

# Principles for the declaration of triangular transactions

## **The first seller A must declare a transaction as follows:**

- ✓ the sale to B must be declared as intra-Community supply of goods in a VAT return,
- ✓ the value of the sale must be declared in the report on intra-Community supply as regular supply (not triangular).

## **The second seller B must declare the transaction as follows:**

- ✓ seller B must declare the goods sold to C in the field "Triangular transaction" in a report on intra-Community supply;
- ✓ if B also has other intra-Community sales of goods to C, these sales must be declared separately from that of the triangular transactions in the report on intra-Community supply..

However, B does not declare the goods acquired from A as intra-Community acquisitions or sales to C as intra-Community sales of goods in a VAT return.

## **The second buyer C must declare the transaction as follows:**

- ✓ the acquisition from B must be declared either in line 1 or 2 of the VAT return (according to the tax rate);
- ✓ VAT on the acquisition must be calculated in line 4 of the VAT return and,
- ✓ if goods on which the right to deduct input VAT have been acquired, the amount of VAT calculated must also be shown as deductible input VAT in line 5 of the VAT return, and
- ✓ in addition, the acquisition must be indicated in the informative line 7 of the VAT return.

In triangular transactions, the first seller of goods (A) and the first buyer and the second seller (B), as well as the second buyer (C), are taxable persons in different Member States. Below is a list of what a taxable person registered in Estonia must declare in the role of A (the transferor in a triangular transaction), B (the reseller in a triangular transaction) or C (the acquirer in a triangular transaction).