

## **European Court of Justice rules in case C-272/13 Equoland (VAT Sixth Council Directive)**

(July 17, 2014)

The request for a preliminary ruling concerns the interpretation of Article 16 of the Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value added tax: uniform basis of assessment, as amended by Council Directive 2006/18/EC of 14 February 2006, and articles 154 and 157 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

In the underlying case the ECJ ruled as follows:

1. Article 16(1) of Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value added tax: uniform basis of assessment, as amended by Council Directive 2006/18/EC of 14 February 2006, in the version resulting from Article 28c of the Sixth Directive, must be interpreted as not precluding national legislation which makes the grant of an exemption from the payment of the value added tax on importation provided for by that legislation subject to the condition that goods which are imported and destined for a tax warehouse for the purposes of value added tax be physically placed in that warehouse.
2. Sixth Directive 77/388/EEC, as amended by Directive 2006/18/EC, must be interpreted, in accordance with the principle of neutrality of value added tax, as precluding national legislation under which a Member State requires the payment of value added tax on importation even though that tax has been settled already under the reverse charge mechanism through self-invoicing and entry in the sales and purchases register of the taxable person.

[Click here](#) to be forwarded to the text of the ruling, which will open in a new window.

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