

Questions & Answers
Cases and Solutions

WORK ON MOVABLE PROPERTY
INTRA-COMMUNITY TRANSPORT OF GOODS & RELATED
SERVICES

Preliminary Remarks:

- ▶ The following are a series of situations that could occur in day to day practice. The answers given are in accordance with the amended VAT Act, as applicable from the 1st of May 2004. **However, while the VAT Department has made every effort to ensure that the content of this document is as legally accurate as possible, it should not be used as a substitute for the provisions of the VAT Act 1998, of the Act No X of 2003, of any other Act and of the relevant Legal Notices as published in the Malta Government Gazette, which are the only ones that have legal value.**
- ▶ Any reference in the examples/cases/situations described in this document to a particular European Union member state, to a specific country outside the European Union or to a specific product brand name is by way of example only. Answers remain valid when the name of the member state mentioned is substituted by the name of any other member state, when any outside country is substituted by any other outside country and when any brand name is substituted by any other brand name.
- ▶ As from the 1st of May 2004, European Union member states (besides Malta) are Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom.

*
* *

Q. *A, a Maltese company registered under art. 10, receives raw materials from B, another Maltese company registered under art. 10, in order to be processed. After the processing of the goods, goods leave Malta and are sent to Denmark. B provides A with his MT VAT identification number. Where does the service of A take place?*

A. In Malta, since the service is physically carried out in Malta

Q. *A, a Maltese company registered under art. 10, receives raw materials from B, another Maltese company registered under art. 10, in order to be processed. After the processing of the goods, goods leave Malta and are sent to Estonia. B provides A with his Italian VAT identification number. Where does the service of A take place?*

- A. In Italy, since B provides A with his IT VAT identification number
- Q. *A, a Maltese company registered under art. 10, receives raw materials from B, an Italian company, in order to be processed. Goods are transported from Italy to Malta. After the processing of the goods, goods leave Malta and are sent to France by B. A invoices B for the processing and in this respect B provides A with his French VAT identification number. Where does the service of A take place?*
- A. In France, since B provides A with his French VAT identification number
- Q. *A, a Maltese company registered under art. 10, receives goods from B, another Maltese company, in order to be repaired. B first transports goods from Italy to Malta. After the repair of the goods, B sends goods to France. A invoices B for the repair and in this respect B provides A with his Italian VAT identification number. Where does the service of A take place?*
- A. In Italy, since B provides A with his Italian VAT identification number
- Q. *A, a Maltese transport company registered under art. 10, transports goods by sea from Germany to Malta for his client B, registered in Malta under art. 10. B provides his Maltese VAT identification number to A. Where does the service supplied by A take place?*
- A. In Malta, since B provides his Maltese VAT number to A
- Q. *A, a Maltese transport company registered under art. 10, transports goods by truck from Germany to Spain for his client B, a Maltese customer registered under art. 11. B provides his VAT identification number to A. Where does the service supplied by A take place?*
- A. In Germany, since the transport starts in Germany
- Q. *A, a Maltese transport company registered under art. 10, transports goods from Malta to Spain for his client B, registered in Malta under art. 10. B provides his Italian VAT identification number to A. Where does the service supplied by A take place?*
- A. In Italy, since B provides an Italian VAT number to A

- Q.** *A, a Maltese transport company registered under art. 10, has goods transported by air from Spain to Poland for his Maltese customer B, registered under art. 10. B provides his French VAT identification number to A. Where does the service supplied by A take place?*
- A.** In France, since the customer B provides his French VAT identification number to A
- Q.** *A UK company B loads goods onto a ship in Belgium in the framework of the transport of these goods from Belgium to Malta. The customer is a Maltese private person established in Malta. Where is the service taking place?*
- A.** In Belgium, where the loading takes place
- Q.** *A French company F unloads a truck in Belgium in the framework of a transport of goods from Malta to Belgium. The customer A, a Maltese company registered under art. 11, provides the latter VAT number to F. Where is the service taking place?*
- A.** In Belgium, where the unloading takes place
- Q.** *A Maltese company F unloads a ship in Malta in the framework of a transport of goods from the UK to Malta. The customer B, a UK company, provides F with a UK VAT identification number. Where is the service taking place?*
- A.** In the UK, because B provides F with a UK VAT identification number
- Q.** *A Maltese company F unloads a ship in Malta in the framework of a transport of goods from Romania to Malta. The customer B, an Italian company, provides F with a valid IT VAT identification number. Where is the service taking place?*
- A.** In Malta, where the unloading takes place (See Third Schedule, item 7(3) regarding ancillary services related to ANY transport and not only to intra-Community transport)

