

Place of supply of advertising services and 'use and enjoyment'
Athesia Druck Srl (C-1/08)

The ECJ has held that a business based outside the European Community was correctly charged Italian VAT on advertising services supplied to it, as those services were 'effectively used and enjoyed' in Italy. However, the Italian VAT was recoverable in principle under the Thirteenth VAT Directive, and it was irrelevant that the purchaser of the services had an Italian subsidiary which acted as its tax representative. The ECJ also ruled that the advertising services supplied by the non-EC purchaser could not themselves be subject to Italian VAT as effectively used and enjoyed in Italy.

This decision is of importance to all businesses supplying or receiving services that may be subject to national 'use and enjoyment' provisions.