

EUROPEAN 
VATDESK



FAIB

be international... in Belgium

Lunch - Debat
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Brussels, Belgium

**Events: hybrid, remote or
physical?
New VAT challenge**

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Place of Taxation: General Rules

General rule in B2B relationships: VAT is due where **recipient is established**

General rule in B2B relationships: VAT is due where **provider is established**

However, there are derogations according to the content or the nature of services

Place of Taxation: General Rules

VAT Status of Recipient?

Recipient is treated as a taxable person (B2B) in four cases:

- ✓ It is an ordinary taxpayer;
- ✓ It is an exempt taxpayer;
- ✓ It is a mixed taxpayer;
- ✓ It is a partial taxpayer.

Recipient is treated as a non-taxable person (B2C) in only one case:

- ✓ Recipient is a private individual
- ✓ Recipient is a legal entity without economic activity and with no VAT number.

⇒ *Each recipient has to know its own VAT status.*

⇒ *There is an IMPORTANT difference between an exempt taxpayer and a non-taxable person.*

Event

Place of Taxation = place (Country) where VAT is due

Final regime for **B2B relationships** from January 1st 2011:

- ✓ Admission right → **Where the event takes place** (derogatory rule);
- ✓ Other services → Where the recipient is established (general rule).

VAT is due in the EU country where the event takes places :

- ✓ It's an event (duration should be limited);
- ✓ With a cultural, artistic, sportive, scientific, educational, entertainment aspect or similar such as fairs and exhibitions;
- ✓ Granting the right to access to that event (including an ancillary activity).

Place of Taxation

Final regime for B2C relationships from January 1st 2011:

- ✓ Admission right & other Congress related services → Where the event takes place (derogatory rule);

Place of Taxation (C-6467/17)

- The fact that the courses were subject to advance registration and payment is irrelevant for the purposes of the application of Article 53 (...). There is nothing in the wording of that article to suggest that such criteria could be taken into consideration in determining the place where those services are seemed to be supplied.
- ‘services in respect of admission to events’ include a service, in the form of a five-day course on accountancy and management which is supplied solely to taxable persons and requires advance registration and payment.

- May involve various technical features:
 - Pod-cast (lifestreamed or not);
 - Streaming without possible interactions;
 - Streaming with possible interactions;
 - Hybrid: streaming & physical attendance;
 - Physical attendance with possible pod-cast;

- Possible qualifications for VAT
 - Digital services;
 - Educational services/activities;
 - Default qualification;

- Digital services:
 - Article 7 & Annex I of Regulation 2011/282/EU
 - Annex II of Directive 2006/112/EU

- Digital services:

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

Webinar

- Automated distance teaching dependent on the Internet or similar electronic network to function and the supply of which requires limited or no human intervention, including virtual classrooms, except where the Internet or similar electronic network is used as a tool simply for communication between the teacher and student;
- workbooks completed by pupils online and marked automatically, without human intervention.
- the supply of digitised products generally, including software and changes to or upgrades of software;

- Not digital services:
 - Broadcasting services
 - Telecom services
 - teaching services, where the course content is delivered by a teacher over the Internet or an electronic network (namely via a remote link);
 - tickets to cultural, artistic, sporting, scientific, educational, entertainment or similar events booked online;

- Place of taxation of digital services:
 - B2B: where participants is established
 - B2C: where participants reside (foreign VAT to be charged and OSS scheme)

- Educational services/activities:
 - B2B: there is no gathering at a well-defined place
 - Place of taxation ?
 - General rule: where participants are established
 - Where the provider organizes the event and gives the possibility to attend it remotely. That might be the place where provider is established but not necessarily

- Educational services/activities:
 - B2C: there is no gathering at a well-defined place
 - Place of taxation ?
 - General rule: where provider is established
 - Where materially performed
 - Where the provider organizes the event and gives the possibility to attend it remotely. That might be the place where provider is established but not necessarily
 - Where recipient is located and enjoys the event (VAT Committee)

