

This site uses cookies to make it easier to use the site and to provide you with more relevant information. Click on "Cookie Settings" to change your cookie preferences. Also read our cookie statement for more information about the cookies we use.

[Cookie settings](#)



Article

AG leaves the door open for split reimbursement within a single performance in a VAT-taxed and a VAT-exempt part

On 11 March 2020, Advocate General Pikamäe (hereinafter: the AG) of the Court of Justice (hereinafter: the ECJ) concluded that it is not possible in principle to split a fee for one purchased service into a VAT tax and a VAT exempt part. This may be different if sufficient information is available to determine precisely and objectively which part of the reimbursement relates to VAT-exempt supplies.

March 11, 2020

Background

In this case, Blackrock UK pays a fee for the use of an investment platform (Aladdin) to an American group company. Aladdin provides information for portfolio managers with regard to investment management for making investment decisions, such as risk and performance analyzes, but also with regard to laws and regulations.

Blackrock UK uses Aladdin to manage portfolios of different types of investment funds. These are both investment funds that meet the conditions of the asset management exemption ("SIFs") and investment funds that do not meet.

Blackrock UK pays one reimbursement and the starting point in this procedure is that there is one composite performance that is purchased. Furthermore, it is not disputed that the service provided by Blackrock UK to its clients qualifies as management within the meaning of the asset management exemption for VAT.

The question in this case is whether Blackrock UK can split the fee according to the use of the services for managing SIFs and non-SIFs. In this context, a split based on the amount of assets under management of the investment funds is mentioned as an example.

Advocate General's Opinion

The AG concludes that it is not possible to split one fee for one service into a VAT-taxed

This site uses cookies to make it easier to use the site and to provide you with more relevant information. Click on "Cookie Settings" to change your cookie preferences. Also read our cookie statement for more information about the cookies we use.

[Cookie settings](#)

Consequences for practice

Of course, this only concerns the vision of the AG at the ECJ. The ECJ is now waiting for the verdict.

Should the ECJ follow the AG's conclusion, the principle remains that if there is a single service, it cannot be split into an exempt part for the management of SIFs and a taxed part for the other investment funds unless you objective data can determine which part of the fee relates to the management of SIFs. For the time being it is unclear when this is the case. Hopefully the ECJ will give more substance to this in the judgment.

If you have any questions as a result of the above, please contact your VAT advisor.

Contact



Elwin Makkus

Partner

emakkus@deloitte.nl | +31882886488

Based in Amsterdam, I am a Partner within the Indirect Tax team. With over 10 years of experience, I assist national and international clients in the Financial Services Industry. In addition to more, ... [More](#)

Recommendations

Recently viewed

Background information on the analysis of outcome or fiscal court cases

GCC Indirect Tax Weekly Digest

Indirect Tax Matters March 2020 Edition

Related topics

[Contact Deloitte](#)

[Vacancies](#)

[Request for proposal](#)

[Global offices](#)



Location: NL-NL Netherlands-Dutch ▼
[About Deloitte](#)

[Newsroom](#)

[Our offices](#)

[Our global offices](#)

[Security](#)

This site uses cookies to make it easier to use the site and to provide you with more relevant information. Click on "Cookie Settings" to change your cookie preferences. Also read our cookie statement for more information about the cookies we use.

[Cookie settings](#)

Services

[Audit & Assurance](#)[Consulting](#)[Financial Advisory](#)[Legal](#)[Risk Advisory](#)[Tax](#)

Industries

[Consumer](#)[Energy, Resources & Industrials](#)[Financial Services](#)[Life Sciences & Health Care](#)[Midmarket and SMEs](#)[Public Sector](#)[Technology, Media & Telecommunications](#)

Careers

[Alumni](#)[Vacancies](#)[Work at Deloitte](#)[About Deloitte Netherlands](#)[About Deloitte global](#)[Privacy](#)[Cookies](#)[Disclaimer & copyright](#)[Our code of conduct](#)[Avature privacy](#)

© 2020. See [Disclaimer & copyright](#) for more information.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [About Deloitte](#) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

In The Netherlands the services are provided by independent subsidiaries or affiliates of Deloitte Holding BV, an entity which is registered with the trade register in The Netherlands under number 40346342