CASE 1 - DATA

- *A Maltese company A, established in Malta and VAT registered under art. 10 VAT Act, is specialised in the repair and maintenance of vacuum cleaners (VC) destined for both professional and private use.*
- *A has a large client portfolio (i.e. clients are located in various countries)*
- *A's activities can be summarised as follows:*

First group of clients: Maltese clients

- *B(1) is a Maltese hospital. A repairs a VC at the premises of B(1) in Malta.*
- *B(2) is a Maltese established company (registered art. 10 VAT Act), with a branch in France. A repairs two VCs at the premises of B(2) in Malta. One of the VCs is subsequently dispatched by B(2) from Malta to the branch in France. B(2) provides his FR VAT number to A.*
- *B(3) is a Maltese private individual that has his VC repaired by A at the premises of A in Malta.*

Second group of clients: EU (other than Maltese) clients

- *C(1) is a Spanish hospital. C(1) dispatches the VC from Spain to Malta. A repairs the VC at his premises in Malta and subsequently the good is sent back to Spain. Is it important to know whether C(1) provides A with a ES VAT number?*
- *C(2) is a Spanish established company, with a branch in France. C(2) dispatches two VCs from Spain to Malta. A repairs the VCs at his premises in Malta. One of the VCs is subsequently dispatched by C(2) from Malta to the branch in France and one from Malta back to Spain. C(2) provides his FR VAT number to A.*
- *C(3) is a Spanish private individual that has his VC repaired by A at his home in Spain.*

Third group of clients: non-EU clients

- *D(1) is a Libyan company. D(1) dispatches the VC from Libya to Malta. A repairs a VC at his premises in Malta and subsequently the goods are sent back to Libya.*
- *D(2) is an Egyptian company that bought a second hand VC in Malta. Before dispatching the VC to Egypt, D(2) sends the VC to A for maintenance. A performs the maintenance at his premises in Malta. Subsequently the VC is dispatched by D(2) from Malta to Egypt.*

CASE 1 – QUESTIONS

- *Determine, by using the basic questions, the VAT treatment of the described transactions and operations under the Maltese VAT legislation applicable as from 1 May 2004*
- *Are there any specific formalities to be fulfilled by company A?*

CASE 1 - SOLUTION

FIRST GROUP OF CLIENTS: MALTESE CLIENTS

- **B(1) is a Maltese hospital.** A repairs a VC at the premises of B(1) in Malta.

Solution: A-B(1)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)
3. Place of supply: Malta (where the service is physically carried out - Item 9 (1) Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: A (Art. 20 (1) (a) VAT Act)

VAT return (A): box 18 and 23

- **B(2) is a Maltese established company (registered art. 10 VAT Act), with a branch in France.** A repairs two VCs at the premises of B(2) in Malta. One of the VCs is subsequently dispatched by B(2) from Malta to the branch in France. B(2) provides his FR VAT number to A.

Solution: A-B(2)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)
3. Place of supply: Malta (VC remaining in Malta - where the service is physically carried out - Item 9 (1) Third Schedule) *and* France (VC dispatched to France - MS VAT identification number - item 9 (2) Third Schedule)
4. Exemption: NO – N/A
5. Person liable to pay VAT: A (Art. 20 (1) (a) VAT Act) - N/A

VAT return (A):

- VC remaining in Malta: box 18 and 23
- VC dispatched to France: box 2

Solution: B(2) MT VAT nr.

1. Taxable person: YES
2. Operation in the scope of VAT: YES (a deemed intra-Community supply of goods)
3. Place of supply: Malta (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: YES (on the condition that the transport from Malta to another EU MS can be proved and B has a valid VAT identification number of another MS than Malta (in case FR) – item 3 (4) Part One Fifth Schedule)
5. Person liable to pay VAT: N/A

Specific formalities:

B(2) will have to report the exempt deemed ICS in its recapitulative statement in Malta (mentioning his FR VAT number)

VAT return B(2): box 1

Solution: B(2) FR VAT nr.

