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# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

**pursuant to Article 410b of the VAT Directive,**
**on the application of the VAT rules for vouchers**
**- definition, distribution chains and non-redeemed vouchers -**

# Table of contents

**1. INTRODUCTION ---------- 2**

**2. BACKGROUND TO THE INTERVENTION ---------- 2**

**3. IMPLEMENTATION OF THE CURRENT PROVISIONS ---------- 8**

**4. ASSESSMENT OF THE CURRENT RULES ---------- 12**

4.1 GENERAL ASSESSMENT ---------- 12

4.2 ASSESSMENT OF SPECIFIC TOPICS ---------- 16

**5. CONCLUSIONS ---------- 20**

**ANNEX - SYNOPSIS REPORT - QUESTIONNAIRE ON THE IMPLEMENTATION OF THE VOUCHER DIRECTIVE (EU) 2016/1065 ---------- 23**

## 1. INTRODUCTION

On 27 June 2016, the Council adopted a Directive[1] amending the VAT Directive[2] on the treatment of transactions involving vouchers (the Voucher Directive). The new rules apply from 1 January 2019, but only to vouchers issued after 31 December 2018.

The aim of those changes is the simplification, modernisation and harmonisation of the VAT rules applying to vouchers[3],in particular to "*ensure certain and uniform treatment, to be consistent with the principles of a general tax on consumption exactly proportional to the price of goods and services, to avoid inconsistencies, distortion of competition, double or non-taxation and to reduce the risk of tax avoidance*"[4].

According to Article 410b of the VAT Directive as amended, the Commission is to present to the European Parliament and to the Council an assessment report based on information obtained from the EU Member States (Member States from here on) on the application of the provisions of the VAT Directive as regards the VAT treatment of vouchers, with particular regard to the definition of vouchers, the VAT rules relating to taxation of vouchers in the distribution chain, and to non-redeemed vouchers, accompanied where necessary by an appropriate proposal to amend the relevant rules.

In light of the above, this report analyses the general performance of the VAT rules on vouchers according to five criteria (effectiveness, efficiency, relevance, coherence and EU added value) over 4 years since their initial application in 2019, followed by a specific assessment of: i) the definition of vouchers, ii) the taxation of vouchers in the distribution chain and iii) non-redeemed vouchers. The report assesses the implementation of the relevant provisions based on the results of a survey targeted to Member States carried out from 27 March to 9 June 2023[5]. It then concludes by considering whether a legislative proposal to amend the rules concerned would be appropriate.

## 2. BACKGROUND TO THE INTERVENTION

In the absence of common VAT rules on the treatment of vouchers in the Sixth VAT Directive[6] or in the VAT Directive, Member States have developed different approaches over the years. This has led to risks of double or non-taxation, tax avoidance and barriers to business innovation[7]. In 2012, the Commission thus put forward a proposal[8] to clarify and harmonise the VAT rules on vouchers.

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1 Council Directive (EU) 2016/1065 of 27 June 2016 amending Directive 2006/112/EC as regards the treatment of vouchers (OJ L 177, 1.7.2016, p. 9) (the Voucher Directive).

2 Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1) (the VAT Directive).

3 Recital 13 of the Voucher Directive.

4 Recital 2 of the Voucher Directive.

5 *Questionnaire on the implementation of the Vouchers Directive (EU) 2016/1065*.

6 Council Directive 77/388/EEC of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes – Common system of value added tax: uniform basis of assessment (OJ L 145, 13.6.1977, p. 1) (the Sixth VAT Directive).

7 From the 114th meeting of the VAT Committee, Working paper No 983, *Questions raised following implementation of the Voucher Directive*.

8 Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax, as regards the treatment of vouchers (COM(2012) 206 of 10.5.2012).

When adopted by the Council, some of the provisions the Commission had proposed were however left out. In particular, the adopted Voucher Directive does not contain any provision on discount vouchers, payments on account or the calculation of the taxable amount for the distribution of 'multi-purpose vouchers' (MPVs). On discounts, the recitals of the adopted Directive even clarify that *instruments entitling the holder to a discount upon purchase of goods or services but carrying no right to receive such goods or services should not be targeted by these rules.* Nor is any reference made to the exclusion from the definition of a voucher of any instrument whose sole purpose is the making of payments, nor to the relationship between the rules on vouchers and special VAT rules, such as those on the margin scheme for travel agents. It could be argued that this is partially due to unanimity being required in the field of taxation, where the compromises reached often leave aside issues that potentially could have been agreed on by majority. Indeed, over the past few years, these and other issues of implementation have been discussed in the context of the VAT Committee[9], resulting in two sets of guidelines[10] agreed by a majority of Member States (Section 3) which, although not legally binding, do contribute to a more uniform application of the common VAT rules.

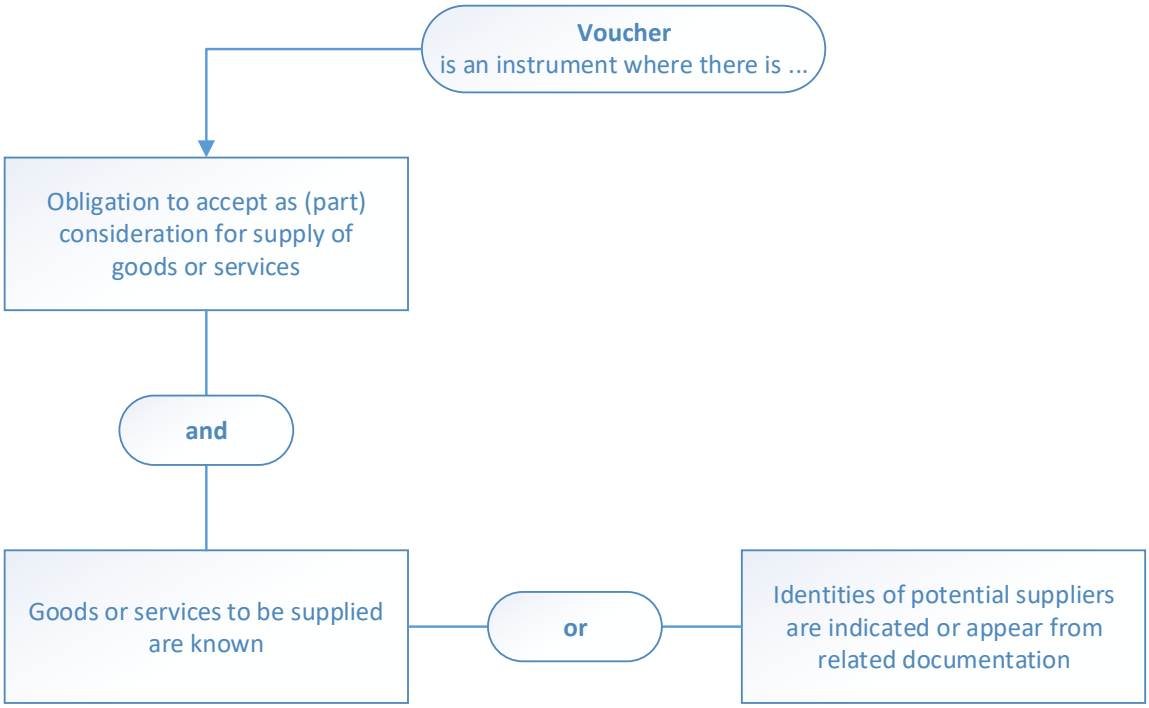
**i) The definition of vouchers**

The rules as adopted provide that for an instrument to qualify as a voucher two cumulative conditions must be met: i) the instrument entails an obligation to accept it as consideration or part of the consideration for a supply of goods or services and ii) the instrument or related documentation specifies the goods or services to be supplied or the identity of the potential suppliers.

[9] Pursuant to Article 398 of the VAT Directive "*1. An advisory committee on value added tax, called "the VAT Committee", is set up. 2. The VAT Committee shall consist of representatives of the Member States and of the Commission. The chairman of the Committee shall be a representative of the Commission. Secretarial services for the Committee shall be provided by the Commission. 3. The VAT Committee shall adopt its own rules of procedure. 4. In addition to the points forming the subject of consultation pursuant to this Directive, the VAT Committee shall examine questions raised by its chairman, on his own initiative or at the request of the representative of a Member State, which concern the application of Community provisions on VAT*."

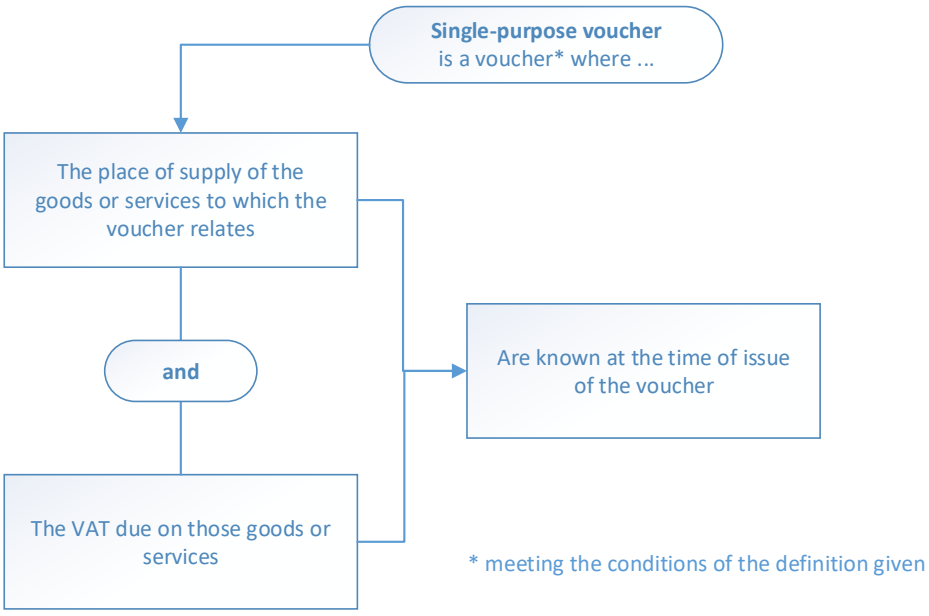
[10] Guidelines agreed at the 116th meeting, Working paper No 1043, Document B, taxud.c.1(2023)4439781 and Guidelines agreed at the 122nd meeting, Working paper No 1074, Document C, taxud.c.1(2024)438498.

**Figure 1: Concept of voucher**[11]



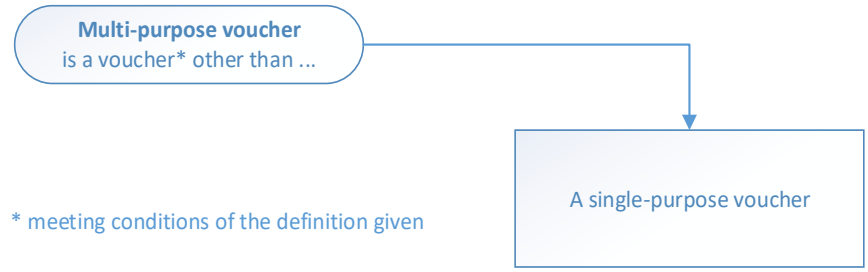

A 'single-purpose voucher' (SPV) is a voucher where the place of supply of the goods or services to which the voucher relates, and the VAT due on those goods or services, are known at the time of issue of the voucher, while all vouchers other than SPVs constitute 'multi-purpose vouchers' (MPVs).

