



VAT alert Belgium

CJEU allows use of simplified triangulation for intermediary with VAT number in Member State of dispatch

The CJEU ruled that taxpayers can apply the simplification for triangular sales if they use a VAT number other than that registered in the Member State of dispatch or arrival, even if they are also VAT registered in the Member State of dispatch ([C-580/16 judgment](#)). The interpretation given by the CJEU overturns restrictions in a number of Member States, applied to taxpayers with multiple VAT registrations, simplifying the setup of billing flows for cross border trades.

Facts

Firma Hans Bühler ("FHB"), established and VAT registered in Germany, purchased goods from suppliers in Germany and resold them to businesses in the Czech Republic.

FHB provided its Austrian VAT registration number and applied triangulation using its Austrian VAT number, since the German suppliers transported the goods directly to the Czech customers. This allowed two successive invoices without VAT, reducing cash flow impact for FHB and its customer.

The Austrian tax authorities challenged the applied simplification for triangulation, as FHB did not punctually and accurately report the transactions in the European Sales Listing to be filed in Austria. Said authorities argued that FHB

could not use its Austrian VAT number for supplies of goods dispatched from Germany, as it also registered a German VAT number.

CJEU decision

The CJEU ruled that FHB was entitled to apply the simplification using its Austrian VAT number, regardless of the fact that FHB was also registered for VAT in Germany. Refusing the simplification for triangular sales only because a taxpayer is VAT registered in the Member State of dispatch would entail a significant difference in the way taxable persons are treated and may even restrict the pursuit of economic activities based on the taxable person's VAT identification numbers. This would be incompatible with the context and aim of the simplification for triangulation.

Impact

Many EU Member States do not allow the application of simplified triangulation through a VAT number held in their country, if the taxpayer concerned is also VAT registered in the Member State of dispatch or arrival. Belgium is not among these countries, as shortly after the introduction of the simplification, the VAT authorities confirmed that the procedure could be used even if the intermediary was also VAT registered in the Member State of dispatch and/or arrival.

The CJEU interpretation reinforces an approach whereby taxpayers with multiple VAT registrations can set up their invoicing flows for cross border goods transactions by making optimal use of their VAT numbers, in turn allowing the reduction of cash flow impact of VAT in cross border trade, as well as improved VAT reporting management. The only remaining legal limitation seems to be that an intermediary established in the Member State of arrival of the goods must use its VAT number registered in that Member State.

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