

URL: <http://www.deloitte-tax-news.de/german-tax-legal-news/lower-tax-court-of-munich-rules-on-vat-invoice-requirements-for-triangular-supplies.html>

 27.11.2015

German Tax and Legal News

Lower tax court of Munich rules on VAT invoice requirements for triangular supplies

The court has ruled that the German invoicing regulations in case of triangular supplies exceed the requirements in the EU VAT directive

In a decision dated 16 July 2015, the Lower Tax Court of Munich ruled on the German VAT invoicing requirements in the case of triangular supplies.

The triangular supply simplification rules in the EU VAT directive basically apply in situations involving two supplies of goods between three VAT-registered taxpayers in three different EU member states, e.g. where a taxpayer in one member state orders goods from a taxpayer in a second member state to be delivered to a taxpayer in a third member state. If certain conditions are satisfied, VAT need not be charged on both supplies.

Before 2012, the EU VAT directive contained an option for the invoice to refer either to the relevant regulations in the directive or to the national rules or make any other reference indicating that the supply is exempt from VAT or subject to the reverse charge. However, as from 1 January 2013, the VAT directive requires that the invoice contain only a reference to the tax liability of the recipient of the supply.

The German provisions still require that the invoice include a reference to the application of the simplification rule for triangulation (including a reference to the German VAT Act or EU VAT directive), as well as a statement on the VAT liability of the recipient.

The Lower Tax Court of Munich has ruled that the German invoice requirements for triangular supplies are not in line with EU law. Because the German requirements exceed the provisions of the EU VAT directive, companies can rely on the EU provisions, which are more beneficial.

Diese Mandanteninformation enthält ausschließlich allgemeine Informationen, die nicht geeignet sind, den besonderen Umständen eines Einzelfalles gerecht zu werden. Sie hat nicht den Sinn, Grundlage für wirtschaftliche oder sonstige Entscheidungen jedweder Art zu sein. Sie stellt keine Beratung, Auskunft oder ein rechtsverbindliches Angebot dar und ist auch nicht geeignet, eine persönliche Beratung zu ersetzen. Sollte jemand Entscheidungen jedweder Art auf Inhalte dieser Mandanteninformation oder Teile davon stützen, handelt dieser ausschließlich auf eigenes Risiko. Deloitte GmbH übernimmt keinerlei Garantie oder Gewährleistung noch haftet sie in irgendeiner anderen Weise für den Inhalt dieser Mandanteninformation. Aus diesem Grunde empfehlen wir stets, eine persönliche Beratung einzuholen.

This client information exclusively contains general information not suitable for addressing the particular circumstances of any individual case. Its purpose is not to be used as a basis for commercial decisions or decisions of any other kind. This client information does neither constitute any advice nor any legally binding information or offer and shall not be deemed suitable for substituting personal advice under any circumstances. Should you base decisions of any kind on the contents of this client information or extracts therefrom, you act solely at your own risk. Deloitte GmbH will not assume any guarantee nor warranty and will not be liable in any other form for the content of this client information. Therefore, we always recommend to obtain personal advice.