**Figure 2: SPV**




[11] Figures 1 to 5 are from the VAT Committee Working Paper No 983 '*Questions raised following implementation of the Voucher Directive'*.

**Figure 3: Concept of an MPV**



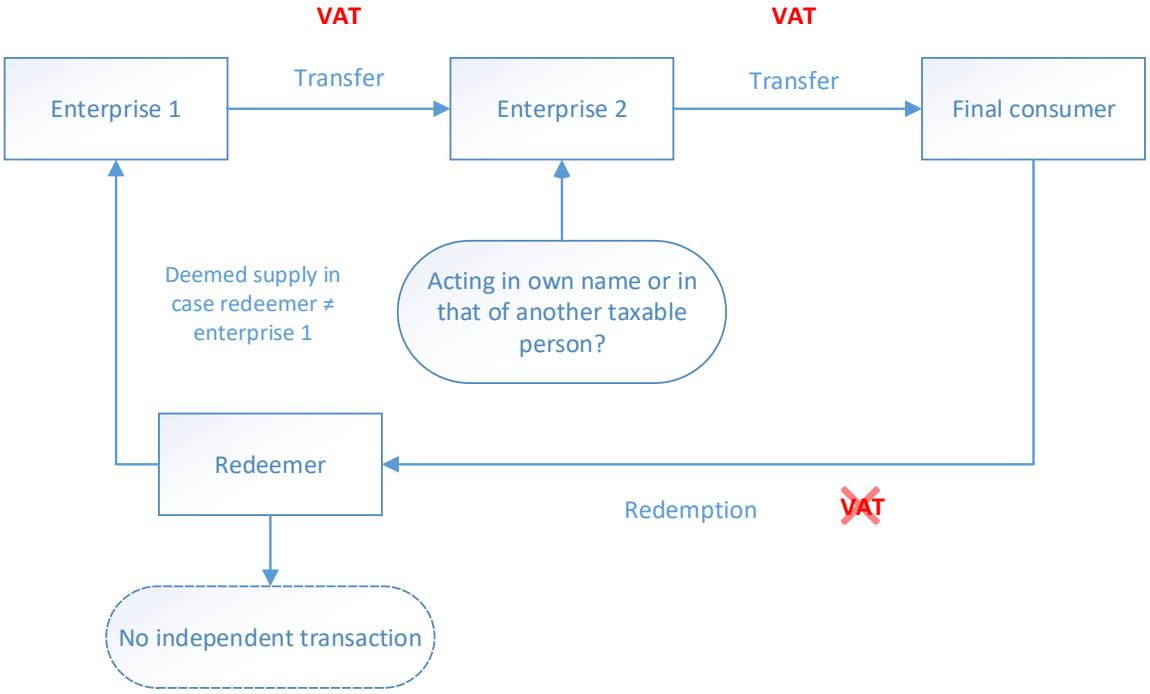

The recitals of the Voucher Directive also clarify that *instruments entitling the holder to a discount upon purchase of goods or services but carrying no right to receive such goods or services should not be targeted by these rules*[12] and that *the provisions regarding vouchers should not trigger any change in the VAT treatment of transport tickets, admission tickets to cinemas and museums, postage stamps or similar*[13].

### ii) VAT treatment of vouchers in the distribution chain

As Recital 8 of the Voucher Directive states, where the VAT treatment of the underlying supply of goods or services can be determined with certainty already upon issue, VAT should be charged on each transfer of an SPV, including on its issue, while the actual handing over of the goods or the actual provision of the services in return for a SPV should not be regarded as an independent transaction.

[12] Recital 4 of the Voucher Directive.
[13] Recital 5 of the Voucher Directive.

**Figure 4: Rules governing the transfer of an SPV**

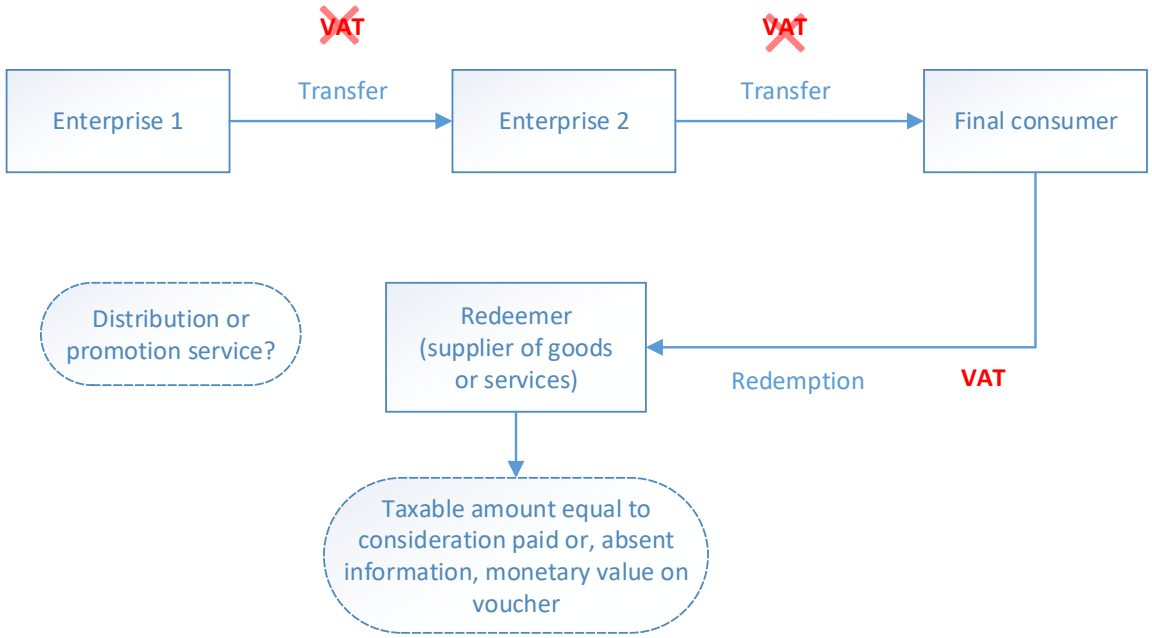



On the distribution of SPVs, the Voucher Directive clarified that each transfer of an SPV by a taxable person who acts in his own name, including the issue of that voucher, is regarded as being the supply of the goods or services to which the voucher relates[14]. VAT should be accounted on the consideration received for the SPV according to Article 73 of the VAT Directive. If, on the other hand, an SPV is issued or distributed by a taxable person acting in the name of another person, that taxable person would not be regarded as taking part in the underlying supply.

For MPVs, VAT should instead be charged when the goods or services to which the voucher relates are supplied, therefore, any prior transfer of the MPV should not be subject to VAT.

[14] Recital 9 of the Voucher Directive.

**Figure 5: Rules governing the transfer of an MPV**




On services provided along the distribution chain of an MPV, only the intermediary services or separate supply of services such as distribution or promotion services would be subject to VAT. Therefore, where a taxable person who is not acting in his own name receives any separate consideration upon the transfer of an MPV, that consideration should be taxable according to the normal VAT arrangements[15].

Finally, on the taxable amount of an MPV, the Voucher Directive clarified that to ensure that the amount of VAT paid is accurate, without prejudice to Article 73 of the VAT Directive, the supplier of the goods or services should account for the VAT based on the consideration paid for the MPV[16]. In the absence of such information the taxable amount should be equal to the monetary value indicated on the voucher itself or in the related documentation, less the amount of VAT relating to the goods or services supplied. Where an MPV is used partially in respect of the supply of goods or services, the taxable amount should be equal to the corresponding part of the consideration or the monetary value, less the amount of VAT relating to the goods or services supplied.

### iii) Non-redeemed vouchers

Where an MPV is partially used, the taxable amount should be equal to the corresponding part of the consideration or the monetary value, minus the amount of VAT relating to the goods or services supplied, although it is clarified[17] that this *does not target the situations where a multi-*

15 Recital 10 of the Voucher Directive.
16 Recital 11 of the Voucher Directive.
17 Recital 11 of the Voucher Directive.

*purpose voucher is not redeemed by the final consumer during its validity period, and the consideration received for such voucher is kept by the seller*[18].

## 3. IMPLEMENTATION OF THE CURRENT PROVISIONS

According to Article 2 of the Voucher Directive:

*1. Member States shall adopt and publish, by 31 December 2018 at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions. They shall apply those provisions from 1 January 2019.*

*2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.*

With regard to the obligation to communicate to the Commission the text of the new provisions, five non-communication infringement procedures were closed after Cyprus, Czechia, Greece, Latvia and Romania communicated their transposition measures.

The compliance check of each Member State conducted by DG TAXUD[19] after 1 January 2019 showed that four Member States had failed to adhere to the prescribed dates of entry into force and application of the new provisions (in Czechia the amendments entered into force from 1 April 2019, in Denmark and Latvia the new provisions only applied to vouchers issued after 1 July 2019 and in Slovakia to vouchers issued after 30 September 2019).

In addition, following the compliance checks, the Commission opened two EU Pilot procedures[20] towards Bulgaria and France. In the case of Bulgaria, the EU Pilot procedure relating to the treatment of meal vouchers was closed after the national legislation was modified as of 18 February 2022. In particular, as a result of the amendments made, meal vouchers that could be exchanged both for supplies subject to a reduced VAT rate and for supplies taxed at the standard rate, were regarded as MPVs. In the case of France, the EU Pilot procedure related to the determination of the taxable amount of the supply of goods or services provided in respect of an MPV in the absence of information on the consideration paid. According to Article 73a of the VAT Directive, indeed, in this case the taxable amount shall be equal to the monetary value indicated on the voucher itself or in the related documentation, less the amount of VAT relating to the goods or services supplied. After the national legislation was modified accordingly, entering into force as of 1 January 2022, the file was closed.

As regards the EU case law, for the first time[21] the Court of Justice of the European Union (CJEU) dealt with the Voucher Directive in the *DSAB Destination Stockholm* case[22], which concerned the interpretation of Article 30a of the VAT Directive in relation to a 'city card'. The question referred sought to determine whether an instrument which gives the bearer the right

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18 Recital 12 of the Voucher Directive.

19 The compliance check only covers transposition measures and not issues of concrete application of the law.

20 EU Pilot is a mechanism for informal dialogue between the Commission and the Member State concerned on issues relating to potential non-compliance with EU law. It can be used before launching a formal infringement procedure.

21 The CJEU also referred to vouchers in its judgment of 17 November 2022, C-607/20, *GE Aircraft Engine Services*, EU:C:2022:884, although that dealt with the rules in force before the Voucher Directive.

