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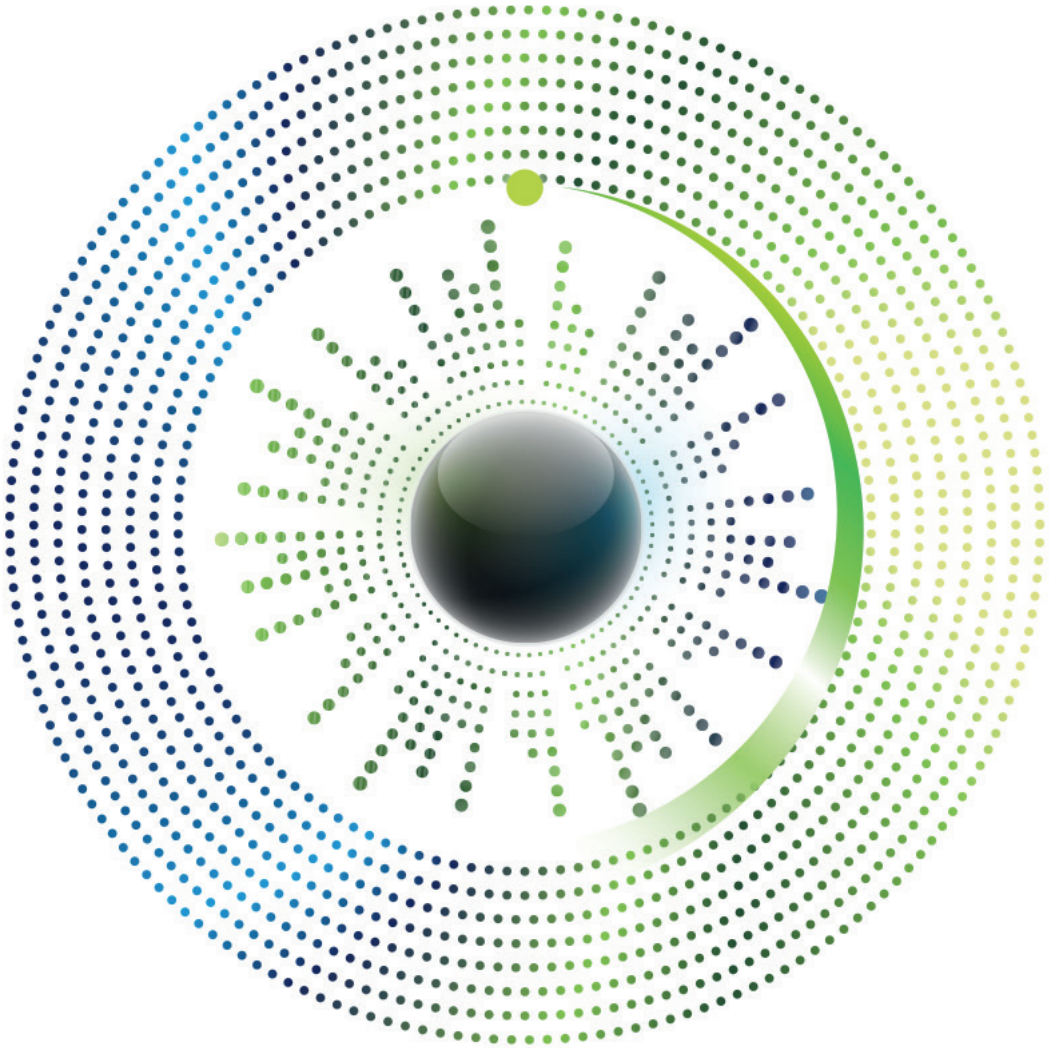

VAT's new?

Current developments in Germany and the EU in the field of VAT

Highlights

Issuing of an invoice during the period in respect of which the right of deduction is exercised

"1. The judgment of the General Court of the European Union of 11 February 2026, Dyrektor Krajowej Informacji Skarbowej (T-689/24, EU:T:2026:113), affects the unity and consistency of EU law.

2. Articles 167, 168(a), 178(a) and the first subparagraph of Article 179 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (VAT), as amended by Council Directive 2010/45/EU of 13 July 2010, and the principle of VAT neutrality and the principle of proportionality must be interpreted as meaning that:

   (a) the right to deduct input tax must be exercised in respect of the period during which the two conditions required are satisfied for the first time, namely that the goods have been delivered or the services performed and that the taxable person is in possession of the relevant invoice;

   (b) those provisions and principles do not preclude national legislation under which a taxable person may not assert his or her right to deduct input tax in a return submitted for a period in which he or she satisfied the substantive conditions for exercising that right if, during that period, he or she had not yet received the corresponding invoice, even though he or she did receive the invoice before submitting the return."

Opinion of Advocate General Kokott delivered on 10 September 2026, C-167/26 RX, Dyrektor Krajowej Informacji Skarbowej

Link to further information
VAT Insights | 24 September 2026

News

Fiscal Courts – Selection

VAT exemption for privately funded job placement services without a placement voucher

Privately funded job-placement services provided to private individuals without a placement voucher are subject to VAT. The exemption for supplies of services closely linked to welfare and social security work covers services aimed at providing the financial means necessary for integration, but not services effecting the integration itself.