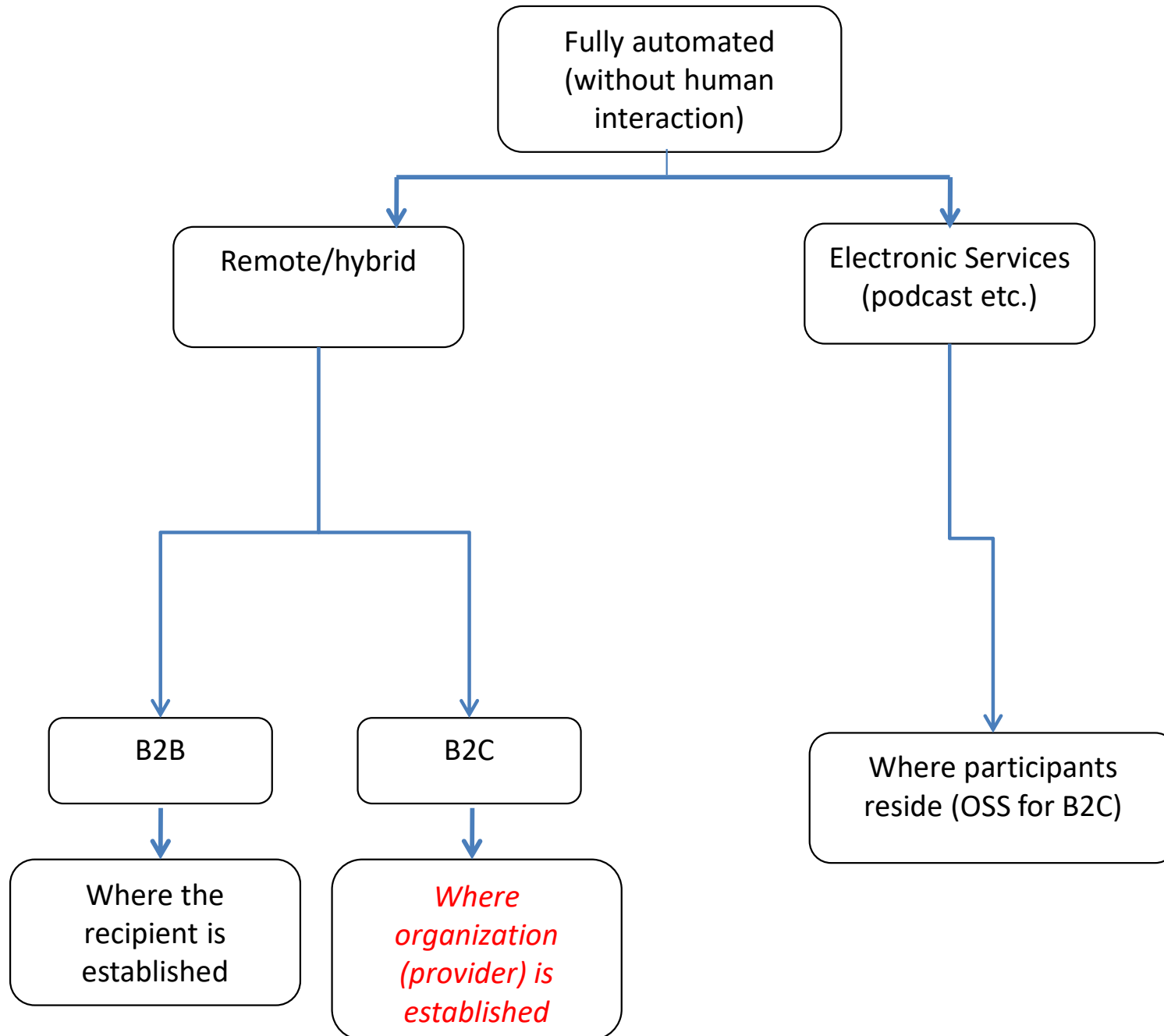
Hybrid seminar

- One package including physical and remote assistance or pod-cast
 - One single supply and one single VAT treatment?
- Possibility of option between physical and remote attendance
 - Different supplies and VAT treatments ?

Hybrid seminar

- Will depend on contractual terms
 - Remote attendance ancillary to participants view ?
 - Pricing: 1 single fare or 2 different fares

Conclusion



Webinar

- New EU Directive effective on 01/01/2025: in B2B and B2C VAT will be due in the country where participants reside
- Lifestreamed webinar (not digital services)

- Invoicing
 - B2B: Reverse charge applicable if provider is not established in the client's (EU) country
 - B2C: invoice should include VAT amount of the country where participants reside
 - Local VAT registration OR
 - OSS Scheme

Exemption

- Educational activities may be VAT exempt under following conditions:
 - the provision of children's or young people's education, school or university education, vocational training or retraining;
 - by bodies governed by public law having such as their aim or by other organisations recognised by the Member State concerned as having similar objects

Exemption

- Member states may require other conditions:
 - must not systematically aim to make a profit, and any surpluses nevertheless arising must not be distributed, but must be assigned to the continuance or improvement of the services supplied;
 - must be managed and administered on an essentially voluntary basis by persons who have no direct or indirect interest, either themselves or through intermediaries, in the results of the activities concerned;
 - must charge prices which are approved by the public authorities or which do not exceed such approved prices or, in respect of those services not subject to approval, prices lower than those charged for similar services by commercial enterprises subject to VAT;
 - the exemptions must not be likely to cause distortion of competition to the disadvantage of commercial enterprises subject to VAT.

Exemption

- The conditions must be fulfilled in the EU country where service is VAT-wise located...
Local recognition is basically required
- the place of taxation depends on the qualification and the scope of exemption depends on the place of taxation
- If exemption is applicable, recovery of input VAT is disallowed

Conferences & Seminars

Exhibition Stands Rental

- ✓ In principle, it is taxed based upon the general B2B rule if a package including stand location together with other related services to enable the exhibitor to display items (design of the stand, transport and storage of the items, the provision of machines, cable laying, insurance, advertising etc.);
- ✓ It is a service linked to immovable property taxed where the building is located if service is limited to a surface area [EU Regulation 2011/282, Art. 31a (3)(e)]
- ✓ The 'provision of a stand location' consists in putting temporarily a delimited surface and/or movable structure (for example a booth, a stall or a counter) at the disposal of an exhibitor for the purposes of participating in an exhibition or a fair.