22 CJEU, judgment of 28 April 2022, *DSAB Destination Stockholm*, EU:C:2022:304.

to use various services at a given place, for a limited period and up to a certain amount, can constitute a 'voucher' within the meaning of Article 30a(1) of the VAT Directive even if, on account of the limited validity period of that instrument, an average consumer cannot benefit from all the services offered, and whether, if it can, such an instrument can constitute an MPV within the meaning of Article 30a(3) of the VAT Directive.

First, the CJEU found that the conditions for being qualified as a voucher according to Article 30a seemed to be satisfied (provided it is also ascertained by the referring court). It clarified that the two conditions are cumulative: i) the instrument must entail an obligation to accept it as consideration or part consideration for a supply of goods or services, and ii) the instrument or related documentation must specify the goods or services to be supplied or the identity of the potential suppliers thereof. On the contrary, the validity period of the card concerned or the ability to take advantage of all the services covered by that card are not relevant elements for the purposes of classifying that card as a 'voucher' within the meaning of Article 30a. Second, it was recalled that the card at issue allows access to various supplies of services, which are subject to different rates of VAT or are tax exempt and that it is impossible to predict in advance which services will be selected by the cardholder. Since the VAT due on those services is not known at the time of issuance of that instrument, it cannot be qualified as an SPV. The CJEU therefore found that the instrument constitutes an MPV within the meaning of Article 30a(3) of the VAT Directive, as this concept is residual in scope (all vouchers other than SPVs constitute MPVs).

More recently, the judgement by the CJEU in the *Finanzamt O (Bons à usage unique)* case[23] focused on whether a chain of distribution between economic operators acting in their own name across the EU before the services to which the voucher relates are supplied to the final consumers may affect the condition for an SPV to exist, i.e. that *"the place of supply of the goods or services to which the voucher relates, and the VAT due on those goods or services, are known at the time of issue of the voucher"*. The CJEU ruled that the classification of a voucher as an SPV within the meaning of Article 30a(2) of the VAT Directive depends solely on the conditions laid down in that provision, which include the requirement that the place of supply of services to end consumers, to which that voucher relates, must be known at the time of the issue of that voucher, irrespective of the fact that the voucher is the subject of transfers between taxable persons acting in their own name and established in the territory of Member States other than that in which those end consumers are located. In essence, the CJEU found that the successive transfers of an SPV made by taxable persons acting in their own name, which are to be regarded as the supply to which the voucher relates pursuant to the first subparagraph of Article 30b(1), do not call into question the assessment made at the time of issue of the voucher on whether that voucher classifies as SPV, and more specifically, on whether the place of supply of the services to which the voucher relates is known at the time of issue. Indeed, the CJEU noted that the first subparagraph of Article 30b(1) of the VAT Directive only applies to vouchers (already) being qualified as SPV according to the two cumulative criteria set out in Article 30a(2) which must be assessed at the time of issue of the voucher. The CJEU noted that a different interpretation would otherwise make the qualification of a voucher (as SPV or MPV) dependent on whether it is transferred within a single Member State or within a cross-border distribution chain. This would run counter to the original objectives of the VAT provisions on vouchers which aimed at preventing inconsistencies,

[23] CJEU jugement of 18 April 2024, *Finanzamt O (Bons à usage unique)*, C-68/23, EU:C:2024:342.

double or non-taxation and mismatches across Member States. It would also make it virtually impossible to classify any voucher as a SPV.

Issues of legal interpretation and implementation have also been discussed by the VAT Committee on several occasions[24] with a view to contributing to a more uniform application of the provisions of the VAT Directive, as amended by the Voucher Directive.

In particular, the VAT Committee analysed the VAT rules on vouchers in relation to city cards, payment instruments and utility tokens, as well as their relationship with VAT special schemes and exemptions (i.e. medical exemptions), including the specific exemptions laid down for the exportation of goods.

As support was shown by a majority of Member States, the VAT Committee also agreed on two sets of guidelines[25] on the VAT treatment of vouchers which, although not legally binding for Member States, do contribute to a more uniform application of the common VAT rules[26].

With the first set of guidelines[27], the following was agreed:

1. Because a voucher is an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services with the potential supplier(s) specified at the time of issuance, the VAT Committee unanimously recognises that it must be seen as a limited-purpose instrument.

2. The VAT Committee is of the almost unanimous view that a voucher cannot be considered a payment instrument, given that it is an instrument that constitutes the consideration in exchange for supplies of goods or services embedded therein and not an instrument having the effect of transferring funds. The VAT Committee therefore almost unanimously agrees that the redemption of a voucher shall not be seen as a payment but rather, as the exercise, of a right to obtain the goods or services to which the voucher relates. In this regard, the VAT Committee notes, by almost unanimity, that the holder of a voucher is entitled to benefit from the goods or services upon redemption of the voucher which the supplier is obliged to accept as consideration.

3. The VAT Committee confirms by unanimity that a voucher only qualifies as such, if the goods or services to be supplied or the identities of their potential suppliers are indicated either on the instrument itself or in related documentation, including its terms and conditions. With regard to tokens, which are not yet part of a regulated market within the EU and whose nature is subject to change, the VAT Committee is of the unanimous view

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24 At the 112th (*Information Paper on the VAT treatment of "city cards" taxud.c.1(2019)2690215*), 114th (*Working paper No 983, Questions raised following implementation of the Voucher Directive, taxud.c.1(2019)7743273*), 116th (*Working paper No 993, Questions raised following implementation of the Voucher Directive - further analysis (taxud.c.1(2020)1245810*), 117th (*Working paper No 1001, Vouchers and the Retail Export Scheme and exports of goods, taxud.c.1(2020)6420470*), and 122nd meetings (*Working paper No 1062, Vouchers in the form of City Cards – follow-up, taxud.c.1(2023)1892223)*.

25 Guidelines agreed at the 116th meeting, Working paper No 1043, Document B, taxud.c.1(2023)4439781 and Guidelines agreed at the 122nd meeting, Working paper No 1074, Document C, taxud.c.1(2024)438498.

26 Article 398 of the VAT Directive.

27 Guidelines agreed at the 116th meeting, Working paper No 1043, Document B, taxud.c.1(2023)4439781.

that, in principle, they shall not be considered vouchers within the meaning of the VAT Directive. The VAT Committee nevertheless unanimously agrees that a case-by-case approach is appropriate when considering whether a token qualifies as a voucher, depending on its specific qualification and use.

4. The VAT Committee almost unanimously agrees that the provisions of VAT special schemes, such as those applicable to small enterprises, travel agents or second-hand goods, works of art, collectors' items and antiques, being exceptions to the general VAT rules, shall prevail over the application of the rules applying to vouchers and other general rules, where any of those rules would conflict with the correct application and objectives of the special scheme. The VAT Committee almost unanimously agrees that the nature of a voucher shall not be altered by the fact that the person issuing or transferring the voucher meets the conditions to apply a special scheme.

With the second set of guidelines[28], the following was agreed:

1. In light of the ruling of the Court of Justice of the European Union in case C-637/20 *DSAB Destination Stockholm*, the VAT Committee unanimously confirms that to be classified as a voucher pursuant to Article 30a, point (1), of the VAT Directive an instrument such as a city card (i) must entail an obligation to accept it as consideration or part consideration for a supply of goods or services, and (ii) the goods or services to be supplied or the identity of the potential suppliers thereof must be specified in the city card or related documents, including the terms and conditions of use. The VAT Committee also by unanimity confirms that these conditions are cumulative and must both be met for any instrument to be classified as a voucher.

2. Given that the classification of an instrument depends on factual circumstances, the VAT Committee unanimously acknowledges that not all city cards will necessarily qualify as a voucher. The VAT Committee however agrees almost unanimously that a city card giving the cardholder a right to use the card as consideration for admission to selected attractions to be supplied by designated third-party suppliers and for access to use tour buses and boats granted by the issuer of the city card at a given place for a limited period and up to a set amount, shall qualify as a voucher pursuant to Article 30a, point (1), of the VAT Directive.

3. The VAT Committee agrees almost unanimously that where services supplied by way of a city card are subject to different rates of VAT or in part tax exempt so that the VAT due on the services is not known at the time the city card is issued, the card must be classified as a multi-purpose voucher in accordance with Article 30a, point (3), of the VAT Directive. If so, the VAT Committee agrees almost unanimously that the taxable amount of the supply of services provided in that respect shall be equal to the consideration paid for the city card or, in the absence of information on that consideration, the monetary value indicated on the city card itself or in the related documentation, less the amount of VAT relating to the services supplied.

[28] Guidelines agreed at the 122nd meeting, Working paper No 1074, Document C, taxud.c.1(2024)438498.

4. Where, as is the case under the business model examined, services are supplied both by the issuer of a city card and by third-party suppliers, the VAT Committee agrees almost unanimously that the taxable amount of the service supplied by the issuer of the city card consisting in the running of tour buses and boats for use by the cardholder shall be equal to the consideration paid for that city card less the amount of VAT, reduced by any amounts paid to third-party suppliers for services supplied by them by virtue of the city card in question.

5. Under the business model examined where services are supplied both by the issuer of a city card and by third-party suppliers, the VAT Committee agrees almost unanimously that in respect of services such as admission to museums and attractions or sightseeing provided by a third-party supplier to the cardholder for which the city card is used as part consideration, the taxable amount shall be the monetary value of the service supplied as indicated in the related documentation, less the amount of VAT relating to that service. Where the agreement between the issuer of the city card and the third-party supplier stipulates that the monetary value of the service amounts to a percentage of its normal price, the VAT Committee agrees almost unanimously that this reduction shall be regarded as a price discount obtained at the time of the supply.

## 4. ASSESSMENT OF THE CURRENT RULES

The following assessment is based on information obtained from the Member States through a survey ran from 27 March to 9 June 2023 to which all Member States replied.

The survey contained 45 closed and 22 open questions concerning: i) a general assessment of the impacts of the implementation of the Voucher Directive over 4 years since its adoption, and ii) specific issues related to the definition of vouchers, the distinction between SPVs and MPVs, their transfer, taxable amounts, discount vouchers and non-redeemed vouchers (for a detailed report of the survey results see Annex - synopsis report).

The general assessment showed that **the majority of Member States did not have enough information to reply to most of the questions** but, insofar as information was available, **the VAT rules on vouchers are perceived as having broadly achieved their objectives and as mostly relevant**. As regards the second part of the assessment, **general positive feedback** was received regarding the provisions regulating **the definition** of vouchers and their **transfer while only a minority of Member States raised specific issues** that, however, mainly pertained to the application of the rules as they stand and that were already the subject of discussions in the VAT Committee or of judgments of the CJEU.

### 4.1 General assessment

#### Effectiveness

The analysis has shown that **the VAT rules on vouchers mostly achieve their objectives**.

As mentioned in Section 1, the aim of the Voucher Directive was the simplification, modernisation and harmonisation of the VAT rules applying to vouchers[29], and in particular to '*ensure certain and uniform treatment, to be consistent with the principles of a general tax on*

[29] Recital 13 of the Voucher Directive.

