

VAT2015 DECODED



Changes to the VAT rules –
Telecommunications, Broadcasting and Electronic Services

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In this issue:

What services will be impacted by the 2015 amendments?

What are 'telecommunications', 'broadcasting' and 'electronic' services?

Contact

What services will be impacted by the 2015 amendments?

The changes to the VAT rules which will come into effect on 1 January 2015 will impact B2C suppliers of:



Telecommunications services



Broadcasting services



Electronic services

In advance of the 2015 changes coming into effect, businesses will need to consider whether they make cross-border B2C supplies of telecommunications, broadcasting and electronic services.

[Back to top](#)

What are 'telecommunications', 'broadcasting' and 'electronic' services?

In preparation for the upcoming changes to the rules in the EC VAT Directive (and their implementation in EU Member States), the EU Commission has published measures, as well as proposals for additional measures, which are intended to provide guidance on the interpretation of the rules as well as on certain practical issues, and to ensure their uniform application.¹

¹ Council Regulation (EU) No 967/2012 of 9 October 2012 amending Implementing Regulation (EU) No 282/2011 as regards the special schemes for non-established taxable persons supplying telecommunication services, broadcasting services or electronic services to non-taxable persons; Proposal for a Council Regulation amending Implementing Regulation (EU) No 282/2011 as regards the place of supply of services.

The existing and proposed legislation and guidance define the terms “Telecommunications Services”, “Broadcasting Services” and “Electronic Services” :

Telecommunications services refer to services relating to the transmission, emission or reception of signals, words, images and sounds or information of any nature by wire, radio, optical or other electromagnetic systems, and include:

- Fixed and mobile telephone services, including videophone services.
- Telephone services provided through the internet, including VOIP.
- Voice mail, call waiting, and other call management services.
- Internet access.
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Broadcasting services refer to services consisting in audio and audio-visual content such as programmes which are provided via communications networks by and under the editorial responsibility of a media service provider for simultaneous listening or viewing to the general public on the basis of a programme schedule, and include:

- Radio or TV programmes transmitted /retransmitted over a radio or TV network.
- Live streaming of radio or TV programmes.

Electronic services refers to services which are delivered over the Internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology, and include:

- Website supply, web-hosting, distance maintenance of programmes and equipment.
- Supply of software and updates.
- Supply of images, text and information and making available of databases.
- Supply of music, films and games, including games of chance and gambling games, and of political, cultural, artistic, sporting, scientific and entertainment broadcasts and events.
- Supply of distance teaching.

[Back to top](#)

For further information on the services which may be impacted by the 2015 changes to the VAT rules contact:

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