CLARIFICATION

➤ Explanatory Notes (not binding) of the European Commission :

➤ 3 cumulative criteria must be of existence:

- the provision of a stand location;
- the provision of one or more related services;
- these related services must enable the exhibitor to display items and promote its services or product

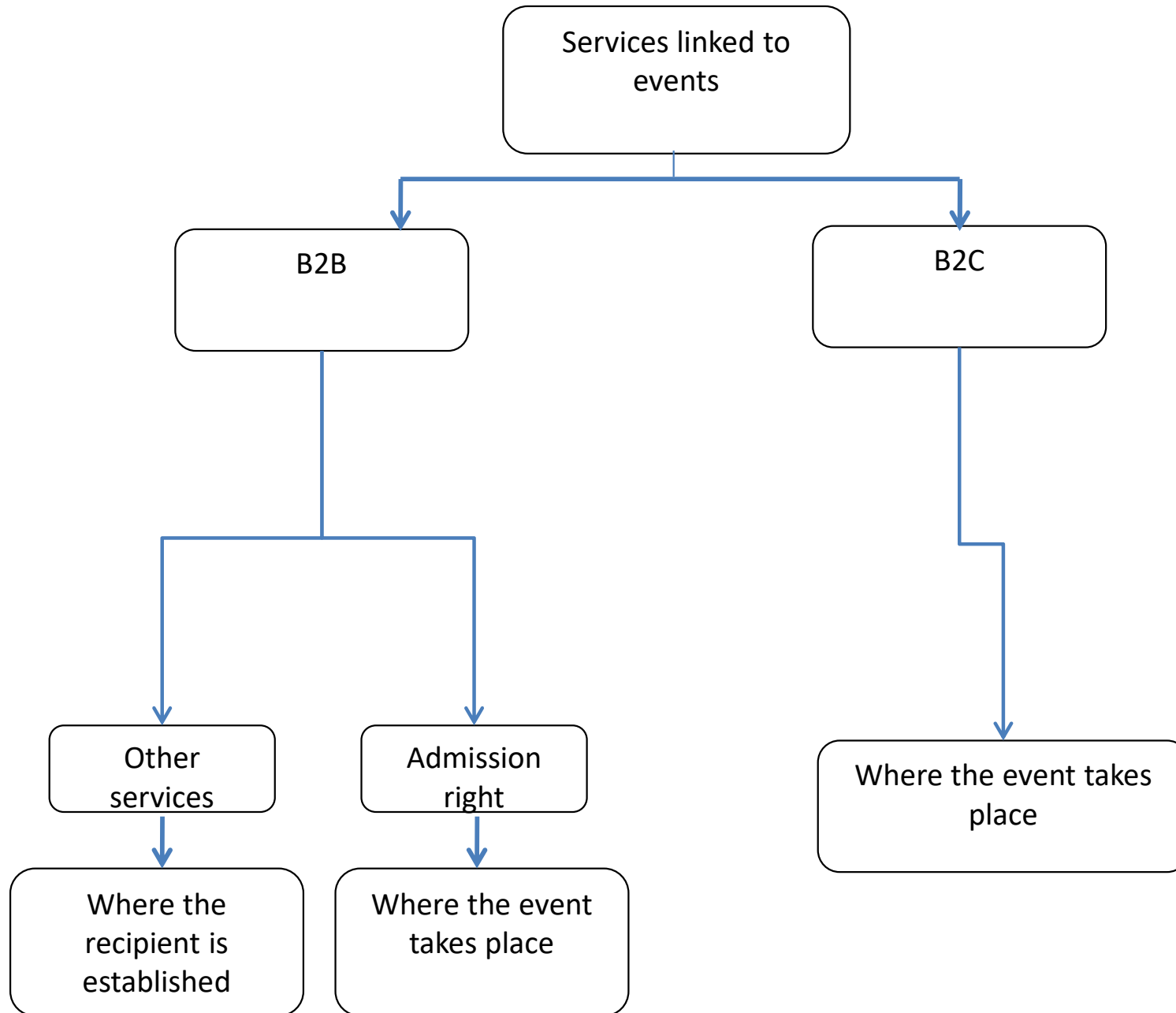
List of « examples » of such related services.

Conferences & Seminars

Sponsoring

- ✓ Is taxed based upon general B2B rule as advertising services;
- ✓ What if entries are included?
 - Flat fee including sponsoring and access fees: single supply = one treatment;
 - Multiple fees: multiple supply and different treatments for sponsorship and access fees.

Conferences & Seminars



Impact of Brexit

- UK (VAT) Law is generally still aligned with EU Directive but it could deviate from it in coming months or years leading to potentially double taxation or....no taxation

THANK YOU FOR YOUR ATTENTION!!

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