

## Where does transport of goods takes place for VAT purposes?

Transport of goods normally takes place in the country where the recipient of the services is established. In case the transport fully takes place within Belgium, or outside the EU, the use and enjoyment rule applies. The place of the supply of the services will then be the place of the actual use.

### Transport of goods follows the general rule

The VAT Code contains a number of rules in order to determine where a service takes place. The general rule in a B2B (business to business) context provides that a service is deemed to take place in **the country where the recipient of the services is established**. Transport of goods follows in principle the general rule. It doesn't matter where the transport actually takes place.

#### Example

*A Dutch transport company supplies goods from Italy to Germany for a Belgian client. The service takes place for VAT purposes in Belgium, the place where the VAT taxable recipient of the services is established. The fact that the transport actual takes place between Germany and Italy is not relevant. Belgian VAT is due.*

### Derogations from this rule

Every rule has its derogations. Also in this case, the place of supply of transport services will be determined according to the actual enjoyment rule if:

- The actual transport takes place outside the EU. In such case the place of supply of the services is also deemed to be outside the EU.
- The actual transport takes place in Belgium. The place of supply of the transport services will then be Belgium.

This is called the use and enjoyment rule.

#### Example

*A Dutch transporter transport goods from Liège to Ghent for a German customer. Th actual transport takes place in Belgium. The transport takes place for VAT purposes in Belgium. Belgian VAT is due. A Belgian transporter receives the order from a Dutch customer to transport goods from Bergen to Oslo (both in Norway). The full transport actually takes place outside the EU. Following the use and enjoyment rule the place of supply of the services is outside the EU.*

### Ancillary services

The same rules apply to ancillary transport services: loading, unloading, handling of goods and similar activities without the nature of the goods being altered. These services must have a direct link with the transported goods and with the transport itself. Storage is not considered as a service directly linked with the transport. This service falls within the scope of other rules.

### What in case of B2C-services?

For non-taxable persons (final consumers) the place of supply of (non-community) transport services shall be the place where the transport takes place, proportionately in terms of distances covered.

#### *Example*

*A transport company transports goods from Liège to Antwerp. Afterwards they are shipped to China. For the trajectory Liège-Antwerp the services are deemed to take place in Belgium and Belgian VAT is due, for the shipment to China the services take place outside the EU.*

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