

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

TITLE V

**PLACE OF TAXABLE TRANSACTIONS**

CHAPTER 1

**Place of supply of goods**

Section 1

**Supply of goods without transport**

*Article 31*

Where goods are not dispatched or transported, the place of supply shall be deemed to be the place where the goods are located at the time when the supply takes place.

Section 2

**Supply of goods with transport**

*Article 32*

Where goods are dispatched or transported by the supplier, or by the customer, or by a third person, the place of supply shall be deemed to be the place where the goods are located at the time when dispatch or transport of the goods to the customer begins.

However, if dispatch or transport of the goods begins in a third territory or third country, both the place of supply by the importer designated or recognised under Article 201 as liable for payment of VAT and the place of any subsequent supply shall be deemed to be within the Member State of importation of the goods.

*Article 33*

1 By way of derogation from Article 32, the place of supply of goods dispatched or transported by or on behalf of the supplier from a Member State other than that in which dispatch or transport of the goods ends shall be deemed to be the place where the goods are located at the time when dispatch or transport of the goods to the customer ends, where the following conditions are met:

- a the supply of goods is carried out for a taxable person, or a non-taxable legal person, whose intra-Community acquisitions of goods are not subject to VAT pursuant to Article 3(1) or for any other non-taxable person;
- b the goods supplied are neither new means of transport nor goods supplied after assembly or installation, with or without a trial run, by or on behalf of the supplier.

2 Where the goods supplied are dispatched or transported from a third territory or a third country and imported by the supplier into a Member State other than that in which dispatch or

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transport of the goods to the customer ends, they shall be regarded as having been dispatched or transported from the Member State of importation.

#### *Article 34*

1 Provided the following conditions are met, Article 33 shall not apply to supplies of goods all of which are dispatched or transported to the same Member State, where that Member State is the Member State in which dispatch or transport of the goods ends:

- a the goods supplied are not products subject to excise duty;
- b the total value, exclusive of VAT, of such supplies effected under the conditions laid down in Article 33 within that Member State does not in any one calendar year exceed EUR 100 000 or the equivalent in national currency;
- c the total value, exclusive of VAT, of the supplies of goods, other than products subject to excise duty, effected under the conditions laid down in Article 33 within that Member State did not in the previous calendar year exceed EUR 100 000 or the equivalent in national currency.

2 The Member State within the territory of which the goods are located at the time when their dispatch or transport to the customer ends may limit the threshold referred to in paragraph 1 to EUR 35 000 or the equivalent in national currency, where that Member State fears that the threshold of EUR 100 000 might cause serious distortion of competition.

Member States which exercise the option under the first subparagraph shall take the measures necessary to inform accordingly the competent public authorities in the Member State in which dispatch or transport of the goods begins.

3 The Commission shall present to the Council at the earliest opportunity a report on the operation of the special EUR 35 000 threshold referred to in paragraph 2, accompanied, if necessary, by appropriate proposals.

4 The Member State within the territory of which the goods are located at the time when their dispatch or transport begins shall grant those taxable persons who carry out supplies of goods eligible under paragraph 1 the right to opt for the place of supply to be determined in accordance with Article 33.

The Member States concerned shall lay down the detailed rules governing the exercise of the option referred to in the first subparagraph, which shall in any event cover two calendar years.

#### *Article 35*

Articles 33 and 34 shall not apply to supplies of second-hand goods, works of art, collectors' items or antiques, as defined in points (1) to (4) of Article 311(1), nor to supplies of second-hand means of transport, as defined in Article 327(3), subject to VAT in accordance with the relevant special arrangements.

#### *Article 36*

Where goods dispatched or transported by the supplier, by the customer or by a third person are installed or assembled, with or without a trial run, by or on behalf of the supplier, the place of supply shall be deemed to be the place where the goods are installed or assembled.

Where the installation or assembly is carried out in a Member State other than that of the supplier, the Member State within the territory of which the installation or assembly

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is carried out shall take the measures necessary to ensure that there is no double taxation in that Member State.

