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16 May 2019

Dear Ms. Fabregas-Fernandez

I am writing to you to address a number of issues regarding the different treatment of vouchers for VAT-purposes in EU member states. We welcome the information paper issued to the VAT-Committee on 12 April, and we would like to emphasise a number of further points on this topic.

The EU Vouchers Directive (2016/1065), agreed in 2016, makes a distinction between so-called 'Single Purpose Vouchers' (SPVs) – where the place of supply to which the voucher relates and the VAT due are known at the time of issue, and Multi-Purpose Vouchers (MPVs) - all vouchers, other than single-purpose vouchers.

This distinction has consequences for the place and time of taxation. In the case of SPV, VAT is charged at the point of sale (i.e. when a customer buys the voucher). In the case of a MPV, VAT should only be charged when the voucher is redeemed, i.e. at the point of usage (in exchange for goods or services).

We are concerned that the current distinction between a SPV and MPV is in some instances giving rise to different VAT-treatments of a single type of voucher in different member states. This misalignment can give rise to instances of double or non-taxation and a higher administrative burden for businesses. This is the case for those vouchers in particular that can be used in more than one member state, but also for business models that are viable in more than one jurisdiction. Our members have also emphasised that there is a need for guidance regarding e.g. the definition of vouchers in order to distinguish vouchers from e.g. instruments of payment, discounts or subscriptions. Furthermore, our members urge for guidance on the VAT-treatment of a free voucher that is provided with the purchase of a good or a service.

We hope that the European Commission can examine this issue and evaluate whether member states are implementing the current directive correctly, or alternatively, whether the directive is correctly implemented and enforced, but provides leeway which is giving rise to different treatments of VAT in vouchers. If such a review observes significant variation, we would expect the Commission to develop proposals to address these issues and thereby protect the Single Market.

We hope that this topic can also be further discussed in order to identify the challenges and appropriate ways forward. In order to support this, we have asked our members to monitor the topic further and we would be more than happy to discuss this with you.

Yours sincerely,



James Watson, Director of Economics