*consumption exactly proportional to the price of goods and services, to avoid inconsistencies, distortion of competition, double or non-taxation and to reduce the risk of tax avoidance*'[30].

Based on replies to the survey[31], **a majority of Member States agreed** that the implementation of the Voucher Directive over the first 4 years has led, at least in part, to i) **simpler compliance**, and ii) **more uniform requirements**.

Further to this, the compliance check performed by DG TAXUD, as shown in Section 3, although limited to formal aspects of the legislation, did not find any major problems with the transposition of the rules on vouchers by Member States.

The work done over the last few years in the context of the VAT Committee leading to two sets of guidelines being agreed[32], has further contributed to achieving the objective of harmonisation.

On whether the VAT rules on vouchers have addressed **issues relating to fraud, the great majority of Member States did not have enough information**. In reply to the survey's open questions, **only a minority of Member States** drew attention to potential **issues of abuse** . According to one Member State, vouchers could be used for money laundering and there is a risk of abuse in the possibility for taxable persons to configure a voucher as an SPV or an MPV. This risk of abuse, due to the thin dividing line between SPVs and MPVs, was also pointed out by another Member State according to which introducing a legal presumption that goods are deemed to have been supplied or services provided when an SPV is issued also creates an opportunity for fraudsters. According to another Member State, taxable persons can change their business model after issuing a voucher in order for it to be qualified as an MPV. Two other Member States confirmed that issuers tend to extend the range of redeemable goods and services subject to different tax rates in order for a voucher to be qualified as an MPV rather than an SPV.

**Efficiency**

The analysis has shown that **Member States do not have enough information** to establish whether or not the VAT rules on vouchers have resulted in efficiency gains or losses.

From the survey, indeed, **the vast majority of/ almost all Member States did not have enough information** on whether, over the first 4 years, the VAT rules on vouchers resulted in the reduction of administrative costs for companies issuing and/or transferring SPVs or MPVs and for tax/customs administrations.

The replies to the survey's open questions show that most of the problems raised with the administration of the new rules, for both tax administrations and taxable persons, related to the qualification of certain instruments (e.g. city cards or tokens), and the distinction between SPVs and MPVs. Other issues pertained to the determination of the taxable amount of MPVs and to their transfer (e.g. distribution services and redeemed MPVs). These were, however, raised by

30 Recital 2 of the Voucher Directive.

31 See Annex for the synopsis report of the replies to the survey.

32 Guidelines agreed at the 116th meeting, Working paper No 1043, Document B, taxud.c.1(2023)4439781 and guidelines agreed at the 122nd meeting, Working paper No 1074, Document C, taxud.c.1(2024)438498.

a minority of Member States and pertained to subjects already being discussed by the VAT Committee, all referring to aspects of application of the current rules.

**Relevance**

Insofar as information is available to Member States, the analysis has shown that **the current rules are considered mostly relevant.**

In the survey, indeed, **the majority of Member States agreed** that the implementation of the Voucher Directive over the first 4 years had led, at least in part, to VAT **rules** on vouchers that were **adapted to various business models.**

**Almost half of Member States also agreed** that the implementation of the Voucher Directive had led, at least in part, to VAT **rules that were fit to deal with new and upcoming business models. The other half** (except one[33]) of Member States **did not have enough information** to be able to express their view on this.

**Almost half[34] of Member States agreed** that the implementation of the Voucher Directive had led, at least in part, to VAT **rules that were fit to deal with cross-border situations.** On this, **half of Member States did not have enough information**.

In this regard, in reply to the survey's open questions, only a minority of Member States mentioned the distinction between vouchers and other new instruments (such as tokens, game keys) and the cross-border trade of vouchers as a possible source of problems. While on the distinction between different instruments, as mentioned above, there are ongoing discussions in the VAT Committee, on the cross-border trade of vouchers a recent judgement has been issued by the CJEU[35].

**Coherence**

The analysis has shown that the VAT rules on vouchers are **in line with the principles of the VAT system**.

As mentioned before, one of the objectives of the Voucher Directive was to ensure consistency with the principles of a general tax on consumption exactly proportional to the price of goods and services.

This is ensured for SPVs by the rule[36] under which each **transfer of an SPV** must be regarded as a supply of the underlying goods or services, while the actual supply of goods or services in return for the SPV is not seen as an independent transaction. This rule applies as for these vouchers the place of supply and the VAT due in respect of the underlying goods or services are known at the time of issue. This is also coherent with the legal fiction in Article 28 of the VAT Directive, according to which a taxable person, who takes part in a supply of services, must be seen as having received and supplied the services in question when acting in their own name but on behalf of another person. Pursuant to Article 73 of the VAT Directive, the taxable

33 The Member State in question replied 'not at all'.
34 Two Member States replied 'not at all'.
35 CJEU jugement of 18 April 2024, *Finanzamt O (Bons à usage unique)*, C-68/23, EU:C:2024:342.
36 Article 30b(1) of the VAT Directive

amount of an SPV is the full price obtained in exchange for that SPV (including any intermediation service).

Consistency with the VAT system is also ensured by the **rule[37] applying to MPVs**, according to which VAT on the underlying goods and services is charged only at the time of redemption. This applies because for MPVs it is necessary to wait until the goods or services are actually supplied in order to know the VAT due. This ensures that the tax treatment of the transaction is the same regardless of whether the goods or services are supplied through the use of a voucher. The calculation of the taxable amount under the special rule in Article 73a of the VAT Directive also ensures consistency with the VAT principle under which the taxable amount for the VAT to be collected by the tax authorities cannot exceed the consideration actually paid by the final consumer[38]. For this reason, the taxable amount is equal to the consideration paid, when known, or otherwise to the monetary value indicated on the MPV or in related documentation, minus the VAT on the goods or services supplied.

Where the **transfer of an MPV** is made by a taxable person other than the actual supplier of the goods or services, VAT has to be charged on any supply of distribution or promotion services along the chain. This is also in line with the VAT system, ensuring that the totality of taxable operations associated with an MPV – its distribution and the supply of the underlying goods or services– is taxed in a comprehensive, neutral and transparent manner. The taxable amount of these services has to be determined according to Article 73 of the VAT Directive.

Consistency with the VAT system is also ensured when, as agreed by the VAT Committee, i) the provisions of **VAT special schemes**, such as those applicable to small enterprises, travel agents or second-hand goods, works of art, collectors' items and antiques, being exceptions to the general VAT rules, are to prevail over the application of the rules on vouchers and other general rules, where any of those rules would conflict with the correct application and objectives of the special scheme and ii) the nature of a voucher is not to be altered by the fact that the person issuing or transferring the voucher meets the conditions to apply a special scheme.

As regards the interaction of the VAT rules on vouchers **with other policy initiatives,** the initial Commission proposal on the VAT treatment of vouchers clarified that *[a] payment service within the meaning of Directive 2007/64/EC*[39] *shall not be regarded as a voucher*. Although this provision was left out when the rules were adopted in the Council, after two papers[40] VAT Committee guidelines were agreed on that for VAT purposes "*a **voucher** cannot be considered a payment instrument given that it is an instrument that constitutes the consideration in exchange for supplies of goods or services embedded therein and **not an instrument having the effect of transferring funds***". The holder of a voucher is indeed entitled to benefit from the goods or services upon redemption of the voucher which the supplier is obliged to accept as consideration. These conclusions were reached by the VAT Committee also on the basis of the

37 Article 30b(2) of the VAT Directive

38 CJEU, judgment of 24 October 1996 in case C-317/94, *Elida Gibbs*, EU:C:1996:400, paragraph 19.

39 Subsequently repealed and replaced by Directive 2015/2366 (Payment Service Directive – PSD2).

40 114th VAT Committee meeting, Working paper No 983, Questions raised following implementation of the Voucher Directive (taxud.c.1(2019)7743273), 116th VAT Committee meeting, Working paper No 993, Questions raised following implementation of the Voucher Directive - further analysis (taxud.c.1(2020)1245810).

definition under the Payment Service Directive (PSD2)[41] of "**payment instrument**" which means a personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and **used in order to initiate a payment order**.

**EU added value**

As previously mentioned, the Voucher Directive aims to clarify and harmonise the rules on the VAT treatment of vouchers in the absence of which Member States had developed uncoordinated solutions, leading to risks of double or non-taxation, tax avoidance and barriers to business innovation.

The problems addressed by the Voucher Directive have a Single Market dimension since the lack of uniform VAT treatment of vouchers throughout the EU could result in distortions which the common EU VAT system should prevent by ensuring the proper functioning of the market. These problems could not have been addressed by Member States alone. **Against this background, EU added value has been ensured by the current rules.**

However, in the replies to the survey, no clear views were expressed in this regard. **Almost half**[42] of Member States agreed that the VAT rules on vouchers **have provided benefits to the tax/customs administration,** at least in part, although almost half of Member States did not have enough information on this.

**The majority of Member States did not have enough information** on whether the VAT rules on vouchers provided **benefits to the sector**. Likewise, the vast majority/almost all of Member States did not have enough information on whether these rules had resulted in an increase in **domestic or cross-border trade of vouchers.**

### 4.2 Assessment of specific topics

Other than the general assessment on the application of the provisions of the VAT Directive as regards the VAT treatment of vouchers, a specific assessment was carried out especially on the definition of vouchers, the VAT rules relating to taxation of vouchers in the distribution chain and on non-redeemed vouchers.

As resulted from the survey, **general positive feedback** was received regarding the provisions regulating **the definition** of vouchers and their **transfer**.

**The majority** of Member States agreed/strongly agreed that the provisions on the general definition of a voucher, on the definition of SPVs and their distinction from MPVs and on the transfer of SPVs and MPVs i) **are clear and easy to apply** and allow for the national administration to provide clear guidance to taxable persons in individual situations and ii) **are**

[41] Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

[42] Three Member States replied "not at all".

**clear for taxable persons** in order for them to comply with their obligations[43]. The majority of Member States also agreed that these provisions enabled the national administration to **enforce the applicable rules**.

With regard to the **distribution of MPVs**, for which there is no specific provision in the Voucher Directive, **the majority of Member States agreed** that the distribution by a taxable person, other than the issuer of the voucher, is a supply of services for the purposes of the VAT Directive and that the taxable amount of such a distribution service is equal to the difference between the nominal value of the voucher and the purchase price paid, less the amount of VAT related to the distribution service supplied. With regard to '**discount vouchers**', on which the Voucher Directive does not include any specific rule either, **half/the majority of Member States did not have enough information** to express a view on whether their distribution by a taxable person, other than the issuer of the voucher, is the supply of a redemption service if the taxable person supplying the goods or services to which the voucher relates receives consideration from the issuer[44] and on what the taxable amount of that distribution service is.

With regard to **non-redeemed vouchers**, for which there is again no specific provision in the Voucher Directive, Member States are **split** on which specific **guidance** on their VAT treatment was provided.

