



Dear Sir or Madam,

CFE Tax Advisers Europe has published an [Opinion Statement](#) on issues with the supply of goods with transport under the e-commerce rules.

Determining the nature of a transaction is one of the most important steps when determining the VAT treatment of supplies, including how the place of supply rules operate. It is only after the nature of a supply has been determined, including determining whether a supply should be considered a supply of goods or services, that the different rules regarding determination of the place of taxation can be applied. The situation becomes particularly complicated in cases where the supplier provides to its buyer both supplies of goods and services at the same time. In such cases it must be established whether, for the purposes of VAT, the supply should be treated as two distinct taxable transactions or as a single composite supply for VAT purposes. This question often arises when the supplier supplies goods and provides transport of the goods at the same time. Such a situation is even more common with e-commerce activities, when businesses are selling goods online to final consumers located in other Member States (distance sales of goods).

In this statement, CFE identifies that different rules apply when determining the place of supply of goods and the transport of goods, which often cause administrative problems in practice. Since there are different rules regarding determination of place of taxation for transportation services and supply of goods, CFE identifies through highlighting these issues in practice that it would be helpful if there could be some Commission guidance issued clarifying what the position is or, alternatively, if consideration could be given to making changes to the VAT Directive so that transport services are dealt with more consistently with the underlying supply.

We invite you to read our [statement](#), and remain available for any queries you may have. Kind regards,

The Office Team at CFE Tax Advisers Europe

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