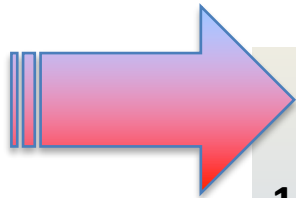


LEGAL AND PRACTICAL FRAMEWORK ON VAT AND EXCISE DUTY EXEMPTION FOR ERIC

Workshop on implementation of ERICs and VAT issues
7 June 2018 DG RTD – Brussels, Belgium

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3. Conclusions

1.1. Executive Summary – VAT Issue

Suppliers 2[^] level



Suppliers 1[^] level



ERIC

MEMBERS



VAT Area

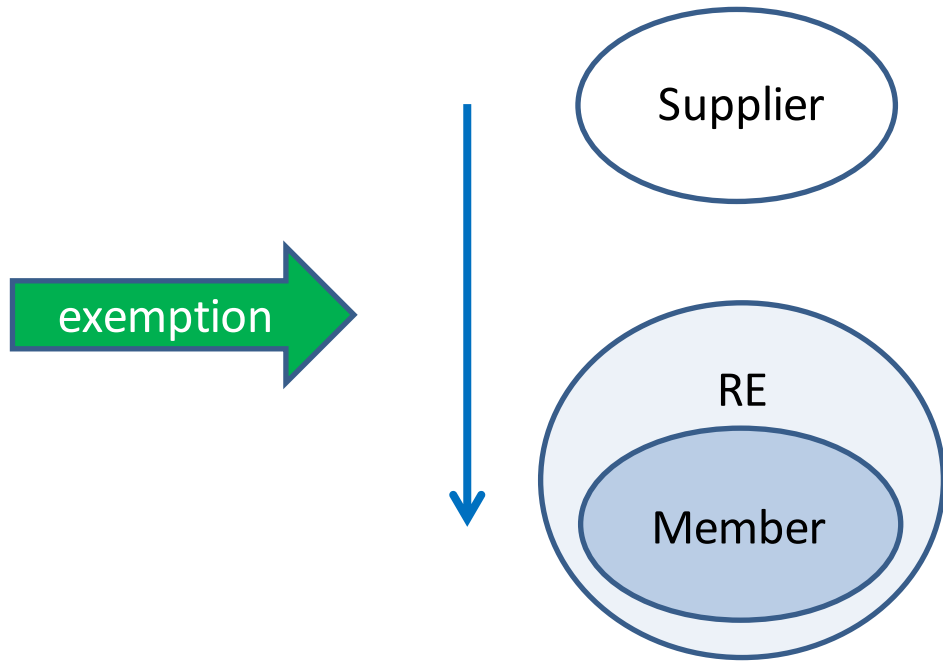
Exemption Area

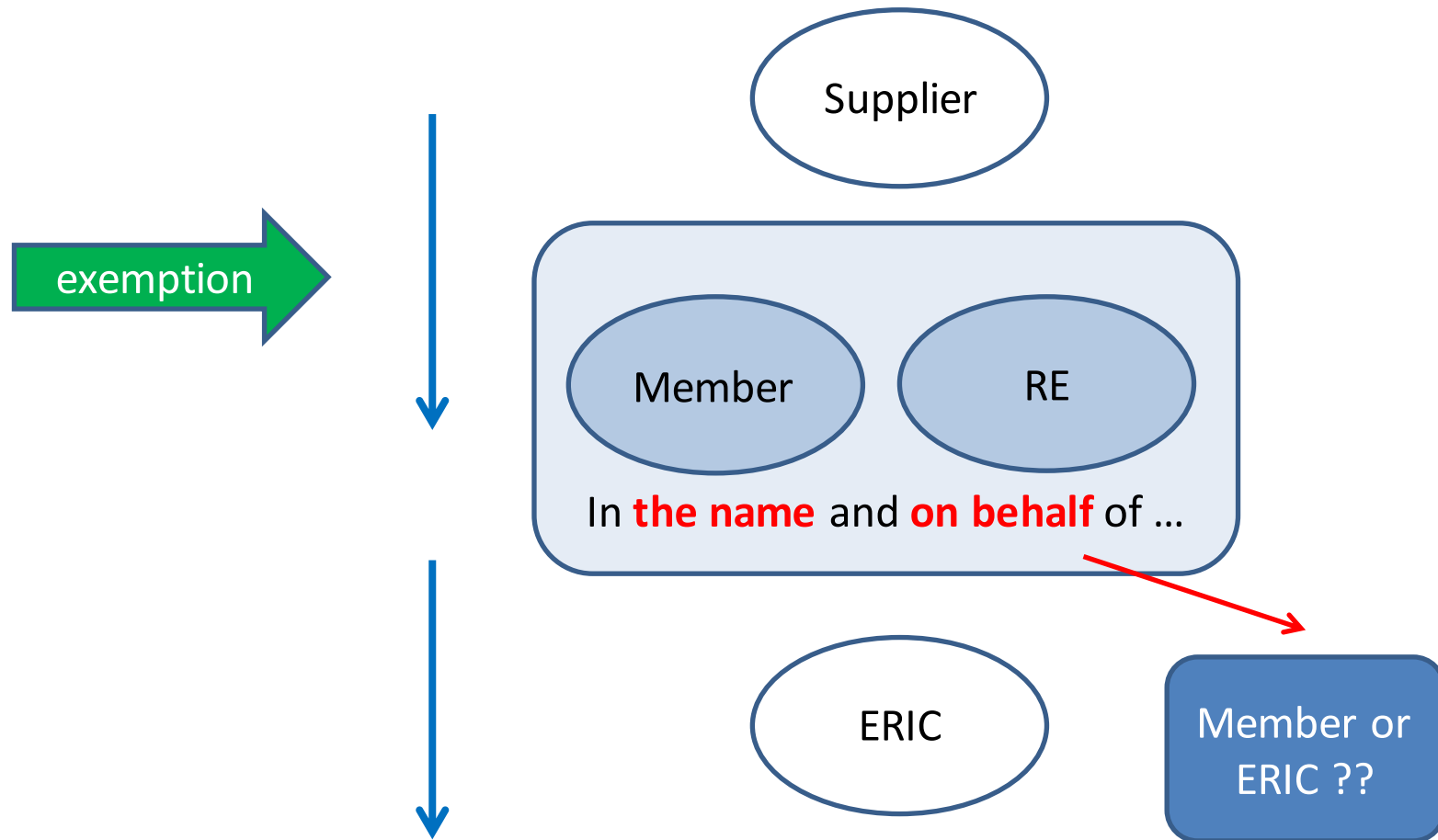
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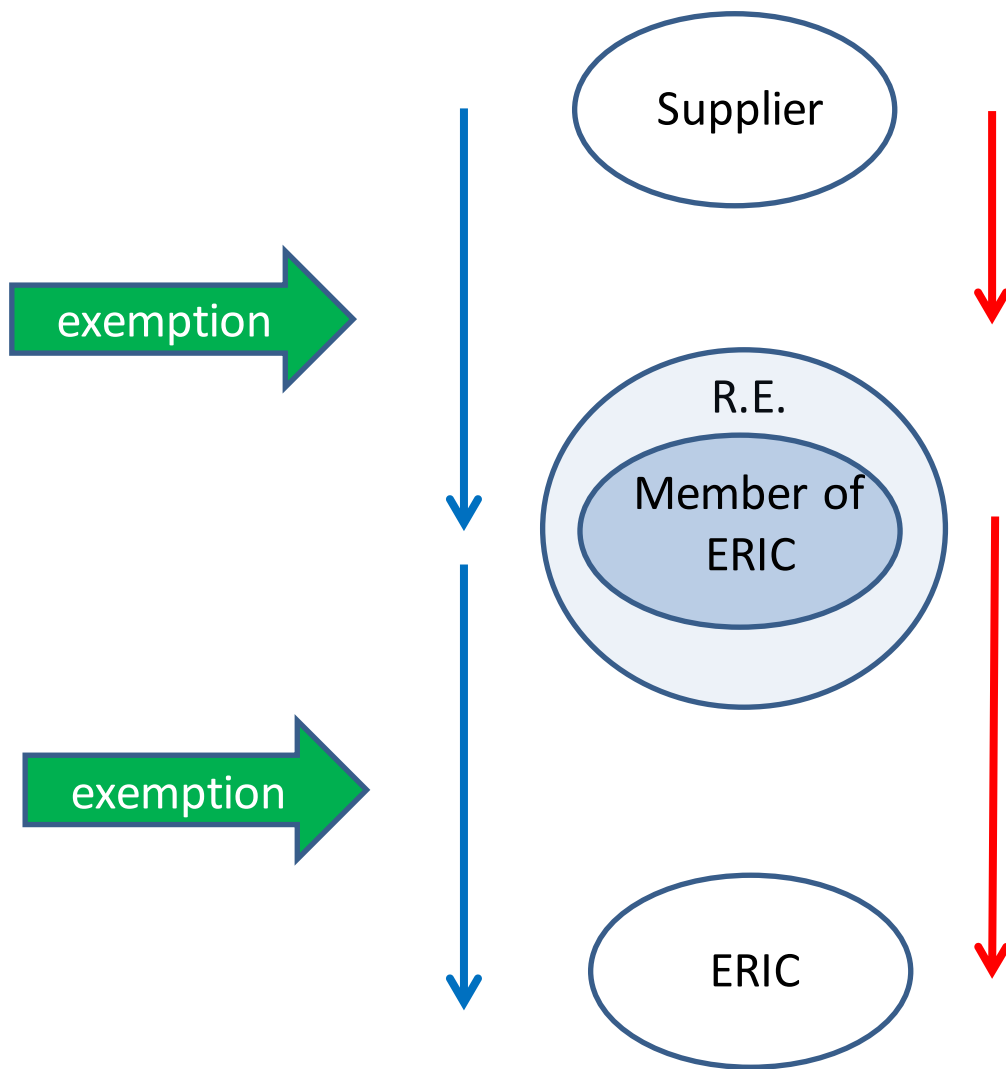


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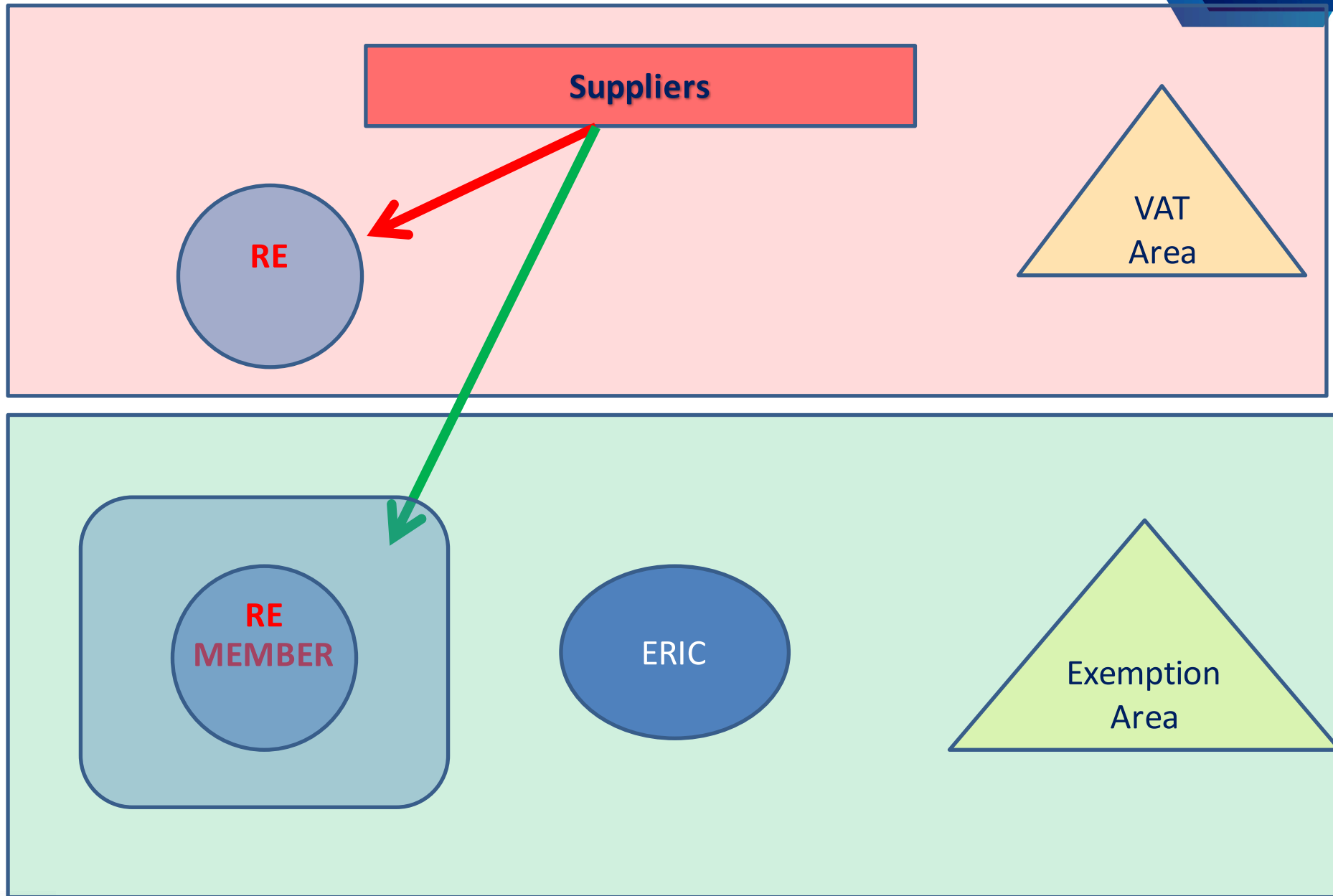






1.2. Executive Summary – The Solution

CERIC



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| GROUND | Content |
|--------|---------------------------------|
| 1 | Limits of the exemption |
| 2 | Ratio of the imposed limitation |
| 3 | The role of the Agent |
| 4 | Results – Driven Criteria |
| 5 | The delivery mode |



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The exemption provided by the ERIC regulation certainly applies to purchases of goods and services made by members of ERIC, under the two conditions:

- subjective, that the member is not a private body,
- objective, that the purchase is for the sole use of ERIC.

According to the restrictive position of the EU Commission Services, the representing entity, appointed by the member of ERIC can ask for the exemption for the goods and services:

- acquired on the name and on behalf of the ERIC, when they are intended for direct use and for the solo purposes of ERIC,
- acquired on the name and on behalf of the member, when they are intended for an In Kind Contribution of the member to the ERIC.

It is possible to contrast this position by arguing that the functional delegation from the member to its representing entity determines a case of subjective substitution. As a consequence, the exemption recognised by the ERIC Regulation to the member exemption is transferred to its representing entity.

The Italian Tax Authority agreed with this conclusion, considering the functional nexus between the member of ERIC, as a public body, and its representing entity.





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Thank you for your attention !

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TO A GREAT DISCUSSION !!!