#### *F1* Article 36a

1 Where the same goods are supplied successively and those goods are dispatched or transported from one Member State to another Member State directly from the first supplier to the last customer in the chain, the dispatch or transport shall be ascribed only to the supply made to the intermediary operator.

2 By way of derogation from paragraph 1, the dispatch or transport shall be ascribed only to the supply of goods by the intermediary operator where the intermediary operator has communicated to his supplier the VAT identification number issued to him by the Member State from which the goods are dispatched or transported.

3 For the purposes of this Article, ‘intermediary operator’ means a supplier within the chain other than the first supplier in the chain who dispatches or transports the goods either himself or through a third party acting on his behalf.

4 This Article shall not apply to the situations covered by Article 14a.]

#### **Textual Amendments**

**F1** Inserted by [Council Directive \(EU\) 2018/1910 of 4 December 2018 amending Directive 2006/112/EC as regards the harmonisation and simplification of certain rules in the value added tax system for the taxation of trade between Member States.](#)

### Section 3

#### **Supply of goods on board ships, aircraft or trains**

##### *Article 37*

1 Where goods are supplied on board ships, aircraft or trains during the section of a passenger transport operation effected within the Community, the place of supply shall be deemed to be at the point of departure of the passenger transport operation.

2 For the purposes of paragraph 1, ‘section of a passenger transport operation effected within the Community’ shall mean the section of the operation effected, without a stopover outside the Community, between the point of departure and the point of arrival of the passenger transport operation.

‘Point of departure of a passenger transport operation’ shall mean the first scheduled point of passenger embarkation within the Community, where applicable after a stopover outside the Community.

‘Point of arrival of a passenger transport operation’ shall mean the last scheduled point of disembarkation within the Community of passengers who embarked in the Community, where applicable before a stopover outside the Community.

In the case of a return trip, the return leg shall be regarded as a separate transport operation.

3 The Commission shall, at the earliest opportunity, present to the Council a report, accompanied if necessary by appropriate proposals, on the place of taxation of the supply of

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goods for consumption on board and the supply of services, including restaurant services, for passengers on board ships, aircraft or trains.

Pending adoption of the proposals referred to in the first subparagraph, Member States may exempt or continue to exempt, with deductibility of the VAT paid at the preceding stage, the supply of goods for consumption on board in respect of which the place of taxation is determined in accordance with paragraph 1.

#### *F<sup>2</sup>Section 4*

### ***Supplies of gas through a natural gas system, of electricity and of heat or cooling energy through heating and cooling networks***

#### *Article 38*

1 In the case of the supply of gas through a natural gas system situated within the territory of the Community or any network connected to such a system, the supply of electricity, or the supply of heat or cooling energy through heating or cooling networks to a taxable dealer, the place of supply shall be deemed to be the place where that taxable dealer has established his business or has a fixed establishment for which the goods are supplied or, in the absence of such a place of business or fixed establishment, the place where he has his permanent address or usually resides.

2 For the purposes of paragraph 1, ‘taxable dealer’ shall mean a taxable person whose principal activity in respect of purchases of gas, electricity, heat or cooling energy is reselling those products and whose own consumption of those products is negligible.

#### *Article 39*

In the case of the supply of gas through a natural gas system situated within the territory of the Community or any network connected to such a system, the supply of electricity or the supply of heat or cooling energy through heating or cooling networks, where such a supply is not covered by Article 38, the place of supply shall be deemed to be the place where the customer effectively uses and consumes the goods.

Where all or part of the gas, electricity or heat or cooling energy is not effectively consumed by the customer, those non-consumed goods shall be deemed to have been used and consumed at the place where the customer has established his business or has a fixed establishment for which the goods are supplied. In the absence of such a place of business or fixed establishment, the customer shall be deemed to have used and consumed the goods at the place where he has his permanent address or usually resides.]

#### **Textual Amendments**

- F2** Substituted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)

## CHAPTER 2

### Place of an intra-Community acquisition of goods

#### Article 40

The place of an intra-Community acquisition of goods shall be deemed to be the place where dispatch or transport of the goods to the person acquiring them ends.

