

# VAT Friday – EU – Contract regarded as a VAT invoice?

## Issue

The Advocate General (AG) of the European Court of Justice (ECJ) recently has concluded that a contract may be regarded as an invoice for VAT purposes. Case Raiffeisen Lease (A) / RED (B)

## Background

In this specific case, A entered into a sale-leaseback agreement with B related to immovable property. The contract mentioned the lease amount to be paid including VAT. B exercised its right to deduct VAT as if the contract itself was to be regarded as an invoice.

A did not issue an actual invoice, nor did A declare or pay VAT.

The Slovenian tax authorities were of the opinion that the contract itself contained all information that is needed for an invoice, so that A should have paid VAT. A took the case to the Slovenian court.

The referring Slovenian court requested the ECJ for a preliminary ruling related to the question whether a written contract may be regarded as an invoice. Does such contract contain all information which is required for an invoice in accordance with the VAT Directive.

## Conclusion AG

In short, the AG concluded that a written contract may be regarded as an invoice as long as such contract includes sufficient information for all parties in order to pay and deduct VAT.

Although the ECJ has yet to decide on the case, please be aware that a contract itself may already trigger VAT consequences for suppliers and clients!

## Questions

If you have any questions, please contact:

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