1. Taxable person: YES
2. Operation in the scope of VAT: YES (a deemed intra-Community acquisition of goods)
3. Place of ICA: France (where transport ends – item 13 Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

➤ **B(3) is a Maltese private individual** that has his VC repaired by A at the premises of A in Malta.

Solution: A-B(3)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)
3. Place of supply: Malta (where the service is physically carried out - Item 9 (1) Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: A (Art. 20 (1) (a) VAT Act)

VAT return (A): box 18 and 23

SECOND GROUP OF CLIENTS: EU (OTHER THAN MALTESE) CLIENTS

➤ **C(1) is a Spanish hospital.** C(1) dispatches a VC from Spain to Malta. A repairs the VC at his premises in Malta and subsequently the good is sent back to Spain. Is it important to know whether C(1) provides A with a ES VAT number?

Solution: A-C(1)

- Taxable person: YES
Operation in the scope of VAT: YES (work on movable tangible property)
Place of supply: Malta (where the service is physically carried out - Item 9 (1) Third Schedule), *unless* C(1) provides A with another valid VAT identification number than a MT VAT number (then: MS of identification nr. – e.g. ES)
Exemption: NO – N/A
Person liable to pay VAT: A (Art. 20 (1) (a) VAT Act) – N/A

Specific formalities:

- A should register the VC in his register of received goods (at arrival and after the VC has been sent back)
- VAT return (A):
 - Service taking place in Malta: box 18 and 23
 - Service taking place in MS of registration: box 2

Solution: C(1) – move of the good to Malta

1. Taxable person: YES
2. Operation in the scope of VAT: NO (no deemed IC acquisition)
3. Place: N/A
4. Exemption: N/A
5. Person liable to pay VAT: N/A

- **C(2) is a Spanish established company, with a branch in France.** C(2) dispatches two VCs from Spain to Malta. A repairs the VCs at his premises in Malta. One of the VCs is subsequently dispatched by C(2) from Malta to the branch in France and one from Malta back to Spain. C(2) provides his FR VAT number to A.

Solution: A-C(2)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)
3. Place of supply: France (both VCs are dispatched outside Malta - MS VAT identification number - item 9 (2) Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Specific formalities:

- A should register the VC in his register of received goods (at arrival and after the VC has been sent back)
- VAT return (A): box 2

Solution: C(2) – arrival of two VCs in Malta

1. Taxable person: YES
2. Operation in the scope of VAT: NO (no deemed IC acquisition). However, after the repair for the VC not returning to Spain: deemed IC acquisition (non-transfer becomes a transfer)
3. Place of acquisition: Malta (where transport ends – item 13 Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: C(2) (Art. 20 (1) (b) VAT Act – C(2) will have to register art. 10 VAT Act)

Solution: C(2) – dispatch of VC to France

1. Taxable person: YES
2. Operation in the scope of VAT: YES (deemed intra-Community supply of goods)
3. Place of supply: Malta (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: YES (on the condition that the transport from Malta to another EU MS can be proved and C(2) has a valid VAT identification number of another MS than Malta – item 3 (4) Part One Fifth Schedule)
5. Person liable to pay VAT: N/A

Specific formalities:

- C(2) has to VAT register in Malta (art. 10 VAT Act)
 - With respect to the VC dispatched to France: C(2) will have to report the exempt deemed IC supply in his recapitulative statement
 - VAT return C(2):
 - Arrival of VC (dispatched later on to France): box 3 and 6 (deemed ICA) and box 9 (or 10) and 13 (or 14)
 - Dispatch of VC to France: box 1
- **C(3) is a Spanish private individual** that has his VC repaired by A at his home in Spain.

Solution: A – C(3)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)
3. Place of supply: Spain (where the service is physically carried out - Item 9 (1) Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Specific formalities: A should register e.g. the tools he took with him to Spain in his register of non-transfers

VAT return (A): box 2

THIRD GROUP OF CLIENTS: NON-EU CLIENTS

- **D(1) is a Libyan company.** D(1) dispatches the VC from Libya to Malta. A repairs a VC at his premises in Malta and subsequently the goods are sent back to Libya.