#### Article 41

Without prejudice to Article 40, the place of an intra-Community acquisition of goods as referred to in Article 2(1)(b)(i) shall be deemed to be within the territory of the Member State which issued the VAT identification number under which the person acquiring the goods made the acquisition, unless the person acquiring the goods establishes that VAT has been applied to that acquisition in accordance with Article 40.

If VAT is applied to the acquisition in accordance with the first paragraph and subsequently applied, pursuant to Article 40, to the acquisition in the Member State in which dispatch or transport of the goods ends, the taxable amount shall be reduced accordingly in the Member State which issued the VAT identification number under which the person acquiring the goods made the acquisition.

#### Article 42

The first paragraph of Article 41 shall not apply and VAT shall be deemed to have been applied to the intra-Community acquisition of goods in accordance with Article 40 where the following conditions are met:

- (a) the person acquiring the goods establishes that he has made the intra-Community acquisition for the purposes of a subsequent supply, within the territory of the Member State identified in accordance with Article 40, for which the person to whom the supply is made has been designated in accordance with Article 197 as liable for payment of VAT;
- (b) the person acquiring the goods has satisfied the obligations laid down in Article 265 relating to submission of the recapitulative statement.

## [F<sup>3</sup>CHAPTER 3

### Place of supply of services

#### Section 1

#### Definitions

#### Article 43

For the purpose of applying the rules concerning the place of supply of services:

1. a taxable person who also carries out activities or transactions that are not considered to be taxable supplies of goods or services in accordance with Article 2(1) shall be regarded as a taxable person in respect of all services rendered to him;

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2. a non-taxable legal person who is identified for VAT purposes shall be regarded as a taxable person.

## Section 2

### **General rules**

#### *Article 44*

The place of supply of services to a taxable person acting as such shall be the place where that person has established his business. However, if those services are provided to a fixed establishment of the taxable person located in a place other than the place where he has established his business, the place of supply of those services shall be the place where that fixed establishment is located. In the absence of such place of establishment or fixed establishment, the place of supply of services shall be the place where the taxable person who receives such services has his permanent address or usually resides.

#### *Article 45*

The place of supply of services to a non-taxable person shall be the place where the supplier has established his business. However, if those services are provided from a fixed establishment of the supplier located in a place other than the place where he has established his business, the place of supply of those services shall be the place where that fixed establishment is located. In the absence of such place of establishment or fixed establishment, the place of supply of services shall be the place where the supplier has his permanent address or usually resides.

## Section 3

### **Particular provisions**

#### Subsection 1

#### **Supply of services by intermediaries**

#### *Article 46*

The place of supply of services rendered to a non-taxable person by an intermediary acting in the name and on behalf of another person shall be the place where the underlying transaction is supplied in accordance with this Directive.

#### Subsection 2

#### **Supply of services connected with immovable property**

#### *Article 47*

The place of supply of services connected with immovable property, including the services of experts and estate agents, the provision of accommodation in the hotel sector or in sectors with a similar function, such as holiday camps or sites developed for use as camping sites, the granting of rights to use immovable property and services for the

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preparation and coordination of construction work, such as the services of architects and of firms providing on-site supervision, shall be the place where the immovable property is located.

### Subsection 3

#### **Supply of transport**

##### *Article 48*

The place of supply of passenger transport shall be the place where the transport takes place, proportionate to the distances covered.

##### *Article 49*

The place of supply of the transport of goods, other than the intra-Community transport of goods, to non-taxable persons shall be the place where the transport takes place, proportionate to the distances covered.

##### *Article 50*

The place of supply of the intra-Community transport of goods to non-taxable persons shall be the place of departure.

##### *Article 51*

‘Intra-Community transport of goods’ shall mean any transport of goods in respect of which the place of departure and the place of arrival are situated within the territories of two different Member States.

‘Place of departure’ shall mean the place where transport of the goods actually begins, irrespective of distances covered in order to reach the place where the goods are located and ‘place of arrival’ shall mean the place where transport of the goods actually ends.

##### *Article 52*

Member States need not apply VAT to that part of the intra-Community transport of goods to non-taxable persons taking place over waters which do not form part of the territory of the Community.