In reply to the survey's open questions (see Annex for the synopsis report), **only a minority of Member States raised specific issues** with the application of the current rules. The main problems identified related to issues **already being discussed by the VAT Committee** such as the qualification of an instrument as a voucher and then, once the existence of a voucher has been established, to the distinction between SPVs and MPVs. Other issues **pertained to the application of the current rules**, such as cross-border trade in vouchers (which has recently been the focus of a judgment by the CJEU) and the calculation of the taxable amount, especially for the redemption of MPVs and related distribution services, or related to non-regulated aspects of the legislation, such as the handling of non-redeemed vouchers. A summary of the most relevant ones is set out below.

<u>Voucher definition and qualification</u>

- **Cross-border redemption and voucher distribution** were raised by seven Member States. Five Member States mentioned the problem of qualifying a voucher as an SPV where cross-border transactions are involved (on the difficulty in distinguishing between SPVs and MPVs, the *Finanzamt O (Bons à usage unique)* case was mentioned). Of these Member States, two mentioned the issue of a statutory change in the tax rate or a change in the place of supply after an SPV is issued. Another one of them wondered whether the qualification of a voucher as an SPV could be affected by the fact that margins are charged along a distribution chain so that the taxable amount changes. Finally, two Member States recalled respectively the importance of the correct qualification of the instrument in the

[43] With one exception. Not the majority but almost half of Member States agreed that the provisions on 'deemed supplier' related to transfers of an SPV are clear for taxable persons, who are the suppliers of goods/services and are not the taxable persons who, acting in their own name, issued the SPV, in order for them to comply with their obligations.

[44] However, according to ten Member States the answer was "yes".

context of its transfer and the complexity faced by taxable persons when it comes to SPVs involved in a chain of supplies.

- The qualification of a **city card** was raised by six Member States (this was, however, mostly before a set of guidelines[45] on related issues was agreed on in the context of the VAT Committee –Section 3). According to two Member States, the *DSAB Destination Stockholm* case has given rise to new questions about what the definition of a voucher is. According to another Member State, an instrument only representing a flat rate subscription (unlimited use of a service in a certain period) should not constitute a voucher. One Member State referred to the discussions in the VAT Committee on city cards in relation to difficulties on the applicable rules on transfers of MPVs. Two Member States mentioned the difficulty differentiating between SPVs and MPVs (one of them also between the supply of services) when it comes to city cards.

- The qualification of **tokens** was raised by five Member States. In this regard, the VAT Committee in its guidelines was of the view that, in principle, tokens shall not be considered vouchers within the meaning of the VAT Directive, although a case-by-case approach is appropriate when considering whether a token qualifies as a voucher. In the survey, two Member States pointed out that a case-by-case approach may lead to non-harmonised application of the rules and does not guarantee legal certainty, and three Member States mentioned tokens/game keys, game activation codes sold by e-platforms and "ICO[46] service tokens" in the context of difficulties to qualify vouchers and distinguish between SPVs and MPVs.

- **Discount cards** were mentioned by five Member States. According to one of them, a card that does not entitle to receive specific goods or services but only gives the opportunity to get a discount should not be qualified as voucher. Another Member State found difficulties in the qualification of mixed-purpose instruments acting as both vouchers and discount cards. Three Member States found it difficult to distinguish between a voucher and a discount card.

- **Advance payments** were mentioned by four Member States. One Member State raised the issue of qualification of advance payments as SPVs, MPVs or the supply of services. Another one wondered whether a proof of advance payment could constitute a voucher. A third Member State provided the example of a reservation with advance payment that could be modified up to 1 month before the start of a stay and wondered whether this could constitute an MPV. Finally, one Member State pointed out that when an SPV is transferred, the payment may be wrongly treated as an advance payment for the supply.

- The qualification of a **payment instrument** was raised by four Member States. As mentioned before, after two papers[47] and discussions in the VAT Committee, guidelines were agreed that a voucher cannot be considered a payment instrument. In the survey, three Member States mentioned the difficult distinction between vouchers and payment

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45 Guidelines agreed at the 122nd meeting, Working paper No 1074, Document C, taxud.c.1(2024)438498.

46 ICO stands for Initial Coin Offering.

47 Working papers No 983, Questions raised following implementation of the Voucher Directive, taxud.c.1(2019)7743273 and No 993, Questions raised following implementation of the Voucher Directive - further analysis, taxud.c.1(2020)1245810.

instruments, while one Member State gave the example of 'points used within a barter system' and whether they should be considered payment instruments or vouchers.

- **Gift cards, scratch cards and pre-paid vouchers** were mentioned by three Member States in particular with regard to the difficulty of qualifying gift cards (including those resulting from former shopping), pre-paid cards issued by 'teleoperators', pre-paid fuel cards, scratch cards and coupons entitling to collect goods for free.

- **Tickets** qualification was raised by two Member States in particular in relation to Recital 5 of the Voucher Directive that clarifies that the provisions on vouchers should not trigger any change in the VAT treatment of transport tickets, admission tickets to cinemas and museums, postage stamps or similar.

- The relationship with **special schemes and exemptions** were raised by two Member States especially on whether the presence in the supply chain of an exempt small and medium-sized enterprise (SME) or, on the contrary, of a taxable person lacking the personal qualification for a VAT exemption (e.g. medical services) could change the nature of a voucher and on the qualification of a voucher as an SPV when a possible exemption for non-EU travellers could apply.

<u>VAT rules on the taxation of vouchers in the distribution chain:</u>

<u>Transfer of SPVs</u>

- **Transfer in one's own name**. Three Member States mentioned problems with detecting whether a taxable person along a distribution chain acts in their own name.

- **Transfer in the name of another taxable person** was mentioned by four Member States, including difficulties encountered with tax obligations in the Member State of redemption of the voucher, with determining the taxable amount of the service provided (and to whom fees should be invoiced) and with determining the time of supply.

- **The relationship with special schemes related to transfers of an SPV** was mentioned by two Member States in relation to whether the supply of an SPV should be taxed when the issuer and/or the redeemer are exempted under the SME scheme and the problem of lack of input tax deduction in case of an exempt SME in the distribution chain.

- **Deemed supplier rule related to transfers of an SPV** was mentioned by two Member States as regards the challenges to apply this rule and the differing tax administrations' interpretations on the taxable amount of the supply made by the deemed supplier and the resultant invoicing obligations.

<u>Distribution of MPVs</u>

- **The taxable base of distribution services** was raised by six Member States pointing, in particular, to the difficulty in calculating the taxable base when the consideration is not separately invoiced or if, along the chain, the voucher is distributed at a price below its nominal value. It was also clarified that the rule on the difference between the nominal value and the purchase price paid, minus the amount of VAT related to the distribution service supplied, applies if no separate fee has been arranged for the service.

- **The distinction between different supplies** was raised by three Member States mentioning, in particular, the difficulty of distinguishing between the supply of an MPV itself and the supply of a distribution service made on behalf of another taxable person.

- **Acting on someone else's behalf** was raised by two Member States as regards, in particular, the issue of determining for whom the services are provided in a distribution chain with multiple intermediaries.

- **Invoicing obligations** were raised by two Member States.

Taxable amount upon redemption of MPVs

In reply to the survey's closed questions, **the majority of Member States agreed/strongly agreed that the provisions on the taxable amount of the supply of goods or services provided in respect of an MPV are clear and easy to apply** and allow for the national administration to provide clear guidance to taxable persons in individual situations. Almost half of Member States also agreed that these provisions are clear for taxable persons in order for them to comply with their obligations and that that these provisions enable the national administration to enforce the applicable rules.

In the context of the survey's open questions, **eleven Member States made comments on this issue** pointing in particular to the difficulties in determining the taxable amount, especially in the case of city cards, or of MPVs relating to multiple goods/services, to the difficulty in having to deduct from the taxable amount each time the voucher is used in part and to the problem of vouchers without a monetary value when the consideration paid is unknown. Doubts were expressed as to whom 'the consideration paid for the voucher' refers (i.e., to the price paid by the customer to the last distributor, or by the issuer to the supplier). Finally, it was noted that a contradiction with the basic rule on the taxable amount may arise when the rules on MPVs result in a different amount being taxed to the amount actually received by the supplier from the issuer of the voucher.

Non-redeemed vouchers

**Six Member States mentioned issues encountered with non-redeemed vouchers,** in particular as regards whether or not to tax the consideration retained and not refunded and its possible qualification as consideration for a distribution/promotion service or an 'availability service' by the supplier to the MPV's holder. It was also noted that the lack of regulation may encourage the issue of MPVs instead of SPVs in order to delay the chargeability of VAT and avoid payment in the case of non-redemption.

## 5. CONCLUSIONS

Since 1 January 2019, common VAT rules on vouchers has been applied in the EU. This report, pursuant to Article 410b of the VAT Directive, has assessed their performance and application by Member States in the 4 years since the rules were first put in place (between 2019 and 2022).

Initially, the Commission put forward a proposal with the aim of clarifying and harmonising the applicable VAT rules on vouchers in the absence of which Member States had developed uncoordinated solutions, leading to risks of double or non-taxation. Of the provisions envisaged in the Commission's initial proposal, some were eventually not adopted by the Council, thus

leaving certain specific issues (e.g. payment services) not addressed by the current rules[48]. Over the past few years, however, the VAT Committee has contributed to a more uniform application of the new provisions, with five working papers discussed and two sets of guidelines agreed on by the majority of Member States in relation to vouchers and their relationship with payment instruments, tokens, the VAT special schemes, and city cards, thus also covering some aspects not addressed by the rules as adopted in the Council[49].

As regards the implementation of the rules by Member States in the first 4 years, no major problems were detected from the compliance checks in terms of formal transposition and no infringement procedures have been launched. The CJEU has so far only issued two judgments on the new rules introduced by the Voucher Directive (concerning city cards and the cross-border distribution of a voucher)[50].

The results of the survey, carried out from 27 March to 9 June 2023, show that given the short period the VAT rules on vouchers have been applied, **Member States have not had enough time** to collect evidence, carry out audits, and formulate a final judgment on the general performance of the VAT rules on vouchers.

However, insofar as information was available, Member States confirm that **the common EU rules on vouchers have broadly addressed the fragmentation and complexity of applying VAT to various business models resulting in simpler rules and a more uniform application across the EU**. In particular, the VAT rules on vouchers achieve their objectives by ensuring more uniform requirements and simpler compliance. They are also considered mostly relevant, insofar as information is available to Member States, as adapted to various business models and fit to deal with new and upcoming models and with cross-border situations. The rules on vouchers, as analysed in this Report, are also shown to be in line with the general VAT system. Finally, these rules ensure an EU added value by addressing problems of uniform application and of double or non-taxation across the EU[51].

As regards the assessment on specific rules, **the provisions on the general definition of a voucher, on the definition of SPVs and their distinction from MPVs and on the transfer of SPVs and MPVs are mostly seen as clear and easy to apply** for national administrations, allowing them to provide clear guidance and to enforce the applicable rules, and as clear for taxable persons in order for them to comply with their obligations.