Solution: A-D(1)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)

3. Place of supply: Malta (where the service is physically carried out - Item 9 (1) Third Schedule)
4. Exemption: YES (item 1 (3) Part One Fifth Schedule – assumption 1: goods are put under a regime of inward processing for the purpose of undergoing those services and assumption 2: D(1) is not established within Malta)
5. Person liable to pay VAT: N/A

➤ **D(2) is an Egyptian company that bought a second hand VC in Malta.** Before dispatching the VC to Egypt, D(2) sends the VC to A for maintenance. A performs the maintenance at his premises in Malta. Subsequently the VC is dispatched by D(2) from Malta to Egypt.

Solution: A-D(2)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (work on movable tangible property)
3. Place of supply: Malta (where the service is physically carried out - Item 9 (1) Third Schedule)
4. Exemption: NO (conditions item 1 (3) Part One Fifth Schedule are not met)
5. Person liable to pay VAT: A (Art. 20 (1) (a) VAT Act)

VAT return (A): box 18 and 23

CASE 2 - DATA

- *A Maltese manufacturer A has two plants (within one legal entity). One located in Malta and one in Italy. The company is registered in Malta (art. 10 VAT Act) and in Italy.*
- *A's suppliers and clients are located in various countries.*
- *A's activities can be summarised as follows:*

Purchase of raw materials

- *The Maltese plant normally purchases raw materials from B, a French company. A has the goods transported by C, a Maltese transport company (registered under art. 10 VAT Act) from France to Malta. A provides his MT VAT number to B and C.*
- *The Maltese plant occasionally purchases raw materials from D, another French company. A has the goods transported by C from Tunisia to Malta. A provides his MT VAT number to D and C.*
- *The Italian plant purchases raw materials from E, an Austrian company. A has the goods transported by C from Germany (where E has a stock) to Italy. A provides his IT VAT number to E and C.*

Sales of products from the Maltese plant

- *A sells goods to F, a Norwegian company. Goods are dispatched by A from Malta to Norway. In this respect A calls upon C.*
- *A also sells goods to G, another Maltese company (registered under art. 10). Goods are dispatched from Malta to Portugal. In this respect G calls upon C. G provides A and C with a PT VAT number. In the frame of the transport, C calls upon H, a Portuguese intermediary, to find him a transport company to perform the land transport from the Portuguese harbour to the premises of G. H finds I, a Portuguese transport company, who performs the transport for C. C provides his PT VAT number to H and his MT VAT number to I.*

Sales of products from the Italian plant

- *A sells goods to a Maltese distributor J. Goods are dispatched by A from the Italian plant to the stock of the Maltese distributor J in France. J provides A with his MT VAT number (art. 10).*
- *For the transport from Italy to France, A calls upon C. A provides C with his IT VAT number. In this respect, C calls upon K, a French company, to unload, at the end of the transport, the truck at the premises of J. Is it important to know whether C provides K with a VAT number?*
- *C has found K through the intervention of L, a Maltese intermediary (registered under art. 11). C does not provide L with a VAT number.*

CASE 2 - QUESTION

Determine, by using the basic questions, the VAT treatment of the described transactions and operations under the Maltese VAT legislation applicable as from 1 May 2004

CASE 2 - SOLUTION

PURCHASE OF RAW MATERIALS

- **The Maltese plant normally purchases raw materials from B, a French company.** A has the goods transported by C, a Maltese transport company (registered under art. 10 VAT Act) from France to Malta. A provides his MT VAT number to B and C.

