ensure that, in respect of the supply of goods or services involving family or other close personal ties, management, ownership, membership, financial or legal ties as defined by the Member State, the taxable amount is to be the open market value:

- a where the consideration is lower than the open market value and the recipient of the supply does not have a full right of deduction under Articles 167 to 171 and Articles 173 to 177;
- b where the consideration is lower than the open market value and the supplier does not have a full right of deduction under Articles 167 to 171 and Articles 173 to 177 and the supply is subject to an exemption under Articles 132, 135, 136, 371, 375, 376, 377, 378(2), 379(2) or Articles 380 to 390;
- c where the consideration is higher than the open market value and the supplier does not have a full right of deduction under Articles 167 to 171 and Articles 173 to 177.

For the purposes of the first subparagraph, legal ties may include the relationship between an employer and employee or the employee's family, or any other closely connected persons.

2 Where Member States exercise the option provided for in paragraph 1, they may restrict the categories of suppliers or recipients to whom the measures shall apply.

3 Member States shall inform the VAT Committee of national legislative measures adopted pursuant to paragraph 1 in so far as these are not measures authorised by the Council prior to 13 August 2006 in accordance with Article 27 (1) to (4) of Directive 77/388/EEC, and which are continued under paragraph 1 of this Article.

#### *Article 81*

Member States which, at 1 January 1993, were not availing themselves of the option under Article 98 of applying a reduced rate may, if they avail themselves of the option under Article 89, provide that in respect of the supply of works of art, as referred to in

Article 103(2), the taxable amount is to be equal to a fraction of the amount determined in accordance with Articles 73, 74, 76, 78 and 79.

The fraction referred to in the first paragraph shall be determined in such a way that the VAT thus due is equal to at least 5 % of the amount determined in accordance with Articles 73, 74, 76, 78 and 79.

#### *Article 82*

Member States may provide that, in respect of the supply of goods and services, the taxable amount is to include the value of exempt investment gold within the meaning of Article 346, which has been provided by the customer to be used as basis for working and which as a result, loses its VAT exempt investment gold status when such goods and services are supplied. The value to be used is the open market value of the investment gold at the time that those goods and services are supplied.