### Subsection 4

#### **Supply of cultural, artistic, sporting, scientific, educational, entertainment and similar services, ancillary transport services and valuations of and work on movable property**

##### *[<sup>F3</sup>Article 53*

The place of supply of services in respect of admission to cultural, artistic, sporting, scientific, educational, entertainment or similar events, such as fairs and exhibitions, and of ancillary services related to the admission, supplied to a taxable person, shall be the place where those events actually take place.

##### *Article 54*

1 The place of supply of services and ancillary services, relating to cultural, artistic, sporting, scientific, educational, entertainment or similar activities, such as fairs and exhibitions,

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including the supply of services of the organisers of such activities, supplied to a non-taxable person shall be the place where those activities actually take place.

2 The place of supply of the following services to a non-taxable person shall be the place where the services are physically carried out:

- a ancillary transport activities such as loading, unloading, handling and similar activities;
- b valuations of and work on movable tangible property.]

#### Subsection 5

### **Supply of restaurant and catering services**

#### *Article 55*

The place of supply of restaurant and catering services other than those physically carried out on board ships, aircraft or trains during the section of a passenger transport operation effected within the Community, shall be the place where the services are physically carried out.

#### Subsection 6

### **Hiring of means of transport**

#### *Article 56*

1 The place of short-term hiring of a means of transport shall be the place where the means of transport is actually put at the disposal of the customer.

[<sup>F32</sup> The place of hiring, other than short-term hiring, of a means of transport to a non-taxable person shall be the place where the customer is established, has his permanent address or usually resides.

However, the place of hiring a pleasure boat to a non-taxable person, other than short-term hiring, shall be the place where the pleasure boat is actually put at the disposal of the customer, where this service is actually provided by the supplier from his place of business or a fixed establishment situated in that place.

3 For the purposes of paragraphs 1 and 2, 'short-term' shall mean the continuous possession or use of the means of transport throughout a period of not more than thirty days and, in the case of vessels, not more than 90 days.]

#### Subsection 7

### **Supply of restaurant and catering services for consumption on board ships, aircraft or trains**

#### *Article 57*

1 The place of supply of restaurant and catering services which are physically carried out on board ships, aircraft or trains during the section of a passenger transport operation effected within the Community, shall be at the point of departure of the passenger transport operation.



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2 For the purposes of paragraph 1, ‘section of a passenger transport operation effected within the Community’ shall mean the section of the operation effected, without a stopover outside the Community, between the point of departure and the point of arrival of the passenger transport operation.

‘Point of departure of a passenger transport operation’ shall mean the first scheduled point of passenger embarkation within the Community, where applicable after a stopover outside the Community.

‘Point of arrival of a passenger transport operation’ shall mean the last scheduled point of disembarkation within the Community of passengers who embarked in the Community, where applicable before a stopover outside the Community.

In the case of a return trip, the return leg shall be regarded as a separate transport operation.

### [<sup>F3</sup>Subsection 8

## **Supply of telecommunications, broadcasting and electronic services to non-taxable persons**

### [<sup>F4</sup>Article 58

1 The place of supply of the following services to a non-taxable person shall be the place where that person is established, has his permanent address or usually resides:

- a telecommunications services;
- b radio and television broadcasting services;
- c electronically supplied services, in particular those referred to in Annex II.

Where the supplier of a service and the customer communicate via electronic mail, that shall not of itself mean that the service supplied is an electronically supplied service.

2 Paragraph 1 shall not apply where the following conditions are met:

- a the supplier is established or, in the absence of an establishment, has his permanent address or usually resides in only one Member State; and
- b services are supplied to non-taxable persons who are established, have their permanent address or usually reside in any Member State other than the Member State referred to in point (a); and
- c the total value, exclusive of VAT, of the supplies referred to in point (b) does not in the current calendar year exceed EUR 10 000, or the equivalent in national currency, and did not do so in the course of the preceding calendar year.

3 Where, during a calendar year, the threshold referred to in point (c) of paragraph 2 is exceeded, paragraph 1 shall apply as of that time.

4 The Member State within the territory of which the suppliers referred to in paragraph 2 are established or, in the absence of an establishment, have their permanent address or usually reside, shall grant those suppliers the right to opt for the place of supply to be determined in accordance with paragraph 1, which shall in any event cover two calendar years.

