

On 1st of July 2006, a European Regulation laying down implementing measures for the Sixth VAT Directive shall enter into force. This Regulation (nr. 1777/2005 of 17 October 2005) shall be binding in its entirety and is directly applicable in all Member States.

These original guidelines were drawn up in response to specific questions of application raised by Member States. They therefore are designed to bring consistency of treatment to individual questions and as a result only have a narrow application with no automatic read across to other, similar, cases.

Among these measures, the following may be mentioned:

- an European Economic Interest Grouping (EEIG), constituted in accordance with Regulation (EEC) No 2137/85, which supplies goods or services for consideration to its members or to third parties, shall be a taxable person within the meaning of the Sixth Directive;
- the sale of an option bearing on shares, interests in companies or associations, debentures and other securities (excluding documents establishing title to goods, and rights or securities in rem giving the holder thereof a right of user over immovable property) shall be a supply of services within the meaning of the Sixth Directive. That supply of services shall be distinct from the underlying operations to which the services relate;
- where a taxable person only assembles the different parts of a machine all of which were provided to him by his customer, that transaction shall also be a supply of services within the meaning of this Directive. Except where the goods being assembled become part of immovable property, the place of the supply (*which indicates the country where the tax is due*) of these services is determined by reference to the place where those services are physically carried out or, by way of a derogation, in the case of work on movable tangible property, provided to customers identified for value added tax purposes in a Member State other than the one where those services are physically carried out, by reference to the territory of the Member State which issued the customer with the value added tax identification number under which the service was carried out for him. This derogation shall not apply where the goods are not dispatched or transported out of the Member State where the services were physically carried out;
- the place of the supply of the service of translation of texts performed for customers established outside the Community or for taxable persons established in the Community but not in the same country as the supplier, shall be *the place where the customer has established his business or has a fixed establishment to which the service is supplied or, in the absence of such a place, the place where he has his permanent address or usually resides*;
- is determined by the same rule (the one of the indent above, in italics), the place of the supply:
 - in the case of assignment of television broadcasting rights in respect of football matches supplied by bodies established in a third country to taxable persons established in the Community;
 - for the services which consist in applying for or receiving refunds under the Eight Directive;

- for the services of agents covering either the services of agents acting in the name and for the account of the recipient of the service procured, or the services performed by the agents acting in the name and for the account of the provider of the service procured;
- for electronically supplied services, among others those referred to in Annex L to the Sixth Directive, including services which are delivered over the Internet or an electronic network, the nature of which renders their supply essentially automated and involving minimal human intervention, and in the absence of information technology is impossible to ensure. The regulation contains lists of examples of services subject to that regime, and of services (and of supplies of goods) not subject to it;
- for the services mentioned in the last indent above, is also applicable the rule according to which the place where services are supplied when performed for non-taxable persons who are established, have their permanent address or usually reside in a Member State, by a taxable person who has established his business or has a fixed establishment from which the service is supplied outside the Community or, in the absence of such a place of business or fixed establishment, has his permanent address or usually resides outside the Community, is the place where the non-taxable person is established, has his permanent address or usually resides;
- where a supplier of goods or services, as a condition of accepting payment by credit or debit card, requires the customer to pay an amount to himself or another undertaking, and where the total price payable by that customer is unaffected irrespective of how payment is accepted, that amount shall constitute an integral part of the taxable amount for the supply of the goods or services. This means that a credit or debit card handling fee which is paid in connection with a transaction should not reduce the taxable amount for the latter;
- vocational training or retaining services provided by bodies governed by public law having such as their aim or by other organizations defined by the Member State concerned as having similar objects, shall include instruction relating directly to a trade or profession as well as any instruction aimed at acquiring or updating knowledge for vocational purposes. The duration of a vocational training or retaining course shall be irrelevant for this purpose.

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