Fiscal Court Berlin-Brandenburg, judgment of 9 July 2026 – 5 K 5094/25, appeal pending,
German Federal Fiscal Court: V R 39/26

Assessment limitation period for notices of liability relating to VAT advance payments

When determining the assessment limitation period for a notice of liability relating to outstanding VAT advance payments, the date on which the relevant preliminary VAT return was filed must be taken into account. The date on which the annual VAT return was filed is irrelevant, even where the preliminary VAT return has subsequently been superseded by the annual VAT assessment.

Fiscal Court Düsseldorf, judgment of 22 April 2026 – 5 K 526/24 H (U), appeal pending,
German Federal Fiscal Court: VII R 19/26

CJEU | General Court – Selection

Special scheme for travel agents in the case of promotional excursions

"1. Article 26 of Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes – Common system of value added tax: uniform basis of assessment – must be interpreted as applying to a situation in which a taxable person purchases tourist services from third parties, in particular transport services, in order to sell them in his or her own name to consumers in the form of excursions, where the fee received in that respect does not cover all the costs of those services and the remainder of those costs is financed by the revenue from the sale of goods that that taxable person offers to those consumers during those excursions.

2. The first sentence of Article 12(1) and the third sentence of Article 26(2) of the Directive 77/388 must be interpreted as not conferring on the taxable person any right to a refund of input value added tax where the margin of a single supply is negative."

CJEU, judgment of 10 September 2026 – C-565/24, P-GmbH & Co. KG

Triangular transactions involving goods subject to excise duty

"Article 138(1) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, as amended by Council Directive (EU) 2016/1065 of 27 June 2016, read in conjunction with Article 141 and Article 197(1) thereof, must be interpreted as meaning that the circumstances that:

i. a supply of goods which are subject to excise duty is made under an excise duty suspension arrangement,

ii. it is established that, in the context of a triangular transaction, the taxable person registered for VAT in the third Member State is liable for payment of VAT, and

iii. it is proved that the goods actually left the first Member State and that they were supplied in the third Member State, do not constitute, in themselves, a ground for exempting from VAT a supply made by a taxable person registered for VAT in the first Member State to an intermediary acquiring the goods registered for VAT in the second Member State."

General Court, judgment of 9 September 2026 – T-614/25, Trading 4

Transfer of a totality of assets or part thereof

"1. Article 19 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax must be interpreted as precluding national legislation which restricts the rule, laid down in that article, that no supply of goods has taken place upon the transfer of a totality of assets or part thereof to a taxable person, solely to transfers of certain business assets or parts of a business intended to generate certain types of income, unless such a restriction is justified by one of the grounds set out in the second paragraph of Article 19 of that directive.

2. The first paragraph of Article 19 of Directive 2006/112 must be interpreted as having direct effect, with the result that a taxable person may rely on, before a national court, the rule that no supply of goods has taken place upon the transfer of a totality of assets or part thereof to a taxable person, against the competent tax authority, where the national legislature, before the accession of the Member State concerned to the European Union, has opted for the application of that rule, but restricted the scope of that rule to certain specific cases not covered by the second paragraph of Article 19 of that directive.

3. Article 2(1)(a) of Directive 2006/112 must be interpreted as meaning that the contribution, by a taxable person, of developed properties, let subject to VAT, in respect of which VAT is deductible, to an undertaking of which the taxable person is the sole shareholder, without any new shares being granted to that taxable person as consideration for that contribution, does not constitute a supply of goods for consideration.

4. The first paragraph of Article 16 of Directive 2006/112 must be interpreted as meaning that the contribution, by a taxable person, of developed properties let subject to VAT, in respect of which VAT is deductible, to an undertaking of which he or she is the sole shareholder, without any new shares being granted to him or her as consideration for that contribution, constitutes an application of goods forming part of his or her business assets which he or she transfers free of charge or, more generally, he or she applies for purposes other than those of his or her business, within the meaning of that provision, which is to be treated as a supply of goods for consideration."

General Court, judgment of 2 September 2026 – T-413/25, Peckeger

Link to further information
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Transfer without consideration of an undertaking in equal shares to two natural persons

"The first paragraph of Article 19 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax must be interpreted as meaning that the transfer, without consideration, of an undertaking to two natural persons, each receiving a half share, who intend to make an immediate contribution in kind of those shares to a company carrying on an economic activity, of which they are partners, does not constitute a transfer of a totality of assets or part thereof within the meaning of that provision."

General Court, judgment of 9 September 2026 – T-366/25, Szytelbiecka

Increase in alcohol duty under the 2027 Budget Accompanying Act

Germany has proposed a 20% increase in excise duties on alcohol, sparkling wine, intermediate products and alcopops as part of the 2027 Budget Accompanying Act. The measure is expected to generate additional federal tax revenues of EUR 380 million in 2027 and EUR 455 million in 2028, with total additional revenues of approximately EUR 2.2 billion projected for 2027 to 2031. Beer duty would remain unchanged, while non-sparkling/uncarbonated wine would continue to be exempt from excise duty.

2027 Budget Accompanying Act, BT-Drs. 21/7860

Webcast

VAT Insights | 24 September 2026

Podcast

Tax on Air | Episode #35 | VAT & AI

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