Solution: B-A, from the point of view of B

1. Taxable person: YES
2. Operation in the scope of VAT: YES (supply of goods)
3. Place of supply: France (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Solution: B-A, from the point of view of A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (intra-Community acquisition of goods)
3. Place of ICA: Malta (where transport ends – item 13 Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: A (Art. 20 (1) (b) VAT Act)

VAT return (A):

- box 3 and 6 **and**
- box 9 (or 10) and 13 (or 14)

Solution: C-A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (intra-Community transport of goods)
3. Place of supply: Malta (MS VAT identification number - item 7 (2) second sentence Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: A (Art. 20 (2) (c) VAT Act, assuming that C is not established nor VAT registered in Malta)

VAT return (A), assuming A = person liable to pay VAT):

- box 4 and 7 **and**
- box 11 and 15

- **The Maltese plant occasionally purchases raw materials from D, another French company.** A has the goods transported by C from Tunisia to Malta. A provides his MT VAT number to D and C.

Solution: D-A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (a supply of goods)
3. Place of supply: Tunisia (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Solution: A

1. Qualifying person: YES (A)
2. Operation in the scope of VAT: YES (an importation of goods)
3. Place of importation: Malta (item 15 (1) Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: A (importer – Art. 20 (1) (c) VAT Act)

VAT return (A): box 27 and 34 (it is assumed that import VAT is paid to Customs, and no deferment of payment of import VAT is applied)

Solution: C-A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (a transport of goods)
3. Place of supply: Tunisia, high seas, Malta (where the transport takes place, having regard to the distance covered)
4. Exemption: N/A for transport outside Malta – YES for transport in Malta (where the value of the service is included in the taxable value of the import of the goods – item 4 (2) Part One Fifth Schedule)
5. Person liable to pay VAT: N/A (however, in case the conditions for the exemption are not met: C - Art. 20 (1) (a) VAT Act)

VAT return C:

- Taxable amount of transport taking place outside Malta: box 2
- Taxable amount of (exempt) transport taking place in Malta: box 20

- **The Italian plant purchases raw materials from E, an Austrian company.** A has the goods transported by C from Germany (where E has a stock) to Italy. A provides his IT VAT number to E and C.

Solution: E-A, in the head of E

1. Taxable person: YES
2. Operation in the scope of VAT: YES (supply of goods)
3. Place of supply: Germany (where the transport begins – item 1 (b) Third Schedule)

4. Exemption: N/A
5. Person liable to pay VAT: N/A

Solution: E-A, in the head of A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (intra-Community acquisition of goods)
3. Place of ICA: Italy (where transport ends – item 13 Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Solution: C-A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (an intra-Community transport of goods)
3. Place of supply: Italy (MS VAT identification number - item 7 (2) second sentence Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

VAT return (C): box 2

SALES OF PRODUCTS FROM THE MALTESE PLANT

- **A sells goods to F, a Norwegian company.** Goods are dispatched by A from Malta to Norway. In this respect A calls upon C.

Solution: A-F

1. Taxable person: YES
2. Operation in the scope of VAT: YES (a supply of goods)
3. Place of supply: Malta (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: YES (supply of goods that are transported outside the Community by the supplier – item 1 (1) Part One Fifth Schedule)
5. Person liable to pay VAT: N/A

VAT return (A): box 20

Solution: C-A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (a transport of goods)
3. Place of supply: Malta, high seas/other countries, Norway (where the transport takes place, having regard to the distance covered)
4. Exemption: N/A for transport outside Malta – YES for transport in Malta (the transport of goods directly connected with the export of those goods – item 4 (3) Part One Fifth Schedule)
5. Person liable to pay VAT: N/A

VAT return C:

- Taxable amount of transport taking place outside Malta: box 2
- Taxable amount of (exempt) transport taking place in Malta: box 20

- **A also sells goods to G, another Maltese company** (registered under art. 10). Goods are dispatched from Malta to Portugal. In this respect G calls upon C. G provides A and C with a PT VAT number. In the framework of the transport, C calls upon H, a Portuguese intermediary, to find him a transport company to perform the land transport from the Portuguese harbour to the premises of G. H finds I, a Portuguese transport company, who performs the transport for C. C provides his PT VAT number to H and his MT VAT number to I.

