

Council Directive 2006/112/EC of 28 November  
2006 on the common system of value added tax

TITLE IX

**EXEMPTIONS**

CHAPTER 1

**General provisions**

*Article 131*

The exemptions provided for in Chapters 2 to 9 shall apply without prejudice to other Community provisions and in accordance with conditions which the Member States shall lay down for the purposes of ensuring the correct and straightforward application of those exemptions and of preventing any possible evasion, avoidance or abuse.

CHAPTER 2

**Exemptions for certain activities in the public interest**

*Article 132*

- 1 Member States shall exempt the following transactions:
  - a the supply by the public postal services of services other than passenger transport and telecommunications services, and the supply of goods incidental thereto;
  - b hospital and medical care and closely related activities undertaken by bodies governed by public law or, under social conditions comparable with those applicable to bodies governed by public law, by hospitals, centres for medical treatment or diagnosis and other duly recognised establishments of a similar nature;
  - c the provision of medical care in the exercise of the medical and paramedical professions as defined by the Member State concerned;
  - d the supply of human organs, blood and milk;
  - e the supply of services by dental technicians in their professional capacity and the supply of dental prostheses by dentists and dental technicians;
  - f the supply of services by independent groups of persons, who are carrying on an activity which is exempt from VAT or in relation to which they are not taxable persons, for the purpose of rendering their members the services directly necessary for the exercise of that activity, where those groups merely claim from their members exact reimbursement of their share of the joint expenses, provided that such exemption is not likely to cause distortion of competition;
  - g the supply of services and of goods closely linked to welfare and social security work, including those supplied by old people's homes, by bodies governed by public law or by other bodies recognised by the Member State concerned as being devoted to social wellbeing;

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- h the supply of services and of goods closely linked to the protection of children and young persons by bodies governed by public law or by other organisations recognised by the Member State concerned as being devoted to social wellbeing;
- i the provision of children's or young people's education, school or university education, vocational training or retraining, including the supply of services and of goods closely related thereto, by bodies governed by public law having such as their aim or by other organisations recognised by the Member State concerned as having similar objects;
- j tuition given privately by teachers and covering school or university education;
- k the supply of staff by religious or philosophical institutions for the purpose of the activities referred to in points (b), (g), (h) and (i) and with a view to spiritual welfare;
- l the supply of services, and the supply of goods closely linked thereto, to their members in their common interest in return for a subscription fixed in accordance with their rules by non-profit-making organisations with aims of a political, trade-union, religious, patriotic, philosophical, philanthropic or civic nature, provided that this exemption is not likely to cause distortion of competition;
- m the supply of certain services closely linked to sport or physical education by non-profit-making organisations to persons taking part in sport or physical education;
- n the supply of certain cultural services, and the supply of goods closely linked thereto, by bodies governed by public law or by other cultural bodies recognised by the Member State concerned;
- o the supply of services and goods, by organisations whose activities are exempt pursuant to points (b), (g), (h), (i), (l), (m) and (n), in connection with fund-raising events organised exclusively for their own benefit, provided that exemption is not likely to cause distortion of competition;
- p the supply of transport services for sick or injured persons in vehicles specially designed for the purpose, by duly authorised bodies;
- q the activities, other than those of a commercial nature, carried out by public radio and television bodies.

2 For the purposes of point (o) of paragraph 1, Member States may introduce any restrictions necessary, in particular as regards the number of events or the amount of receipts which give entitlement to exemption.

### *Article 133*

Member States may make the granting to bodies other than those governed by public law of each exemption provided for in points (b), (g), (h), (i), (l), (m) and (n) of Article 132(1) subject in each individual case to one or more of the following conditions:

- (a) the bodies in question must not systematically aim to make a profit, and any surpluses nevertheless arising must not be distributed, but must be assigned to the continuance or improvement of the services supplied;
- (b) those bodies must be managed and administered on an essentially voluntary basis by persons who have no direct or indirect interest, either themselves or through intermediaries, in the results of the activities concerned;
- (c) those bodies must charge prices which are approved by the public authorities or which do not exceed such approved prices or, in respect of those services not subject to approval, prices lower than those charged for similar services by commercial enterprises subject to VAT;
- (d) the exemptions must not be likely to cause distortion of competition to the disadvantage of commercial enterprises subject to VAT.

