



## **European Court of Justice case, C-528/17 - Obligation to pay Import VAT when exemption conditions are no longer met**

**Submission Date - 31/10/2018**

ECJ has ruled that the article 143(1)(d) of the VAT Directive must be interpreted as not requiring a taxable importer to pay the VAT on imports which initially, were granted an exemption, but during a subsequent examination of the authorization, the competent customs authorities realized that the conditions of the exemption had not been met. For the VAT to be payable, it needs to be established that:

- The taxable person knew, or should have known, that the subsequent supplies were involved in fraud, and;
- The taxable person did not take all reasonable steps in order to avoid that fraud.

We remain at your disposal if you wish further information or analysis.