Solution: A-G, in the head of A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (supply of goods)
3. Place of supply: Malta (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: YES (on the condition that the transport from Malta to another EU MS can be proved and A receives a valid VAT identification number of another MS than Malta – item 3 (1) Part One Fifth Schedule)
5. Person liable to pay VAT: N/A

Specific formalities:

- A will have to report the exempt IC supply in his recapitulative statement
- VAT return (A): box 1

Solution: A-G, in the head of G

1. Taxable person: YES
2. Operation in the scope of VAT: YES (an intra-Community acquisition of goods)
3. Place of ICA: Portugal (where transport ends – item 13 Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Solution: C-G

1. Taxable person: YES
2. Operation in the scope of VAT: YES (an intra-Community transport of goods)
3. Place of supply: Portugal (MS VAT identification number - item 7 (2) second sentence Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

VAT return (C): box 2

Solution: I-C

1. Taxable person: YES
2. Operation in the scope of VAT: YES (deemed IC transport of goods)
3. Place of supply: Malta (MS VAT identification number - item 7 (2) second sentence Third Schedule)
4. Exemption: NO
5. Person liable to pay VAT: C (Art. 20 (2) (c) VAT Act – assumption: I is not established in Malta, nor registered under art. 10 VAT Act)

VAT return (C), assuming C = person liable to pay VAT):

- box 4 and 7 **and**
- box 11 and 15

Solution: H-C

1. Taxable person: YES
2. Operation in the scope of VAT: YES (service ancillary to an IC transport of goods)
3. Place of supply: Portugal (Item 7 (4) first sentence Third Schedule – MS of departure)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

SALES OF PRODUCTS FROM THE ITALIAN PLANT

- **A sells goods to a Maltese distributor J.** Goods are dispatched by A from the Italian plant to the stock of the Maltese distributor J in France. J provides A with his MT VAT number (art. 10).

Solution: A-J, in the head of A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (supply of goods)
3. Place of supply: Italy (where the transport begins – item 1 (b) Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

VAT return (A): box 2

Solution: A-J, in the head of J

1. Taxable person: YES
2. Operation in the scope of VAT: YES (intra-Community acquisition of goods)
3. Place of ICA: France (where transport ends – item 13 Third Schedule) *and* Malta (unless J proves that there is an IC acquisition in another MS where transport ends *and* that ICA has been subject to VAT in that MS)
4. Exemption: N/A (NO in case above-mentioned proof can not be provided)
5. Person liable to pay VAT: N/A (J in case above-mentioned proof can not be provided)

- **For the transport from Italy to France, A calls upon C.** A provides C with his IT VAT number. In this respect, C calls upon K, a French company, to unload, at the end of the transport, the truck at the premises of J. Is it important to know whether C provides K with a VAT number?

Solution: C-A

1. Taxable person: YES
2. Operation in the scope of VAT: YES (an intra-Community transport of goods)
3. Place of supply: Italy (MS of departure - item 7 (2) first sentence Third Schedule)
4. Exemption: N/A
5. Person liable to pay VAT: N/A

VAT return (C): box 2

Solution: K-C

1. Taxable person: YES
2. Operation in the scope of VAT: YES (service ancillary to an IC transport of goods)
3. Place of supply: France (where the service is physically carried out - item 7 (3) first sentence Third Schedule), *unless* C provides K with another valid VAT identification number than a French VAT number (then: MS of identification nr.)
4. Exemption: N/A (unless C provided K with a MT VAT nr.: NO)
5. Person liable to pay VAT: N/A (unless C provided K with a MT VAT nr.: C - Art. 20 (2) (c) VAT Act – assumption: K is not established in Malta, nor registered under art. 10 VAT Act)

VAT return (C), assuming C = person liable to pay VAT):

- box 4 and 7 **and**
- box 11 and 15

- **C has found K through the intervention of L, a Maltese intermediary** (registered under art. 11). C does not provide L with a VAT number.

Solution: L-C (taking into account the Maltese point of view)

1. Taxable person: YES
2. Operation in the scope of VAT: NO (since service is performed by a taxable person art. 11 VAT Act)
3. Place of supply: N/A
4. Exemption: N/A
5. Person liable to pay VAT: N/A

Solution: L-C (taking into account the French point of view)

1. Taxable person: YES
2. Operation in the scope of VAT: YES (since service is performed by a taxable person, whereby France will not take into account the fact that L is registered art. 11 in Malta)
3. Place of supply: France (where the underlying service is physically carried out)
4. Exemption: NO
5. Person liable to pay VAT: L (as the supplier, if C is not liable in France)