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Member States which, pursuant to Annex E of Directive 77/388/EEC, on 1 January 1989 applied VAT to the transactions referred to in Article 132(1)(m) and (n) [<sup>X1</sup>may also apply the conditions provided for in point (d) of the first paragraph of this Article] when the said supply of goods or services by bodies governed by public law is granted exemption.

**Editorial Information**

- X1** Substituted by [Corrigendum to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax \(Official Journal of the European Union L 347, 11 December 2006\)](#).

*Article 134*

The supply of goods or services shall not be granted exemption, as provided for in points (b), (g), (h), (i), (l), (m) and (n) of Article 132(1), in the following cases:

- (a) where the supply is not essential to the transactions exempted;
- (b) where the basic purpose of the supply is to obtain additional income for the body in question through transactions which are in direct competition with those of commercial enterprises subject to VAT.

CHAPTER 3

**Exemptions for other activities**

*Article 135*

- 1 Member States shall exempt the following transactions:
  - a insurance and reinsurance transactions, including related services performed by insurance brokers and insurance agents;
  - b the granting and the negotiation of credit and the management of credit by the person granting it;
  - c the negotiation of or any dealings in credit guarantees or any other security for money and the management of credit guarantees by the person who is granting the credit;
  - d transactions, including negotiation, concerning deposit and current accounts, payments, transfers, debts, cheques and other negotiable instruments, but excluding debt collection;
  - e transactions, including negotiation, concerning currency, bank notes and coins used as legal tender, with the exception of collectors' items, that is to say, gold, silver or other metal coins or bank notes which are not normally used as legal tender or coins of numismatic interest;
  - f transactions, including negotiation but not management or safekeeping, in shares, interests in companies or associations, debentures and other securities, but excluding documents establishing title to goods, and the rights or securities referred to in Article 15(2);
  - g the management of special investment funds as defined by Member States;
  - h the supply at face value of postage stamps valid for use for postal services within their respective territory, fiscal stamps and other similar stamps;
  - i betting, lotteries and other forms of gambling, subject to the conditions and limitations laid down by each Member State;

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- j the supply of a building or parts thereof, and of the land on which it stands, other than the supply referred to in point (a) of Article 12(1);
- k the supply of land which has not been built on other than the supply of building land as referred to in point (b) of Article 12(1);
- l the leasing or letting of immovable property.

2 The following shall be excluded from the exemption provided for in point (l) of paragraph 1:

- a the provision of accommodation, as defined in the laws of the Member States, in the hotel sector or in sectors with a similar function, including the provision of accommodation in holiday camps or on sites developed for use as camping sites;
- b the letting of premises and sites for the parking of vehicles;
- c the letting of permanently installed equipment and machinery;
- d the hire of safes.

Member States may apply further exclusions to the scope of the exemption referred to in point (l) of paragraph 1.

#### *Article 136*

Member States shall exempt the following transactions:

- (a) [<sup>F1</sup>the supply of goods used solely for an activity exempted under Articles 132, 135, 371, 375, 376 and 377, Article 378(2), Article 379(2) and Articles 380 to 390c, if those goods have not given rise to deductibility;]
- (b) the supply of goods on the acquisition or application of which VAT was not deductible, pursuant to Article 176.

#### **Textual Amendments**

- F1** Substituted by [Act concerning the conditions of accession of the Republic of Croatia and the adjustments to the Treaty on European Union, the Treaty on the Functioning of the European Union and the Treaty establishing the European Atomic Energy Community](#).

#### *Article 137*

1 Member States may allow taxable persons a right of option for taxation in respect of the following transactions:

- a the financial transactions referred to in points (b) to (g) of Article 135(1);
- b the supply of a building or of parts thereof, and of the land on which the building stands, other than the supply referred to in point (a) of Article 12(1);
- c the supply of land which has not been built on other than the supply of building land referred to in point (b) of Article 12(1);
- d the leasing or letting of immovable property.

2 Member States shall lay down the detailed rules governing exercise of the option under paragraph 1.

Member States may restrict the scope of that right of option.

## CHAPTER 4

### Exemptions for intra-community transactions

#### Section 1

#### Exemptions related to the supply of goods

##### *Article 138*

[<sup>F2</sup>1 Member States shall exempt the supply of goods dispatched or transported to a destination outside their respective territory but within the Community, by or on behalf of the vendor or the person acquiring the goods, where the following conditions are met:

- a the goods are supplied to another taxable person, or to a non-taxable legal person acting as such in a Member State other than that in which dispatch or transport of the goods begins;
- b the taxable person or non-taxable legal person for whom the supply is made is identified for VAT purposes in a Member State other than that in which the dispatch or transport of the goods begins and has indicated this VAT identification number to the supplier.]

[<sup>F3</sup>1a The exemption provided for in paragraph 1 shall not apply where the supplier has not complied with the obligation provided for in Articles 262 and 263 to submit a recapitulative statement or the recapitulative statement submitted by him does not set out the correct information concerning this supply as required under Article 264, unless the supplier can duly justify his shortcoming to the satisfaction of the competent authorities.]

2 In addition to the supply of goods referred to in paragraph 1, Member States shall exempt the following transactions:

- a the supply of new means of transport, dispatched or transported to the customer at a destination outside their respective territory but within the Community, by or on behalf of the vendor or the customer, for taxable persons, or non-taxable legal persons, whose intra-Community acquisitions of goods are not subject to VAT pursuant to Article 3(1), or for any other non-taxable person;
- b the supply of products subject to excise duty, dispatched or transported to a destination outside their respective territory but within the Community, to the customer, by or on behalf of the vendor or the customer, for taxable persons, or non-taxable legal persons, whose intra-Community acquisitions of goods other than products subject to excise duty are not subject to VAT pursuant to Article 3(1), where those products have been dispatched or transported in accordance with Article 7(4) and (5) or Article 16 of Directive 92/12/EEC;
- c the supply of goods, consisting in a transfer to another Member State, which would have been entitled to exemption under paragraph 1 and points (a) and (b) if it had been made on behalf of another taxable person.

#### **Textual Amendments**

- F2** Substituted by [Council Directive \(EU\) 2018/1910 of 4 December 2018 amending Directive 2006/112/EC as regards the harmonisation and simplification of certain rules in the value added tax system for the taxation of trade between Member States.](#)

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**F3** Inserted by Council Directive (EU) 2018/1910 of 4 December 2018 amending Directive 2006/112/EC as regards the harmonisation and simplification of certain rules in the value added tax system for the taxation of trade between Member States.

### Article 139

1 The exemption provided for in Article 138(1) shall not apply to the supply of goods carried out by taxable persons who are covered by the exemption for small enterprises provided for in Articles 282 to 292.

Nor shall that exemption apply to the supply of goods to taxable persons, or non-taxable legal persons, whose intra-Community acquisitions of goods are not subject to VAT pursuant to Article 3(1).

2 The exemption provided for in Article 138(2)(b) shall not apply to the supply of products subject to excise duty by taxable persons who are covered by the exemption for small enterprises provided for in Articles 282 to 292.

3 The exemption provided for in Article 138(1) and (2)(b) and (c) shall not apply to the supply of goods subject to VAT in accordance with the margin scheme provided for in Articles 312 to 325 or the special arrangements for sales by public auction.

The exemption provided for in Article 138(1) and (2)(c) shall not apply to the supply of second-hand means of transport, as defined in Article 327(3), subject to VAT in accordance with the transitional arrangements for second-hand means of transport.

## Section 2

### Exemptions for intra-Community acquisitions of goods

#### Article 140

Member States shall exempt the following transactions:

- (a) the intra-Community acquisition of goods the supply of which by taxable persons would in all circumstances be exempt within their respective territory;
- (b) [<sup>F4</sup>the intra-Community acquisition of goods the importation of which would in all circumstances be exempt under points (a), (b) and (c) and (e) to (l) of Article 143(1);]
- (c) the intra-Community acquisition of goods where, pursuant to Articles 170 and 171, the person acquiring the goods would in all circumstances be entitled to full reimbursement of the VAT due under Article 2(1)(b).

#### Textual Amendments

**F4** Substituted by Council Directive 2009/69/EC of 25 June 2009 amending Directive 2006/112/EC on the common system of value added tax as regards tax evasion linked to imports.

#### Article 141

Each Member State shall take specific measures to ensure that VAT is not charged on the intra-Community acquisition of goods within its territory, made in accordance with Article 40, where the following conditions are met:

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- (a) the acquisition of goods is made by a taxable person who is not established in the Member State concerned but is identified for VAT purposes in another Member State;
- (b) the acquisition of goods is made for the purposes of the subsequent supply of those goods, in the Member State concerned, by the taxable person referred to in point (a);
- (c) the goods thus acquired by the taxable person referred to in point (a) are directly dispatched or transported, from a Member State other than that in which he is identified for VAT purposes, to the person for whom he is to carry out the subsequent supply;
- (d) the person to whom the subsequent supply is to be made is another taxable person, or a non-taxable legal person, who is identified for VAT purposes in the Member State concerned;
- (e) the person referred to in point (d) has been designated in accordance with Article 197 as liable for payment of the VAT due on the supply carried out by the taxable person who is not established in the Member State in which the tax is due.

### Section 3

#### **Exemptions for certain transport services**

##### *Article 142*

Member States shall exempt the supply of intra-Community transport of goods to and from the islands making up the autonomous regions of the Azores and Madeira, as well as the supply of transport of goods between those islands.

### CHAPTER 5

#### **Exemptions on importation**

##### *Article 143*

- [<sup>F41</sup> Member States shall exempt the following transactions:]
- a the final importation of goods of which the supply by a taxable person would in all circumstances be exempt within their respective territory;
  - b the final importation of goods governed by Council Directives 69/169/EEC<sup>(1)</sup>, 83/181/EEC<sup>(2)</sup> and 2006/79/EC<sup>(3)</sup>;
  - c the final importation of goods, in free circulation from a third territory forming part of the Community customs territory, which would be entitled to exemption under point (b) if they had been imported within the meaning of the first paragraph of Article 30;
  - d the importation of goods dispatched or transported from a third territory or a third country into a Member State other than that in which the dispatch or transport of the goods ends, where the supply of such goods by the importer designated or recognised under Article 201 as liable for payment of VAT is exempt under Article 138;
  - e the reimportation, by the person who exported them, of goods in the state in which they were exported, where those goods are exempt from customs duties;
  - f the importation, under diplomatic and consular arrangements, of goods which are exempt from customs duties;
- [<sup>F5fa</sup> the importation of goods by the European Community, the European Atomic Energy Community, the European Central Bank or the European Investment Bank, or by the

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bodies set up by the Communities to which the Protocol of 8 April 1965 on the privileges and immunities of the European Communities applies, within the limits and under the conditions of that Protocol and the agreements for its implementation or the headquarters agreements, in so far as it does not lead to distortion of competition;]

- [<sup>F6</sup>g] the importation of goods by international bodies, other than those referred to in point (fa), recognised as such by the public authorities of the host Member State, or by members of such bodies, within the limits and under the conditions laid down by the international conventions establishing the bodies or by headquarters agreements;]
- h the importation of goods, into Member States party to the North Atlantic Treaty, by the armed forces of other States party to that Treaty for the use of those forces or the civilian staff accompanying them or for supplying their messes or canteens where such forces take part in the common defence effort;
- i the importation of goods by the armed forces of the United Kingdom stationed in the island of Cyprus pursuant to the Treaty of Establishment concerning the Republic of Cyprus, dated 16 August 1960, which are for the use of those forces or the civilian staff accompanying them or for supplying their messes or canteens;
- j the importation into ports, by sea fishing undertakings, of their catches, unprocessed or after undergoing preservation for marketing but before being supplied;
- k the importation of gold by central banks;
- [<sup>F6</sup>l] the importation of gas through a natural gas system or any network connected to such a system or fed in from a vessel transporting gas into a natural gas system or any upstream pipeline network, of electricity or of heat or cooling energy through heating or cooling networks;]

[<sup>F7</sup>2] The exemption provided for in paragraph 1(d) shall apply in cases when the importation of goods is followed by the supply of goods exempted under Article 138(1) and (2) (c) only if at the time of importation the importer has provided to the competent authorities of the Member State of importation at least the following information:

- a his VAT identification number issued in the Member State of importation or the VAT identification number of his tax representative, liable for payment of the VAT, issued in the Member State of importation;
- b the VAT identification number of the customer, to whom the goods are supplied in accordance with Article 138(1), issued in another Member State, or his own VAT identification number issued in the Member State in which the dispatch or transport of the goods ends when the goods are subject to a transfer in accordance with Article 138(2)(c);
- c the evidence that the imported goods are intended to be transported or dispatched from the Member State of importation to another Member State.

However, Member States may provide that the evidence referred to in point (c) be indicated to the competent authorities only upon request.]

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#### **Textual Amendments**

- F4** Substituted by [Council Directive 2009/69/EC of 25 June 2009 amending Directive 2006/112/EC on the common system of value added tax as regards tax evasion linked to imports.](#)
- F5** Inserted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)
- F6** Substituted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)



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**F7** Inserted by [Council Directive 2009/69/EC of 25 June 2009 amending Directive 2006/112/EC on the common system of value added tax as regards tax evasion linked to imports.](#)

#### *Article 144*

Member States shall exempt the supply of services relating to the importation of goods where the value of such services is included in the taxable amount in accordance with Article 86(1)(b).

#### *Article 145*

1 The Commission shall, where appropriate, as soon as possible, present to the Council proposals designed to delimit the scope of the exemptions provided for in Articles 143 and 144 and to lay down the detailed rules for their implementation.

2 Pending the entry into force of the rules referred to in paragraph 1, Member States may maintain their national provisions in force.

Member States may adapt their national provisions so as to minimise distortion of competition and, in particular, to prevent non-taxation or double taxation within the Community.

Member States may use whatever administrative procedures they consider most appropriate to achieve exemption.

3 Member States shall notify to the Commission, which shall inform the other Member States accordingly, the provisions of national law which are in force, in so far as these have not already been notified, and those which they adopt pursuant to paragraph 2.

## CHAPTER 6

### **Exemptions on exportation**

#### *Article 146*

- 1 Member States shall exempt the following transactions:
- a the supply of goods dispatched or transported to a destination outside the Community by or on behalf of the vendor;
  - b the supply of goods dispatched or transported to a destination outside the Community by or on behalf of a customer not established within their respective territory, with the exception of goods transported by the customer himself for the equipping, fuelling and provisioning of pleasure boats and private aircraft or any other means of transport for private use;
  - c the supply of goods to approved bodies which export them out of the Community as part of their humanitarian, charitable or teaching activities outside the Community;
  - d the supply of services consisting in work on movable property acquired or imported for the purpose of undergoing such work within the Community, and dispatched or transported out of the Community by the supplier, by the customer if not established within their respective territory or on behalf of either of them;
  - e the supply of services, including transport and ancillary transactions, but excluding the supply of services exempted in accordance with Articles 132 and 135, where these are directly connected with the exportation or importation of goods covered by Article 61 and Article 157(1)(a).

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2 The exemption provided for in point (c) of paragraph 1 may be granted by means of a refund of the VAT.

#### *Article 147*

1 Where the supply of goods referred to in point (b) of Article 146(1) relates to goods to be carried in the personal luggage of travellers, the exemption shall apply only if the following conditions are met:

- a the traveller is not established within the Community;
- b the goods are transported out of the Community before the end of the third month following that in which the supply takes place;
- c the total value of the supply, including VAT, is more than EUR 175 or the equivalent in national currency, fixed annually by applying the conversion rate obtaining on the first working day of October with effect from 1 January of the following year.

However, Member States may exempt a supply with a total value of less than the amount specified in point (c) of the first subparagraph.

2 For the purposes of paragraph 1, 'a traveller who is not established within the Community' shall mean a traveller whose permanent address or habitual residence is not located within the Community. In that case 'permanent address or habitual residence' means the place entered as such in a passport, identity card or other document recognised as an identity document by the Member State within whose territory the supply takes place.

Proof of exportation shall be furnished by means of the invoice or other document in lieu thereof, endorsed by the customs office of exit from the Community.

Each Member State shall send to the Commission specimens of the stamps it uses for the endorsement referred to in the second subparagraph. The Commission shall forward that information to the tax authorities of the other Member States.

## CHAPTER 7

### **Exemptions related to international transport**

#### *Article 148*

Member States shall exempt the following transactions:

- (a) the supply of goods for the fuelling and provisioning of vessels used for navigation on the high seas and carrying passengers for reward or used for the purpose of commercial, industrial or fishing activities, or for rescue or assistance at sea, or for inshore fishing, with the exception, in the case of vessels used for inshore fishing, of ships' provisions;
- (b) the supply of goods for the fuelling and provisioning of fighting ships, falling within the combined nomenclature (CN) code 8906 10 00, leaving their territory and bound for ports or anchorages outside the Member State concerned;
- (c) the supply, modification, repair, maintenance, chartering and hiring of the vessels referred to in point (a), and the supply, hiring, repair and maintenance of equipment, including fishing equipment, incorporated or used therein;
- (d) the supply of services other than those referred to in point (c), to meet the direct needs of the vessels referred to in point (a) or of their cargoes;

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- (e) the supply of goods for the fuelling and provisioning of aircraft used by airlines operating for reward chiefly on international routes;
- (f) the supply, modification, repair, maintenance, chartering and hiring of the aircraft referred to in point (e), and the supply, hiring, repair and maintenance of equipment incorporated or used therein;
- (g) the supply of services, other than those referred to in point (f), to meet the direct needs of the aircraft referred to in point (e) or of their cargoes.

#### *Article 149*

Portugal may treat sea and air transport between the islands making up the autonomous regions of the Azores and Madeira and between those regions and the mainland as international transport.

#### *Article 150*

1 The Commission shall, where appropriate, as soon as possible, present to the Council proposals designed to delimit the scope of the exemptions provided for in Article 148 and to lay down the detailed rules for their implementation.

2 Pending the entry into force of the provisions referred to in paragraph 1, Member States may limit the scope of the exemptions provided for in points (a) and (b) of Article 148.

### CHAPTER 8

#### **Exemptions relating to certain Transactions treated as exports**

#### *Article 151*

- 1 Member States shall exempt the following transactions:
- a the supply of goods or services under diplomatic and consular arrangements;
  - [<sup>F5</sup>aa the supply of goods or services to the European Community, the European Atomic Energy Community, the European Central Bank or the European Investment Bank, or to the bodies set up by the Communities to which the Protocol of 8 April 1965 on the privileges and immunities of the European Communities applies, within the limits and under the conditions of that Protocol and the agreements for its implementation or the headquarters agreements, in so far as it does not lead to distortion of competition;]
  - [<sup>F6</sup>b the supply of goods or services to international bodies, other than those referred to in point (aa), recognised as such by the public authorities of the host Member States, and to members of such bodies, within the limits and under the conditions laid down by the international conventions establishing the bodies or by headquarters agreements;]
  - c the supply of goods or services within a Member State which is a party to the North Atlantic Treaty, intended either for the armed forces of other States party to that Treaty for the use of those forces, or of the civilian staff accompanying them, or for supplying their messes or canteens when such forces take part in the common defence effort;
  - d the supply of goods or services to another Member State, intended for the armed forces of any State which is a party to the North Atlantic Treaty, other than the Member State of destination itself, for the use of those forces, or of the civilian staff accompanying them, or for supplying their messes or canteens when such forces take part in the common defence effort;
  - e the supply of goods or services to the armed forces of the United Kingdom stationed in the island of Cyprus pursuant to the Treaty of Establishment concerning the Republic of

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Cyprus, dated 16 August 1960, which are for the use of those forces, or of the civilian staff accompanying them, or for supplying their messes or canteens.

Pending the adoption of common tax rules, the exemptions provided for in the first subparagraph shall be subject to the limitations laid down by the host Member State.

2 In cases where the goods are not dispatched or transported out of the Member State in which the supply takes place, and in the case of services, the exemption may be granted by means of a refund of the VAT.

#### **Textual Amendments**

- F5** Inserted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)
- F6** Substituted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)

#### *Article 152*

Member States shall exempt the supply of gold to central banks.

### CHAPTER 9

#### **Exemptions for the supply of services by intermediaries**

#### *Article 153*

Member States shall exempt the supply of services by intermediaries, acting in the name and on behalf of another person, where they take part in the transactions referred to in Chapters 6, 7 and 8, or of transactions carried out outside the Community.

The exemption referred to in the first paragraph shall not apply to travel agents who, in the name and on behalf of travellers, supply services which are carried out in other Member States.

### CHAPTER 10

#### **Exemptions for transactions relating to international trade**

#### Section 1

#### **Customs warehouses, warehouses other than customs warehouses and similar arrangements**

#### *Article 154*

For the purposes of this Section, ‘warehouses other than customs warehouses’ shall, in the case of products subject to excise duty, mean the places defined as tax warehouses by Article 4(b) of Directive 92/12/EEC and, in the case of products not subject to excise duty, the places defined as such by the Member States.

#### *Article 155*

Without prejudice to other Community tax provisions, Member States may, after consulting the VAT Committee, take special measures designed to exempt all or some of the transactions referred to in this Section, provided that those measures are not aimed at final use or consumption and that the amount of VAT due on cessation of the arrangements or situations referred to in this Section corresponds to the amount of tax which would have been due had each of those transactions been taxed within their territory.

#### *Article 156*

- 1 Member States may exempt the following transactions:
  - a the supply of goods which are intended to be presented to customs and, where applicable, placed in temporary storage;
  - b the supply of goods which are intended to be placed in a free zone or in a free warehouse;
  - c the supply of goods which are intended to be placed under customs warehousing arrangements or inward processing arrangements;
  - d the supply of goods which are intended to be admitted into territorial waters in order to be incorporated into drilling or production platforms, for purposes of the construction, repair, maintenance, alteration or fitting-out of such platforms, or to link such drilling or production platforms to the mainland;
  - e the supply of goods which are intended to be admitted into territorial waters for the fuelling and provisioning of drilling or production platforms.
- 2 The places referred to in paragraph 1 shall be those defined as such by the Community customs provisions in force.

#### *Article 157*

- 1 Member States may exempt the following transactions:
  - a the importation of goods which are intended to be placed under warehousing arrangements other than customs warehousing;
  - b the supply of goods which are intended to be placed, within their territory, under warehousing arrangements other than customs warehousing.
- 2 Member States may not provide for warehousing arrangements other than customs warehousing for goods which are not subject to excise duty where those goods are intended to be supplied at the retail stage.

#### *Article 158*

- 1 By way of derogation from Article 157(2), Member States may provide for warehousing arrangements other than customs warehousing in the following cases:
  - a where the goods are intended for tax-free shops, for the purposes of the supply of goods to be carried in the personal luggage of travellers taking flights or sea crossings to third territories or third countries, where that supply is exempt pursuant to point (b) of Article 146(1);
  - b where the goods are intended for taxable persons, for the purposes of carrying out supplies to travellers on board an aircraft or a ship in the course of a flight or sea crossing where the place of arrival is situated outside the Community;
  - c where the goods are intended for taxable persons, for the purposes of carrying out supplies which are exempt from VAT pursuant to Article 151.

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2 Where Member States exercise the option of exemption provided for in point (a) of paragraph 1, they shall take the measures necessary to ensure the correct and straightforward application of this exemption and to prevent any evasion, avoidance or abuse.

3 For the purposes of point (a) of paragraph 1, ‘tax-free shop’ shall mean any establishment which is situated within an airport or port and which fulfils the conditions laid down by the competent public authorities.

#### *Article 159*

Member States may exempt the supply of services relating to the supply of goods referred to in Article 156, Article 157(1)(b) or Article 158.

#### *Article 160*

1 Member States may exempt the following transactions:

- a the supply of goods or services carried out in the locations referred to in Article 156(1), where one of the situations specified therein still applies within their territory;
- b the supply of goods or services carried out in the locations referred to in Article 157(1)(b) or Article 158, where one of the situations specified in Article 157(1)(b) or in Article 158(1) still applies within their territory.

2 Where Member States exercise the option under point (a) of paragraph 1 in respect of transactions effected in customs warehouses, they shall take the measures necessary to provide for warehousing arrangements other than customs warehousing under which point (b) of paragraph 1 may be applied to the same transactions when they concern goods listed in Annex V and are carried out in warehouses other than customs warehouses.

#### *Article 161*

Member States may exempt supply of the following goods and of services relating thereto:

- (a) the supply of goods referred to in the first paragraph of Article 30 while they remain covered by arrangements for temporary importation with total exemption from import duty or by external transit arrangements;
- (b) the supply of goods referred to in the second paragraph of Article 30 while they remain covered by the internal Community transit procedure referred to in Article 276.

#### *Article 162*

Where Member States exercise the option provided for in this Section, they shall take the measures necessary to ensure that the intra-Community acquisition of goods intended to be placed under one of the arrangements or in one of the situations referred to in Article 156, Article 157(1)(b) or Article 158 is covered by the same provisions as the supply of goods carried out within their territory under the same conditions.

#### *Article 163*

If the goods cease to be covered by the arrangements or situations referred to in this Section, thus giving rise to importation for the purposes of Article 61, the Member State of importation shall take the measures necessary to prevent double taxation.

## Section 2

### **Transactions exempted with a view to export and in the framework of trade between the Member States**

#### *Article 164*

1 Member States may, after consulting the VAT Committee, exempt the following transactions carried out by, or intended for, a taxable person up to an amount equal to the value of the exports carried out by that person during the preceding 12 months:

- a intra-Community acquisitions of goods made by the taxable person, and imports for and supplies of goods to the taxable person, with a view to their exportation from the Community as they are or after processing;
- b supplies of services linked with the export business of the taxable person.

2 Where Member States exercise the option of exemption under paragraph 1, they shall, after consulting the VAT Committee, apply that exemption also to transactions relating to supplies carried out by the taxable person, in accordance with the conditions specified in Article 138, up to an amount equal to the value of the supplies carried out by that person, in accordance with the same conditions, during the preceding 12 months.

#### *Article 165*

Member States may set a common maximum amount for transactions which they exempt pursuant to Article 164.

## Section 3

### **Provisions common to Sections 1 and 2**

#### *Article 166*

The Commission shall, where appropriate, as soon as possible, present to the Council proposals concerning common arrangements for applying VAT to the transactions referred to in Sections 1 and 2.

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- (1) Council Directive 69/169/EEC of 28 May 1969 on the harmonisation of provisions laid down by Law, Regulation or Administrative Action relating to exemption from turnover tax and excise duty on imports in international travel ([OJ L 133, 4.6.1969, p. 6](#)). Directive as last amended by Directive 2005/93/EC ([OJ L 346, 29.12.2005, p. 16](#)).
- (2) Council Directive 83/181/EEC of 28 March 1983 determining the scope of Article 14(1)(d) of Directive 77/388/EEC as regards exemption from value added tax on the final importation of certain goods ([OJ L 105, 23.4.1983, p. 38](#)). Directive as last amended by the 1994 Act of Accession.
- (3) Council Directive 2006/79/EC of 5 October 2006 on the exemption from taxes of imports of small consignments of goods of a non-commercial character from third countries (codified version) ([OJ L 286, 17.10.2006, p. 15](#)).