



European Tax Law: Indirect Taxes, Customs

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Course overview

Indirect taxes – especially value added tax (VAT) – are becoming an increasingly important state revenue for countries all around the world. The European Union is a pioneer in the field of VAT, with a highly harmonized system which can still support a lot of complexity. Many methods developed and tested by the European Union in this regard serve also as an example – through the work of the OECD – for countries implementing or planning to implement a VAT system. VAT with regard to the cross-border movement of goods is also closely connected to customs. The European Union as a customs union means no customs borders between Member States, but at the same time practically unified customs processes regarding goods entering or leaving the territory of the EU. Finally, also due to the single customs territory of the EU, excise duties are product specific indirect taxes also harmonized to an extent between Member States.

The purpose of this course is to give students a high level overview of the harmonized indirect tax and customs rules within the European Union. The course does not discuss any country specific rules and any reference to domestic rules only serves as an example for implementation of options granted under EU law.

Course schedule/outline

- Lesson 1:
 - o Introduction – main characteristics of VAT, specifics of EU VAT
 - o Taxable persons
- Lesson 2:
 - o Taxable transactions – supplies of goods and services
 - o Place of supply rules
- Lesson 3:
 - o Time of supply
 - o Taxable Amount



- o VAT rates
- o VAT Exemptions
- Lesson 4:
- o Input VAT deduction right
- o Intra-Community trade
- o Administrative obligations
- Lesson 5:
- o Fundamental questions of customs duties (classification of goods, rules of origin, customs value)
- o Overview of EU excise duty rules (EU General Arrangements Directive, products subject to excise duties, time of chargeability, excise duty suspension regimes)

Literature/Textbook/Materials/Readings

B. Terra & J. Kajus, Chapter 7 – Introduction to VAT as Fiscal Phenomenon in Introduction to European VAT, Global Topics IBFD

N. Bartos & Z. Szatmári, Chapter 1: Setting the Scene in Global Trade and Customs: A Practical Comparison of Major Jurisdictions (Z. Szatmári ed., IBFD 2020), Books IBFD

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

Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax

Assessment/exam

Moodle test