**Only a minority of Member States highlighted issues with the application of the VAT rules on vouchers** in their replies to the survey's open questions. On the definition of vouchers, their distribution chain and non-redeemed vouchers, which were the focus of this report, the issues most commonly referred related to the distinction between vouchers and other types of instruments (e.g. tokens) and between MPVs and SPVs, especially in the context of cross-border trade or city cards. Other issues pertain to the quantification of the taxable amount for services for the distribution of MPVs and for their redemption and to the treatment of non-redeemed vouchers[52]. These issues **mostly concerned aspects of application of the current rules** and not new legislative aspects to be addressed and were **mostly subject to**

48 Section 2.
49 Section 3.
50 Section 3.
51 Section 4.1.
52 Section 4.2.

**previous/ongoing discussions** in the VAT Committee (and to a recent judgment of the CJEU) which significantly contributed to their more uniform application.

This report therefore shows that the objectives of the Voucher Directive have mostly been achieved, while some specific issues of application still remain to be tackled. But most of all the report highlights that, given that only a few years have passed, **most Member States do not yet have enough information to properly assess the performance of the VAT rules on vouchers**. Especially when asked about the efficiency of the current rules in terms of the reduction of administrative costs for companies issuing or transferring SPVs or MPVs, and for tax/customs administrations, the benefits brought to the sector, the increase in the domestic and cross-border trade of vouchers or fraud issues, the vast majority of Member States were unable to provide any answers due to the lack of information at their disposal[53].

In light of the above, given the short period the VAT rules on vouchers have been applied and the limited data available for the assessment, it is the Commission's view that **any proposal to amend the current rules would be premature**. Furthermore, given the preliminary views mostly confirming the achievement of the Voucher Directive's main objectives, **a proposal would also be inappropriate**. Only a minority of Member States raised issues that, however, mainly pertained to the application of the rules as they stand and that were already the subject of discussions in the VAT Committee, while the few contributions on new aspects not addressed by the current legislation lacked enough in-depth analysis to form the basis for a new legislative proposal. In the Commission's view, and as shown by the replies to the survey, the focus should instead be on the correct and uniform application of the rules in force, and work should continue in what is **the most appropriate forum of the VAT Committee,** whose role is to examine questions of application of VAT provisions and that, although not leading to binding decisions for Member States, has proven over the years to have significantly contributed to a more uniform application of the VAT Directive.

[53] Annex – Synopsis Report.

**ANNEX - SYNOPSIS REPORT - QUESTIONNAIRE ON THE IMPLEMENTATION OF THE VOUCHER DIRECTIVE (EU) 2016/1065**

The survey, aimed at Member States, ran from 27 March to 9 June 2023. All Member States replied to the questionnaire.

**The majority of Member States agreed/strongly agreed** that:

- The general definition of a voucher:
    - is clear and easy to apply and allows for the national administration to provide clear guidance to taxable persons in individual situations.

| | *Answers* | *Ratio* |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 17 | 62,96 % |
| *Neither agree nor disagree* | 4 | 14,81 % |
| *Disagree* | 4 | 14,81 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 0 | 0 % |
| *No Answer* | 0 | 0 % |

    - is clear for taxable persons in order for them to comply with their obligations.

| | *Answers* | *Ratio* |
|---|---|---|
| *Strongly Agree* | 0 | 0 % |
| *Agree* | 16 | 59,26 % |
| *Neither agree nor disagree* | 8 | 29,63 % |
| *Disagree* | 2 | 7,41 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 1 | 3,7 % |
| *No Answer* | 0 | 0 % |

- The definition of SPV:
    - is clear and easy to apply and allows for the national administration to provide clear guidance to taxable persons in individual situations.

| | *Answers* | *Ratio* |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 21 | 77,78 % |
| *Neither agree nor disagree* | 2 | 7,41 % |
| *Disagree* | 1 | 3,7 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 1 | 3,7 % |
| *No Answer* | 0 | 0 % |

- and its distinction from an MPV is clear for taxable persons in order for them to comply with their obligations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 0 | 0 % |
| *Agree* | 18 | 66,67 % |
| *Neither agree nor disagree* | 4 | 14,81 % |
| *Disagree* | 1 | 3,7 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 4 | 14,81 % |
| *No Answer* | 0 | 0 % |

- The cumulative conditions of knowing the place of supply and the VAT due allow the national administration to define what is an SPV and distinguish it from an MPV

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 22 | 81,48 % |
| *Neither agree nor disagree* | 2 | 7,41 % |
| *Disagree* | 1 | 3,7 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 0 | 0 % |
| *No Answer* | 0 | 0 % |

- The provision on transfers of an SPV by taxable persons acting in their own name:
    - is clear and easy to apply and allows for the national administration to provide clear guidance to taxable persons on the different taxable events in individual situations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 21 | 77,78 % |
| *Neither agree nor disagree* | 3 | 11,11 % |
| *Disagree* | 1 | 3,7 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 0 | 0 % |
| *No Answer* | 0 | 0 % |

    - enables the national administration to enforce the applicable rules on the different taxable events in individual situations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 3 | 11,11 % |
| *Agree* | 17 | 62,96 % |
| *Neither agree nor disagree* | 5 | 18,52 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 2 | 7,41 % |
| *No Answer* | 0 | 0 % |

- are clear for taxable persons acting in their own name in order for them to comply with their obligations on different taxable events.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 1 | 3,7 % |
| *Agree* | 18 | 66,67 % |
| *Neither agree nor disagree* | 4 | 14,81 % |
| *Disagree* | 2 | 7,41 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 2 | 7,41 % |
| *No Answer* | 0 | 0 % |

- The provision on transfers of an SPV when the supplier of goods/services is not the taxable person who, acting in their own name, issued the SPV:

  - is clear and easy to apply and allows for the national administration to provide clear guidance to taxable persons on the application of the 'deemed supplier' rule in individual situations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 3 | 11,11 % |
| *Agree* | 17 | 62,96 % |
| *Neither agree nor disagree* | 6 | 22,22 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 1 | 3,7 % |
| *No Answer* | 0 | 0 % |

  - enables the national administration to enforce the 'deemed supplier' rule in individual situations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 3 | 11,11 % |
| *Agree* | 13 | 48,15 % |
| *Neither agree nor disagree* | 8 | 29,63 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 3 | 11,11 % |
| *No Answer* | 0 | 0 % |

- The provision on transfers of an SPV by a taxable person acting in the name of another taxable person:

    - is clear and easy to apply and allows for the national administration to provide clear guidance to taxable persons on the different taxable events in individual situations.

| | *Answers* | *Ratio* |
|---|---|---|
| *Strongly Agree* | 5 | 18,52 % |
| *Agree* | 16 | 59,26 % |
| *Neither agree nor disagree* | 3 | 11,11 % |
| *Disagree* | 1 | 3,7 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 2 | 7,41 % |
| *No Answer* | 0 | 0 % |

    - enables the national administration to enforce the applicable rules on the different taxable events in individual situations.

| | *Answers* | *Ratio* |
|---|---|---|
| *Strongly Agree* | 3 | 11,11 % |
| *Agree* | 16 | 59,26 % |
| *Neither agree nor disagree* | 5 | 18,52 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 3 | 11,11 % |
| *No Answer* | 0 | 0 % |

    - are clear for taxable persons acting in the name of another taxable person in order for them to comply with their obligations.

| | *Answers* | *Ratio* |
|---|---|---|
| *Strongly Agree* | 1 | 3,7 % |
| *Agree* | 16 | 59,26 % |
| *Neither agree nor disagree* | 6 | 22,22 % |
| *Disagree* | 1 | 3,7 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 3 | 11,11 % |
| *No Answer* | 0 | 0 % |

- The provision on transfers of an MPV by taxable persons actually handing over the goods/providing the services is clear and easy to apply and allows for the national administration to provide clear guidance to these taxable persons according to which

each transfer of an MPV before the actual supply of the goods or services is out of scope and only its redemption against the actual supply of goods/services is subject to VAT.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 3 | 11,11 % |
| *Agree* | 19 | 70,37 % |
| *Neither agree nor disagree* | 4 | 14,81 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 1 | 3,7 % |
| *No Answer* | 0 | 0 % |

- The provision on transfers of an MPV by taxable persons other than the taxable person actually handing over the goods/providing the services is clear and easy to apply and allows for the national administration to provide clear guidance to these taxable persons on the existence of any supply of services, such as distribution or promotion services.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 16 | 59,26 % |
| *Neither agree nor disagree* | 6 | 22,22 % |
| *Disagree* | 2 | 7,41 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 1 | 3,7 % |
| *No Answer* | 0 | 0 % |

- The provision on transfers of an MPV:
    - enables the national administration to enforce the applicable rules in individual situations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 14 | 51,85 % |
| *Neither agree nor disagree* | 9 | 33,33 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 2 | 7,41 % |
| *No Answer* | 0 | 0 % |

    - are clear for taxable persons in order for them to comply with their obligations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 1 | 3,7 % |
| *Agree* | 17 | 62,96 % |
| *Neither agree nor disagree* | 4 | 14,81 % |
| *Disagree* | 2 | 7,41 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 3 | 11,11 % |
| *No Answer* | 0 | 0 % |

- The primary rule according to which the taxable amount of the supply of goods or services provided in respect of an MPV shall be equal to the consideration paid for the voucher is clear and easy to apply and allows for the tax administration to provide clear guidance to taxable persons in individual situations.

| | | *Answers* | *Ratio* |
|---|---|---|---|
| *Strongly Agree* | | 2 | 7,41 % |
| *Agree* | | 16 | 59,26 % |
| *Neither agree nor disagree* | | 4 | 14,81 % |
| *Disagree* | | 4 | 14,81 % |
| *Strongly Disagree* | | 0 | 0 % |
| *No available information* | | 1 | 3,7 % |
| *No Answer* | | 0 | 0% |

- The secondary rule according to which the taxable amount of the supply of goods or services provided in respect of an MPV shall be equal to the monetary value indicated on the multi-purpose voucher itself, or in the related documentation is clear and easy to apply and allows for the tax administration to provide clear guidance to taxable persons in individual situations.

| | | *Answers* | *Ratio* |
|---|---|---|---|
| *Strongly Agree* | | 2 | 7,41 % |
| *Agree* | | 14 | 51,85 % |
| *Neither agree nor disagree* | | 7 | 25,93 % |
| *Disagree* | | 2 | 7,41 % |
| *Strongly Disagree* | | 0 | 0 % |
| *No available information* | | 2 | 7,41 % |
| *No Answer* | | 0 | 0 % |

- The distribution of MPVs by a taxable person, other than the issuer of the voucher, is a supply of a service for the purposes of the VAT Directive.

| | | *Answers* | *Ratio* |
|---|---|---|---|
| *Yes* | | 23 | 85,19 % |
| *No* | | 2 | 7,41 % |
| *No available information* | | 2 | 7,41 % |
| *No Answer* | | 0 | 0 % |

- The taxable amount of the distribution service of an MPV is equal to the difference between the nominal value of the voucher and the purchase price paid, less the amount of VAT related to the supplied distribution service.