5 Member States shall take appropriate measures to monitor the fulfilment by the taxable person of the conditions referred to in paragraphs 2, 3 and 4.

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6 The corresponding value in national currency of the amount referred to in point (c) of paragraph 2 shall be calculated by applying the exchange rate published by the European Central Bank on the date of adoption of Council Directive (EU) 2017/2455<sup>(1)</sup>.]]

**Textual Amendments**

- F4** Substituted by [Council Directive \(EU\) 2017/2455 of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods.](#)

Subsection 9

**Supply of services to non-taxable persons outside the Community**

*Article 59*

The place of supply of the following services to a non-taxable person who is established or has his permanent address or usually resides outside the Community, shall be the place where that person is established, has his permanent address or usually resides:

- (a) transfers and assignments of copyrights, patents, licences, trade marks and similar rights;
  - (b) advertising services;
  - (c) the services of consultants, engineers, consultancy firms, lawyers, accountants and other similar services, as well as data processing and the provision of information;
  - (d) obligations to refrain from pursuing or exercising, in whole or in part, a business activity or a right referred to in this Article;
  - (e) banking, financial and insurance transactions including reinsurance, with the exception of the hire of safes;
  - (f) the supply of staff;
  - (g) the hiring out of movable tangible property, with the exception of all means of transport;
  - (h) [<sup>F2</sup>the provision of access to a natural gas system situated within the territory of the Community or to any network connected to such a system, to the electricity system or to heating or cooling networks, or the transmission or distribution through these systems or networks, and the provision of other services directly linked thereto<sup>F3</sup>.]]
  - (i) [<sup>F5</sup>.....
  - (j) .....
  - (k) .....
- <sup>F5</sup>.....]

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**Textual Amendments**

- F2** Substituted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)
- F5** Deleted by [Council Directive 2008/8/EC of 12 February 2008 amending Directive 2006/112/EC as regards the place of supply of services.](#)

Subsection 10

**Prevention of double taxation or non-taxation**

*F3 Article 59a*

In order to prevent double taxation, non-taxation or distortion of competition, Member States may, with regard to services the place of supply of which is governed by Articles 44, 45, 56, 58 and 59:

- (a) consider the place of supply of any or all of those services, if situated within their territory, as being situated outside the Community if the effective use and enjoyment of the services takes place outside the Community;
- (b) consider the place of supply of any or all of those services, if situated outside the Community, as being situated within their territory if the effective use and enjoyment of the services takes place within their territory.]]

*F5 Article 59b*

**Textual Amendments**

- F5** Deleted by [Council Directive 2008/8/EC of 12 February 2008 amending Directive 2006/112/EC as regards the place of supply of services.](#)

**Textual Amendments**

- F3** Substituted by [Council Directive 2008/8/EC of 12 February 2008 amending Directive 2006/112/EC as regards the place of supply of services.](#)

CHAPTER 4

**Place of importation of goods**

*Article 60*

The place of importation of goods shall be the Member State within whose territory the goods are located when they enter the Community.

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### *Article 61*

By way of derogation from Article 60, where, on entry into the Community, goods which are not in free circulation are placed under one of the arrangements or situations referred to in Article 156, or under temporary importation arrangements with total exemption from import duty, or under external transit arrangements, the place of importation of such goods shall be the Member State within whose territory the goods cease to be covered by those arrangements or situations.

Similarly, where, on entry into the Community, goods which are in free circulation are placed under one of the arrangements or situations referred to in Articles 276 and 277, the place of importation shall be the Member State within whose territory the goods cease to be covered by those arrangements or situations.

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- (1) <sup>F3</sup><sup>F3</sup><sup>F4</sup> Council Directive (EU) 2017/2455 of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods (OJ L 348, 29.12.2017, p. 7).<sup>]]</sup>

**Textual Amendments**

- F3** Substituted by Council Directive 2008/8/EC of 12 February 2008 amending Directive 2006/112/EC as regards the place of supply of services.
- F4** Substituted by Council Directive (EU) 2017/2455 of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods.