Single VAT registration covering transfers of own goods and onward sales – DRAFT FOR DISCUSSION

March 2022

Cross-border business operations across many industries require that goods are moved to and stored in multiple EU locations to serve customer demand faster, to ensure continuity in supply, to save transport costs and to reduce CO₂ footprint. The digitalization of the economy reinforces this trend and is creating diverse pan-European supply chains.

The Union One Stop Shop (UOSS) (in place since 1 July 2021), is a great step forward in simplifying VAT compliance for cross-border businesses. However, cross-border movements of own goods are not eligible for the system, as the UOSS only covers distance sales of goods to end consumers. Therefore, despite the introduction of the UOSS, businesses still need to VAT register in every country where goods are stored. Maintaining many VAT registrations is time consuming and costly for businesses, especially for SMEs, who are estimated to spend EUR 5.9 billion per year on EU VAT compliance (over EUR 12,000 per SME per year, on top of one-off registration costs of EUR 4,500 per Member State). We therefore support the EU Commission’s ambition as part of the VAT in the Digital Age project to expand the single VAT registration and UOSS concept to further eliminate the need for businesses to registrations across multiple EU countries. We also welcome that the VAT in the Digital Age Study has identified cross border movements of own goods and onward sales as the highest impact use case that should be covered via a single VAT registration number.

Taking this reform to the next level to further centralize and standardize VAT registration and reporting requirements is a win-win idea where the EU Commission can unlock major benefits for governments, tax authorities, businesses and consumers:

- **Tax authorities** will benefit from increased compliance, facilitated reporting and auditing of cross-border goods movements and increased on-shoring of goods and services trade.
- **National governments** will benefit from a more competitive EU market and increased trade, leading to additional tax revenues.
- **Businesses, particularly SMEs**, will gain easier access to intra-EU trade, be more competitive and incur fewer tax compliance fees.
- **Customers** will be able to access more competitive prices, faster delivery and a greater choice of goods.
- There are also **environmental benefits** of a single VAT Registration. For example, a regime covering pan-EU inventory storage in e-commerce would encourage bulk inventory placements close to customers, which cause considerably lower CO₂ emissions than orders individually shipped long-distance.
- As well as being green, bulk shipments from third countries for onward distribution also reduce burdens on national **customs authorities** compared to the influx of individual packet shipments from third countries.

**Solution design**

From a business (especially SME) perspective, design of a meaningful reform should align with two key objectives (in order of priority):

1. **The reform should reduce the number of multi-country EU VAT registrations that businesses need to hold.** Businesses should be able to leverage a single UOSS registration to comply with their VAT registration and VAT accounting obligations on intra-EU transfers of own goods and onward sales in the country to which goods are moved. As most businesses will have both B2B & B2C customers and as e-procurement is growing rapidly, inclusion of B2B supplies in this solution is key. It should be possible to report VAT due onward B2B sales in the UOSS, with an alternative of an EU-wide domestic reverse charge mechanism, whereby the customer self-accounts for the VAT due on its purchase.

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1. See at Annex 4 a non-limitative overview of industries that would benefit from a single VAT registration including pan-EU movements of own goods.
3. As set out throughout the Study Report.
4. “A direct air e-commerce shipment from a distribution centre in Asia causes 25 times more [CO₂ emissions] than an e-commerce shipment from a mass storage facility in the EU which first sources products by sea, before shipping them to end consumers by road. This means that e-commerce has much less impact on the environment when products are shipped in bulk by sea and then stored close to the customer before being ordered.” (Is E-commerce Good for Europe? Oliver Wyman, 2020)
5. One customs authority has estimated the volume of such consignments to have increased 30-fold from 2015-2021 (Draft Final Report of the VAT in the Digital Age Study, October 2021, section 6.2.1).  
6. The B2B e-commerce sector is expected to grow at an annual rate of 18%+ per year until at least 2028. Expanding from around $7.7T today to $25.7T in 2028. Traditional procurement is integrating with online marketplaces/retailers to create omnichannel procurement platforms.
7. If a generalized domestic reverse charge is introduced, a fall back is needed edge cases where goods are sold by a non-established supplier to a business customer that is not VAT registered in the country of supply. Here we would suggest that such supplies are deemed B2C, with VAT able to be accounted for under the One Stop Shop.
2. The solution design should preserve the neutrality of VAT by mitigating absolute and cash-flow costs of VAT on businesses. Under today’s rules, cross-border transfers trigger a VAT charge but no associated cost or cash-flow issue as the VAT is immediately recoverable by businesses through their local VAT registration in the country of arrival. This may not be the case under a single VAT registration if VAT is still due on transfers of own goods, as there is currently no VAT recovery feature in the UOSS. We believe one of the following policy options would address this concern in politically and technically feasible manner:

a. Remove the issue of VAT recovery altogether by applying a VAT exemption with credit to the transfer of own goods in the country of arrival – i.e. make transfers of own goods purely “reporting events”. See Annex 2 for a deep-dive on this policy option; or

b. Limit the VAT cash-flow disadvantage by improving VAT recovery mechanisms for non-established businesses. For example, by allowing taxable persons registered in the UOSS (EU and non-EU established) to recover VAT on transfers of own goods via an 8th Directive reclaim and by making these reclaim procedures simpler and faster. See Annex 3 for a deep-dive on this policy option.

We believe an extension of the UOSS in line with the first objective above is highly feasible, both politically and from an IT technical perspective. This extension is also crucial – movements of own goods have been assessed as the most impactful use case that should be covered by a single VAT registration to reduce burdens on hundreds of thousands of businesses operating across many industries throughout the EU (see FAQ 2). With these included, the key remaining issue will then be to maintain the neutrality of the tax by removing or limiting the potential VAT cash-flow disadvantage related to transfers of own goods, as suggested above. Without this, the incentive for businesses to use an extended UOSS would be severely curtailed and many businesses may find the costs prohibitive.

We also recognise a tertiary design objective that will be important to Member States – that the system supports audit and control processes to either improve or maintain current efforts to prevent errors and abuse in VAT accounting. We believe that single VAT registration will improve overall levels of VAT compliance as simpler VAT compliance leads to higher levels of VAT compliance. We also assess that through appropriate data reporting mechanisms, Member States will have an equivalent or better level of visibility on taxpayer activity under a single VAT registration compared to today (see FAQ 3). Member States should not however lose sight of the principal objectives of reducing VAT registrations and maintaining VAT neutrality in pursuit of this particular objective.

The following annexes dive deeper on the policy options available to the EU in its single VAT registration proposals:

1. Annex 1: FAQs (including EC and Member State questions heard during the October 2021 Fiscalis event)
3. Annex 3: Deep-dive of the policy option by improving VAT recovery mechanisms (limiting VAT cash-flow disadvantages for businesses)
4. Annex 4: Further detail on the industries single VAT registration would benefit

**Annex 1: FAQ**

1. **If a solution is found to prevent a cash-flow impact from VAT incurred on transfers of own goods, won’t businesses still want to maintain local VAT registrations to recover locally incurred input tax?**

   No. Many businesses are able to operate cross border without incurring any significant local input tax. Transfer of own goods into a country may be the only transaction a business has on which they incur local (deemed) VAT and then they may have no costs or only costs subject to basic place of supply rules for B2B services. The latter becomes more common as business in search of optimisation outsource elements of their supply chain to specialist third parties. Most outsourcing costs are not subject to VAT in the country where work is physically done (but in the country of the customer’s establishment) – e.g. manufacturing, warehousing, picking, packing, shipping etc. There are also cases where there is no local VAT incurred on non-outsourced supply chains – e.g. in electric vehicle charging. Even in cases where foreign VAT is incurred, having the flexibility to locally register or register via the UOSS is likely to be helpful for businesses.

2. **Which industries would benefit from a single VAT registration?**

   The impacts of a well-designed system would be wide-reaching, particularly a system that includes cross-border transfers of own goods without major VAT cash flow costs. Businesses that could benefit include lessors of moveable property, customers of toll manufacturers, e-commerce businesses, retailers using remote fulfilment, wholesalers, e-mobility providers, agricultural producers, touring events companies, and businesses engaged in sale-or-return contracts. These examples are expanded in Annex 4.

3. **Will Member States still have control and visibility over movements of own goods under this proposal?**
Yes. Equivalent or better levels of visibility and control than the present day can be achieved. The table below shows that Member States currently receive limited amounts of data specific to movements of own goods or indeed goods movements generally. Under a single VAT registration concept, we believe reporting can be set up to give more detail than the current combination of VAT returns and recapitulative statements. I.e. single VAT registration can be made to be no more susceptible to fraud than the present day system, whilst significantly reducing compliance burdens for the majority of EU traders who wish to simply and honestly report their VAT.

<table>
<thead>
<tr>
<th>Present day visibility for movements of own goods</th>
<th>Visibility if movements of own goods are included in UOSS</th>
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</thead>
<tbody>
<tr>
<td>Data available to MS of dispatch</td>
<td>Data available to MS of arrival</td>
</tr>
<tr>
<td>VAT return of trader: total value of dispatches (not necessarily split from IC dispatches)</td>
<td>VAT return of trader: total value of arrivals (not necessarily split from IC acquisitions)</td>
</tr>
<tr>
<td>Recapitulative statement of trader: destination country, total value of goods and services per country (not separated) &amp; VAT registration of customer in country of arrival.</td>
<td>Upon request: recapitulative statement data from VIES portal for matching with customer records under audit.</td>
</tr>
<tr>
<td>Data available to MS of dispatch</td>
<td>Data available to MS of arrival</td>
</tr>
<tr>
<td>UOSS return of trader: report the total value of dispatches of own goods from all Member States, split per Member State of arrival.</td>
<td>UOSS return: relevant data from the UOSS return is shared automatically with Member States where goods were sent and supplies were made.</td>
</tr>
<tr>
<td>Control check built into UOSS: an automatic crosscheck is carried out to check that the total value of dispatches of own goods reported in UOSS matches the total value of arrivals.</td>
<td>Further data on request: Member States given the right to request additional information from traders such as addresses to which goods were shipped, evidence of dispatch and arrival etc. under OSS audit file procedures.</td>
</tr>
<tr>
<td>DRR: Digital Reporting Requirements (DRR) proposals also planned as part of the VAT in the Digital Age initiative could be utilised to supplement or replace the above reporting these stock movements. Member State of dispatch and member state of arrival would have visibility via DRR.</td>
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4. Why are specific rules needed for transfers of own goods (and not for all cross border B2B sales)?
The VAT treatment of transfers of own goods today is a special use case with special VAT rules applicable – they are treated as a fictional cross-border sale, where the business moving the goods self-accounts for VAT but is immediately able to recover this as input tax (where eligible), meaning no cash flow cost for the taxpayer. NB: businesses are almost always entitled to full deduction on transfers in the country of arrival, as there are few non-taxable reasons to move own goods. Combined with the fact that transfers of own goods were found to be the most important area to solve for in the VAT in the Digital Age study, this makes a proposal that maintains the current low/no cash flow cost of movements of own goods key for businesses and a low risk option for Member States. The current system for cross-border B2B sales, where acquisition VAT is self-accounted for by the customer is not in the same need of reform. Two proposals for specific rules covering movements of own goods are set out in Annexes 2 & 3. High among the benefits of these is that they preserve the status quo cash flow position.

5. Does a special rule for transfers of own goods put non-residents transferring their own goods into a country at an advantage to domestic businesses purchasing goods domestically?
No. Those are not equivalent transactions. Rules to maintain a simple treatment of movements with low/no cash flow impact would in fact put a non-established trader on equal footing with a domestic trader purchasing goods from another Member State. Also note:
- Domestic businesses are in fact advantaged by a single VAT registration giving it a better opportunity to trade across the whole EU, particularly allowing SMEs to compete with larger businesses whom administrative burdens are not so high.
- The non-established trader would be in a worse position under a domestic purchase scenario, or if VAT needs to be accounted for on pan-EU transfers of own goods and/or if they would have to go through 8th/13th Directive claim procedures to recover VAT charged. Under this process, a business would either be blocked from refund altogether or need to wait a significant period of time (4-8 months) to recover VAT (VAT that it has charged itself).
Cross-border transferors of own goods will still have VAT cash flow costs as other businesses do. They will have already pre-financed input tax at the time they purchase the goods in the EU/or import the goods into the EU. They would have to pre-finance twice (or more) if transferring own goods around the EU unless this is solved for under single VAT registration.

**Annex 2: Deep-dive of the policy option of a VAT exemption**

Given the progress so far with the VAT in the Digital Age project it is clear that the most effective and straightforward way to tackle the VAT recovery question is to prevent output VAT charges on transfers of own goods, i.e. apply a VAT exemption with credit on transfers of own goods in the country of dispatch and the country of arrival. This would be supported by an additional stock movement reporting that provides Member States with full visibility as to from where and to where own goods have been dispatched/acquired (see FAQ 3). This solution is also featured in the VAT in the Study Report (option 3a).

**Who would benefit?**

We foresee the following benefits for Member States and national tax authorities:

- It would be relatively simple to implement – requiring relatively few legislative changes and technological changes. In particular, the UOSS could be relatively simply modified to allow for reporting of these VAT exempt transactions, with appropriate guardrails put in place to ensure the goods are used for taxable purposes (for example, an additional stock movement reporting). This avoids major IT changes, which could be a blocker to adoption of proposals.

- Administration would be simple and it would reduce the workload for tax authorities, with this being a straightforward extension of the OSS that reduces the need for domestic VAT registrations and minimizes the scenarios requiring processing of cross-border VAT refunds.

- There is already precedent and legal basis for introducing such an exemption:
  - Precedent: this would be much like the VAT exemption introduced under the 2021 changes for the deemed sale from non-EU selling partners to marketplaces.
  - Legal basis for an exemption like this exists in article 140(c) of the Principal VAT Directive. Article 140(c) exempts intra-Community acquisitions of goods where the person acquiring the goods would in all circumstances be entitled to full reimbursement of the VAT due (e.g. under a cross-border refund procedure). This is provided that person makes no other reportable supplies in the Member State where the intra-Community acquisition has taken place. Simple tweaks to this rule in the Directive would allow the transfer of own goods to be exempt from VAT as necessary to achieve this change.

- The process for movement of own goods would be very similar to today for Member States and the risk for Member States will therefore also be the same, i.e. in 99%+ of cases today there is no revenue associated with movements of own goods as they net off in the same VAT return and this situation would be maintained. To maintain an identical level of risk, the EC can make exemption conditional on the goods being destined for taxable use.

- Member States will still have visibility on movements via OSS returns, as the supply is still reported, albeit without VAT. If more detail is needed, this policy option could be accompanied by an additional stock movement reporting, either via DRR or through separate (harmonized) reporting. I.e. Member States could end up with more visibility and therefore more control over stock movements than they do today (see FAQ 2).

- This does not lead to any major increase in the number of cross-border refunds to be processed by national tax authorities.

We foresee the following benefits for businesses:

- The policy objective of a true single VAT registration number for the highest impact use case (according to the Study Report) is achieved: it reduces the workload and compliance cost for businesses as they no longer need to apply for multiple EU VAT registrations.

- As such, this policy solution will enable pan-EU business growth across multiple industry sectors (see Annex 4).
- It preserves the status quo cash flow position (i.e. there is no additional cash flow disadvantage for the many businesses (see FAQ 1) who would use single VAT registration for transfers of own goods – they pre-finance input tax only once at the time they purchase goods/import goods into the EU).

- Businesses are not required to prepare and submit burdensome and slow cross-border VAT refund requests for purely internal transactions

### Annex 3: Deep-dive of improved and expanded cross-border VAT refund system

An alternative to an exemption for cross-border transfers of own goods is to retain the need for a self-accounting of VAT on an arrival (via the UOSS) but expand eligibility and improve the process for claiming this VAT back via cross-border VAT refund mechanisms. If not, the EU risks implementing a single VAT registration misaligned with the second objective on page 1, i.e. one that is not appealing for businesses that transfer their own goods cross-border. This is the most important use case that needs to be addressed and, if it is not, we foresee many businesses deciding, on balance, to keep multiple EU VAT registrations active.

Changes are necessary as current cross-border VAT refund processes aren’t available for businesses that make sales of goods in an EU Member State where they sell goods subject to VAT\(^ \text{10} \). Further, even if this condition were removed, we foresee three further issues that would need addressing:

- There are currently no provisions for recovery of self-accounted VAT (which, unlike VAT paid to a supplier, has no evidence in the form of an invoice).
- Cross-border refunds take a disproportionate amount of time and administrative burden compared to VAT refunds processed through VAT returns (months as opposed to weeks).
- Many Member States only allow refunds for non-EU businesses where the business’ home country offers reciprocal reliefs. Refund schemes might therefore be unavailable for certain businesses, making use of a single EU VAT registration unworkable for them.

There are a number of key changes we would recommend to make cross-border refunds an integral part of an EU single VAT registration and make single VAT registration truly work for businesses moving goods within the EU. These are:

2. Amend Council Directive 2008/9/EC to allow VAT refunds for businesses that make supplies subject to VAT in other Member States eligible for refund, provided the business pays that VAT through the UOSS and not via a local VAT registration.
3. Extend the eligibility to use Council Directive 2008/9/EC to non-EU businesses who make supplies subject to VAT in the Member State of refund on which VAT is paid via the UOSS (not via a local VAT registration).
4. Make clear what evidence is required to be able to recover VAT paid on transfers of own goods. This should be limited to proof of payment via the UOSS.
   a. Reduce the maximum time a Member State can take to make a final decision on refunds to a period more aligned with domestic taxpayers (e.g. ~3 months).
   b. Provide a data link between the electronic refund claim system and the UOSS. Member States should be able to immediately validate that VAT claimed on cross-border transfers of own goods matches that reported and paid via the UOSS, allowing for an immediate refund of the VAT by the relevant Member State.

**Who would benefit?**

We foresee the following benefits for Member States and national tax authorities:

- It would be relatively simple to implement. Cross-border refund mechanisms already exist in law and IT systems, so this is a case of tweaking existing legislation and building upon existing technology and processes.
- Member States retain full control over refunds of VAT on cross-border movements of own goods, as they do today.
- This option still maximises the potential uptake of single VAT registration, reducing administrative burdens on individual tax authorities.

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\(^ {10}\) Because a standard VAT registration is generally required. Article 3, Council Directive 2008/9/EC (commonly known as the “8th Directive”)
We foresee the following **benefits for businesses**:

- The policy objective of a true single VAT registration number for the highest impact use case (according to the Study Report) is achieved: it reduces the workload and compliance cost for businesses as they no longer need to apply for multiple EU VAT registrations.

- As such, this policy solution will enable pan-EU business growth across multiple industry sectors (see Annex 4).

- It preserves a manageable cash flow position (i.e. there is limited cash flow disadvantage for the many businesses (see FAQ 1) who would use single VAT registration for transfers of own goods – they pre-finance VAT on the movement but can get this back relatively simply and quickly).

**Annex 4: industries and businesses benefitting from VAT compliance simplification through inclusion of movements of own goods in single VAT registration concept**

The policy options presented in this paper suggest a VAT exemption for businesses transferring their own goods around the EU to minimise the requirements for local VAT registrations or expanded use of non-resident VAT refund procedures. Below we have set out a number of supply chains under which businesses undertake movements of own goods in the EU but incur limited or no local input tax other than self-accounts input tax on movements of own foods (i.e. businesses for whom single VAT registration including movements of own goods would be a very tangible improvement):

1. **Leasing of moveable property**

   - Supply chain: businesses involved in B2B leasing of movable property may do so cross-border, with a place of supply where the recipient is located (reverse charge being applicable). The transfer of goods into the country may not qualify for the VAT relief for temporary movements of own goods as:
     - The goods will be disposed of in country (e.g. sold) following conclusion of the services – likely for leases of goods with short economic lives or leases of goods near the end of their useful economic life; or
     - During or following the lease, the goods are dispatched from the country of acquisition to a country other than the original country of dispatch (e.g. goods move from Belgium to France and then on to Germany).
     - In some Member States, if the lease is over 24 months, relief of temporary movements does not apply.

   - Examples: lease of specialist construction equipment, long term hire of transportation, lease of manufacturing machinery, lease of pallets and other material used in distribution networks (e.g. CJEU case of CHEP Equipment Pooling, C-242/19)

   - Input tax incurred in country to which goods are moved: generally, no input tax incurred by the lessor in the country of acquisition. E.g. local maintenance and/or transport costs will be subject to basic B2B place of supply rules.

2. **Toll manufacturing**

   - Supply chain: businesses (principals) may outsource manufacturing of their products, either to third parties or other members of their corporate group. Raw materials/semi-finished goods are provided by the principal to a so-called “toll” manufacturer, who then processes the goods on their behalf. The sending of goods to the toller may entail the principal transferring their own goods cross-border. Goods may then return to origin or move to another country altogether for sale or further processing. In the latter case, the VAT relief for temporary movements of goods cannot apply. Under current VAT rules, this impacts the efficiency of supply chain.

   - Examples: car manufacturing, chemicals manufacturing\(^\text{11}\), product painting & finishing (e.g. CJEU case of Societe Fonderie 2A, C-446/13).

   - Input tax incurred in country to which goods are moved: none, provided no raw materials are sourced locally. The tolling service is subject to basic B2B place of supply rules.

3. **Retailers with remote inventory**

   - Supply chain: some retailers wish to store stock closer to their customers, moving their own goods cross border in the process. This stock is then sold onwards to consumers using own resources (e.g. temporary market stalls) or with third party fulfilment options (e.g. DHL, Amazon, Fedex, Huboo warehouses), which are particularly common in e-commerce. This trend has been accelerated by Brexit, with UK retailers seeking onshore stock presences in the EU to reduce customs burden for their customers.

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DRAFT DISCUSSION PAPER

- Examples: e-commerce retailers, e-commerce marketplace sellers, weekly market traders (particularly in border regions), Christmas market traders
- Input tax incurred in country to which goods are moved: very little where stock is not procured locally. Fulfilment services are subject to basic B2B place of supply rules or, to the extent own resources are used, the two biggest expenses will often not incur VAT. Rental of warehouse space, to the extent this is not auxiliary to any fulfilment services provided, will often be exempt from VAT. In some cases, rental is subject to VAT, but subject to the B2B place of supply rules unless a specific part of the property is assigned for the exclusive use of the customer. Staff costs are outside the scope of VAT. Market traders may incur incidental expenses (fuel & subsistence).

4. Consignment stocks/wholesaling (B2B context)
- Supply chain: B2B suppliers undertake movements of own goods in the context of B2B goods sales. Moving stock to another country for later sale to a customer or customers. The Call Off Stock (COS) simplification cannot always be used (e.g. if there is no pre-defined customer, the customer does not agree to use COS or the goods will remain in situ for more than 12 months).
- Input tax incurred in country to which goods are moved: local input tax is limited. VAT may be incurred on storage fees for the goods but, in cases where the goods are stored with a customer, fees will rarely be charged.

5. Manufacturing with movement of machinery
- Supply chain: businesses (principals) may outsource manufacturing of their products (contract or toll manufacturing), either to third parties or other members of their corporate group. Specialist machinery for use by the manufacturer in their service may be provided by the principal or a member of its corporate group, and this may involve a cross-border transfer of machinery. The transfer of goods into the country may not qualify for the VAT relief for temporary movements of own goods as:
  - The goods will be disposed of in country (e.g. sold) following conclusion of the contract; or
  - The goods are dispatched from the country of acquisition to a country other than the original country of dispatch (e.g. goods move from Germany to Hungary and then on to Romania).
  - In some Member States, if the goods remain for over 24 months, relief of temporary movements does not apply.
- Examples: prevalent in the auto, aviation and energy sectors.
- Input tax incurred in country to which goods are moved: none, provided machinery or no raw materials are sourced locally and the finished goods are not purchased locally by the principal.

6. Movement of equipment and goods for touring events
- Supply chain: businesses organizing live events, and their subcontractors, will often bring significant amounts of equipment and merchandise/samples on cross-border tours, which may span multiple countries. There may be several cross-border movements of own goods before equipment returns to its country of origin and event merchandise may be sold across multiple countries. Reliefs for temporary movements cannot be used as the goods do not return immediately to their country of origin.
- Examples: music and theatre tours, corporate marketing roadshows (seminars, conferences etc.).
- Input tax incurred in country to which goods are moved: local input tax other than on transfers of own goods is generally incidental (VAT on transportation, food, accommodation, venue hire etc.) and suited to recovery via one-off claims as the activity is not regularly repeated.

7. Livestock & agriculture
- Supply chain: EU farming is increasingly becoming a cross-border affair. Livestock may be produced (bred) in one Member State, reared and fattened in another before being slaughtered/processed in a third, finished products may then be distributed all over the EU. This may occur with or without a change in ultimate ownership of the animals (i.e. the livestock transport may represent a transfer of own goods). Similar supply chains could exist across many aspects of EU food supply.
- Examples: livestock producers & processors, agricultural producers, plant nurseries, food manufacturers.
- Input tax incurred in country to which goods are moved: possibly none, as processing services will be subject to basic B2B place of supply rules.

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12 In 2019, about 1.4 billion animals were traded across EU Member States. Source: Patterns of livestock transport in the EU and to third countries (European Parliament commissioned analysis)
8. Sale or return contracts

- Supply chain: the supply of goods on sale or return are deemed to be a transfer of own goods from the country of origin with and an acquisition in the Member State to which the goods are transferred. This requires registration of the supplier regardless of whether the goods are eventually sold or returned.
- Examples: businesses in the art and design trade (e.g. artist sales to galleries), wholesale newspaper & periodical supplies
- Input tax incurred in country to which goods are moved: none