| | | *Answers* | *Ratio* |
|---|---|---|---|
| *Yes* | | 19 | 70,37 % |
| *No* | | 4 | 14,81 % |
| *No available information* | | 4 | 14,81 % |
| *No Answer* | | 0 | 0 % |

17 Member States provided specific guidance on the distribution chain of MPVs, mostly in form of administrative guidance.

| | Answers | Ratio |
|---|---|---|
| *Yes* | 17 | 62,96 % |
| *No* | 10 | 37,04 % |
| *No Answer* | 0 | 0 % |

| | Answers | Ratio |
|---|---|---|
| *Legislation* | 2 | 7,41 % |
| *Administrative guidelines* | 12 | 44,44 % |
| *Individual Ruling* | 2 | 7,41 % |
| *Other* | 1 | 3,7 % |
| *No Answer* | 10 | 37,04 % |

**Almost half of Member States agreed/strongly agreed that:**

- the provisions on 'deemed supplier' related to transfers of an SPV are clear for taxable persons, who are the suppliers of goods/services and are not the taxable persons who, acting in their own name, issued the SPV, in order for them to comply with their obligations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 11 | 40,74 % |
| *Neither agree nor disagree* | 7 | 25,93 % |
| *Disagree* | 0 | 0 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 7 | 25,93 % |
| *No Answer* | 0 | 0 % |

- the provision on the taxable amount of the supply of goods or services provided in respect of an MPV enables the national administration to enforce the applicable rules in individual situations.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 2 | 7,41 % |
| *Agree* | 10 | 37,04 % |
| *Neither agree nor disagree* | 10 | 37,04 % |
| *Disagree* | 2 | 7,41 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 3 | 11,11 % |
| *No Answer* | 0 | 0 % |

- the provisions related to the taxable amount of the supply of goods or services provided in respect of an MPV are clear for taxable persons in order for them to comply with their obligations on different taxable events.

| | Answers | Ratio |
|---|---|---|
| *Strongly Agree* | 0 | 0 % |
| *Agree* | 13 | 48,15 % |
| *Neither agree nor disagree* | 4 | 14,81 % |
| *Disagree* | 2 | 7,41 % |
| *Strongly Disagree* | 0 | 0 % |
| *No available information* | 8 | 29,63 % |
| *No Answer* | 0 | 0 % |

**Half/the majority of Member States did not have enough information on:**

- whether the distribution of free discount vouchers by a taxable person, other than the issuer of the voucher, where the taxable person supplying the goods or services to which the voucher relates receives consideration from the issuer, is a supply of a redemption service for the purposes of the VAT Directive.

| | Answers | Ratio |
|---|---|---|
| *Yes* | 10 | 37,04 % |
| *No* | 3 | 11,11 % |
| *No available information* | 14 | 51,85 % |
| *No Answer* | 0 | 0 % |

- whether the taxable amount of the distribution service of free discount vouchers as above is equal to the price reduction granted to the customer and reimbursed by the issuer, less the amount of VAT related to the supplied redemption service.

| | Answers | Ratio |
|---|---|---|
| *Yes* | 5 | 18,52 % |
| *No* | 5 | 18,52 % |
| *No available information* | 17 | 62,96 % |
| *No Answer* | 0 | 0 % |

**Split views** were expressed on whether Member States provided specific guidance on the VAT treatment of non-redeemed SPVs or MPVs. If yes, guidance was provided mostly with administrative guidelines.

| | Answers | Ratio |
|---|---|---|
| *Yes, but only for SPVs* | 4 | 14,81 % |
| *Yes, but only for MPVs* | 5 | 18,52 % |
| *Yes, for both SPVs and MPVs* | 8 | 29,63 % |
| *No* | 10 | 37,04 % |
| *No Answer* | 0 | 0 % |

| | Answers | Ratio |
|---|---|---|
| *Legislation* | 1 | 3,7 % |
| *Administrative guidelines* | 13 | 48,15 % |
| *Individual Ruling* | 2 | 7,41 % |
| *Other* | 1 | 3,7 % |
| *No Answer* | 10 | 37,04 % |

**ASSSESSMENT OF THE IMPACTS OF THE IMPLEMENTATION OF THE VOUCHER DIRECTIVE**

**The majority of Member States agreed** that the implementation of the Voucher Directive over the first four years has led, *at least to some extent*, to:

- simpler compliance

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 3 | 11,11 % |
| *Moderate* | 11 | 40,74 % |
| *Large extent* | 2 | 7,41 % |
| *No available information* | 10 | 37,04 % |
| *No Answer* | 0 | 0 % |

- more uniform requirements

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 4 | 14,81 % |
| *Moderate* | 9 | 33,33 % |
| *Large extent* | 7 | 25,93 % |
| *No available information* | 6 | 22,22 % |
| *No Answer* | 0 | 0 % |

- VAT rules adapted to various business models

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 4 | 14,81 % |
| *Moderate* | 9 | 33,33 % |
| *Large extent* | 4 | 14,81 % |
| *No available information* | 9 | 33,33 % |
| *No Answer* | 0 | 0 % |

**Almost half of Member States agreed, to some extent, but the other half/almost half did not have enough information** on whether the VAT rules:

- provided benefits to the tax/customs administration

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 3 | 11,11 % |
| *Minor* | 2 | 7,41 % |
| *Moderate* | 6 | 22,22 % |
| *Large extent* | 3 | 11,11 % |
| *No available information* | 13 | 48,15 % |
| *No Answer* | 0 | 0 % |

- fit to deal with new and upcoming business models

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 5 | 18,52 % |
| *Moderate* | 5 | 18,52 % |
| *Large extent* | 3 | 11,11 % |
| *No available information* | 13 | 48,15 % |
| *No Answer* | 0 | 0 % |

- fit to deal with cross-border situations

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 2 | 7,41 % |
| *Minor* | 3 | 11,11 % |
| *Moderate* | 6 | 22,22 % |
| *Large extent* | 2 | 7,41 % |
| *No available information* | 14 | 51,85 % |
| *No Answer* | 0 | 0 % |

**The majority of Member States did not have enough information** on whether the VAT rules:

- resulted in the reduction of administrative cost for:
    - companies issuing SPVs

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 0 | 0 % |
| *Moderate* | 2 | 7,41 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 23 | 85,19 % |
| *No Answer* | 0 | 0 % |

    - companies issuing MPVs

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 2 | 7,41 % |
| *Minor* | 0 | 0 % |
| *Moderate* | 1 | 3,7 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 23 | 85,19 % |
| *No Answer* | 0 | 0 % |

- companies transferring SPVs

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 0 | 0 % |
| *Moderate* | 0 | 0 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 25 | 92,59 % |
| *No Answer* | 0 | 0 % |

- companies transferring MPVs

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 1 | 3,7 % |
| *Minor* | 0 | 0 % |
| *Moderate* | 0 | 0 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 25 | 92,59 % |
| *No Answer* | 0 | 0 % |

- tax/customs administrations

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 4 | 14,81 % |
| *Minor* | 1 | 3,7 % |
| *Moderate* | 1 | 3,7 % |
| *Large extent* | 2 | 7,41 % |
| *No available information* | 19 | 70,37 % |
| *No Answer* | 0 | 0 % |

- resulted in the increase of:
  - domestic trade of vouchers

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 0 | 0 % |
| *Minor* | 1 | 3,7 % |
| *Moderate* | 1 | 3,7 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 24 | 88,89 % |
| *No Answer* | 0 | 0 % |

- cross-border trade of vouchers

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 0 | 0 % |
| *Minor* | 0 | 0 % |
| *Moderate* | 1 | 3,7 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 25 | 92,59 % |
| *No Answer* | 0 | 0 % |

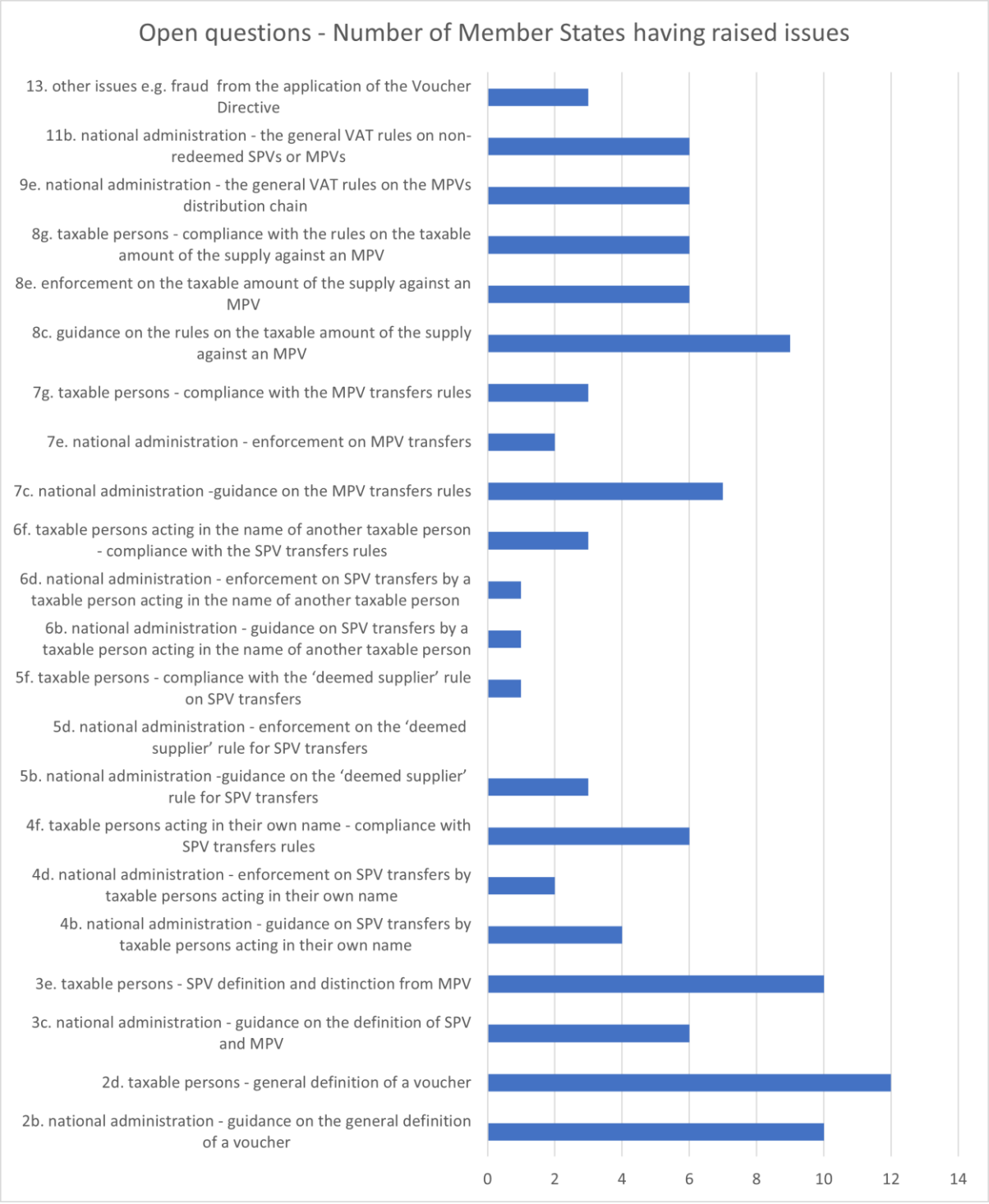
- provided benefits to the sector

| | Answers | Ratio |
|---|---|---|
| *Not at all* | 0 | 0 % |
| *Minor* | 1 | 3,7 % |
| *Moderate* | 4 | 14,81 % |
| *Large extent* | 2 | 7,41 % |
| *No available information* | 20 | 74,07 % |
| *No Answer* | 0 | 0 % |

- addressed issues of fraud

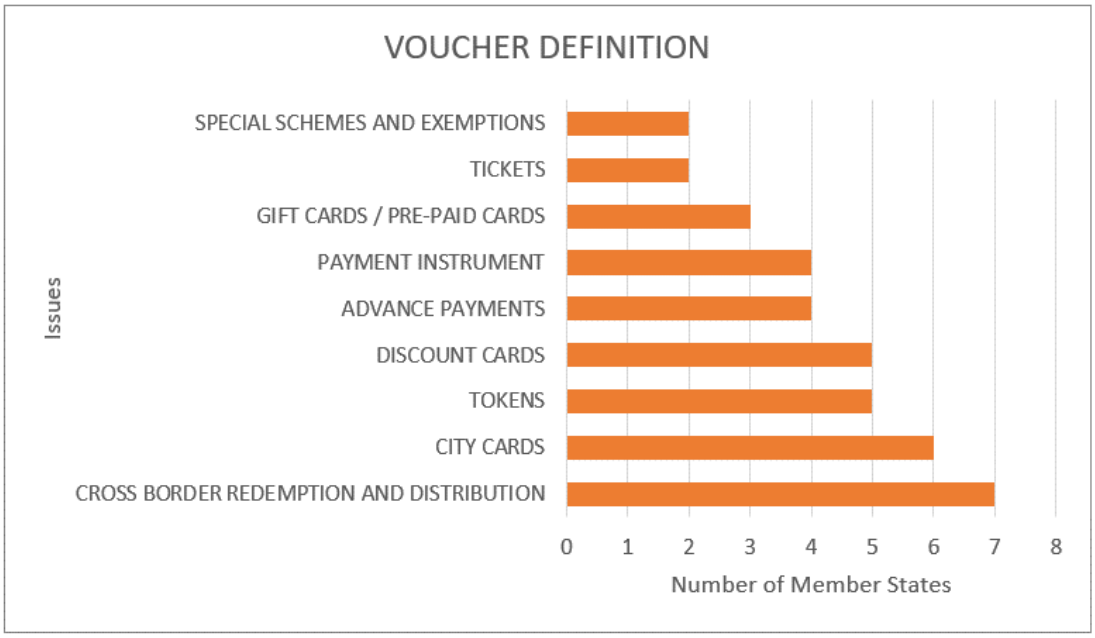
| | Answers | Ratio |
|---|---|---|
| *Not at all* | 2 | 7,41 % |
| *Minor* | 1 | 3,7 % |
| *Moderate* | 2 | 7,41 % |
| *Large extent* | 1 | 3,7 % |
| *No available information* | 21 | 77,78 % |
| *No Answer* | 0 | 0 % |

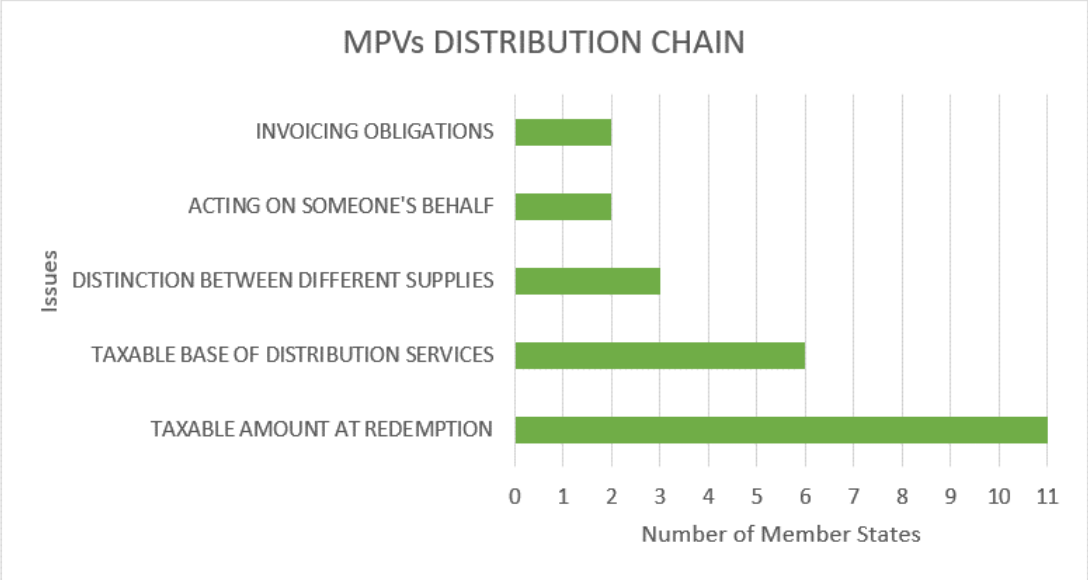
In reply to the survey's open questions, **a minority of Member States raised specific issues** with the application of the current rules. Below is a graph showing the number of Member States having raised issues in reply to each open question.

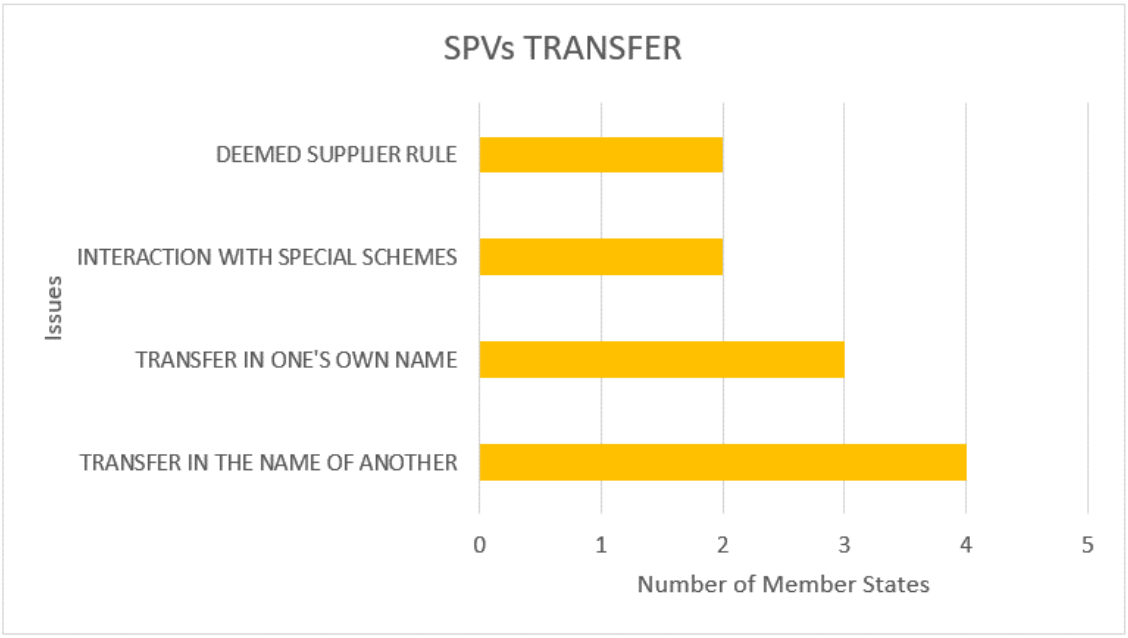


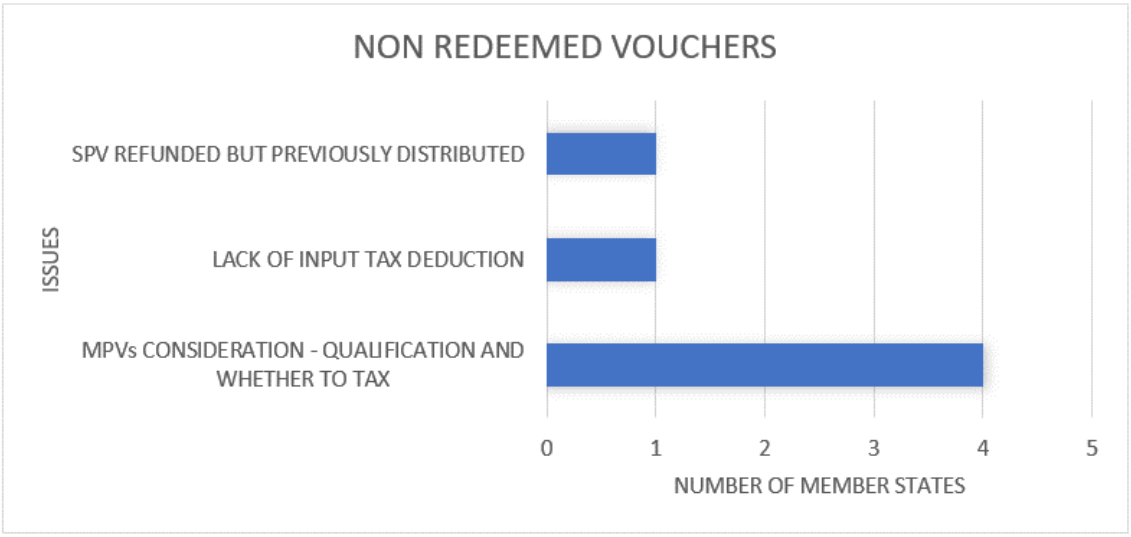

Below are four graphs with the summary of the most relevant issues raised relating to vouchers definition/qualification, distribution chains and non-redeemed vouchers with the number of Member States that have raised the issues. This analysis takes into account all the replies to the different questions in the questionnaire to provide the most complete overview of the issues

raised (e.g., the first graph includes qualification issues even if mentioned by a Member State in the context of a question not directly related to the definition of vouchers).




SPVs TRANSFER
DEEMED SUPPLIER RULE
INTERACTION WITH SPECIAL SCHEMES
TRANSFER IN ONE'S OWN NAME
TRANSFER IN THE NAME OF ANOTHER
Issues
0
1
2
3
4
5
Number of Member States


NON REDEEMED VOUCHERS
SPV REFUNDED BUT PREVIOUSLY DISTRIBUTED
LACK OF INPUT TAX DEDUCTION
MPVs CONSIDERATION - QUALIFICATION AND WHETHER TO TAX
ISSUES
0
1
2
3
4
5
NUMBER OF MEMBER STATES