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:

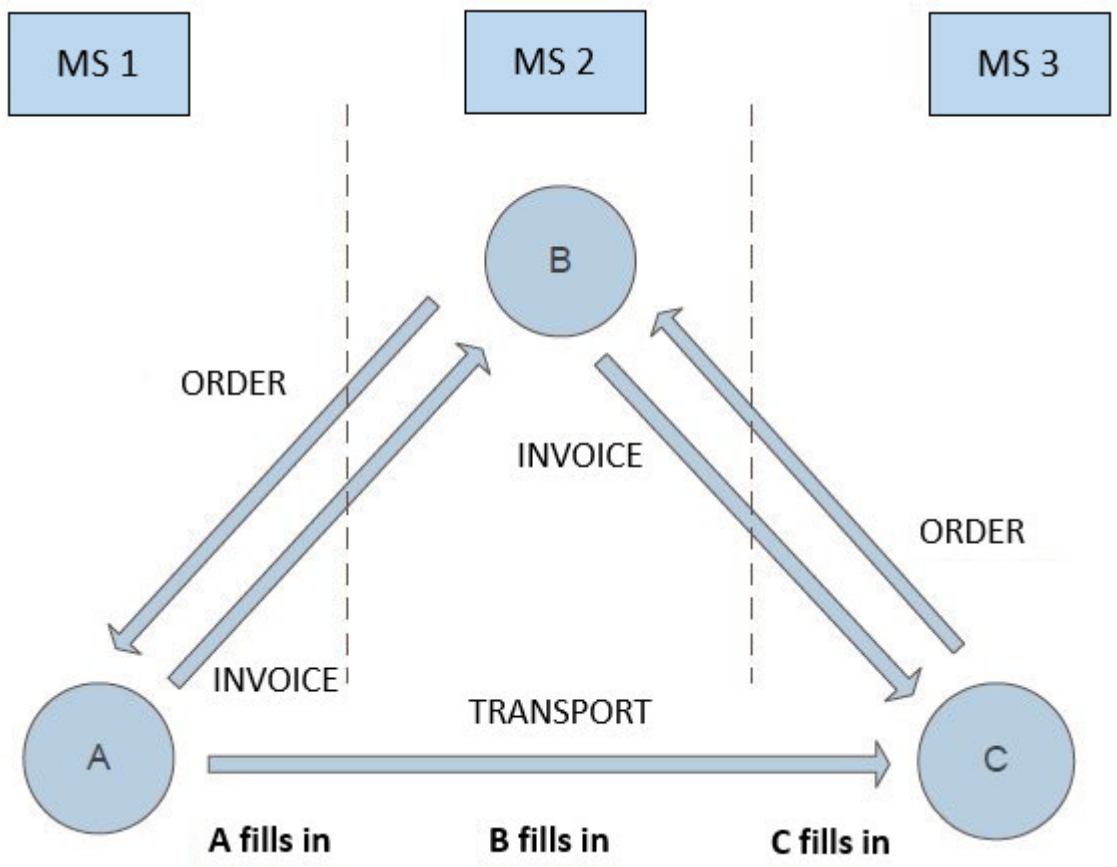
- ✓ seller B must declare the goods sold to C in the field “Triangular transaction” in a report on intra-Community supply;
- ✓ if B also has other intra-Community sales of goods to C, these sales must be declared separately from that of the triangular transactions in the report on intra-Community supply..

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).



A fills in	B fills in	C fills in
VAT return: • taxable value of goods sold to B in the fields on intra-Community supply of goods (form KMD lines 3, 3.1 and 3.1.1)	The acquisition and intra-Community supply are not indicated in **the VAT return**.	**VAT return**: C must show the acquisition of goods in a triangular transaction among the supply taxable in Estonia and declare: • the taxable value of goods acquired in a triangular transaction from B (form KMD line 1 or 2 and 7) • VAT calculated on the acquisition of goods (form KMD line 4) • the same amount as input VAT if there is a right to deduct VAT (form KMD line 5)

A fills in	B fills in	C fills in
Report on intra-Community supply: • taxable value of goods sold to B (form VD column 3) • the VAT number of B (form VD columns 1 and 2)	**Report on intra-Community supply:** • taxable value of goods sold to C (form VD column 4) • the VAT number of C (form VD columns 1 and 2)	**The report on intra-Community supply** must not include the transaction.
Invoice: the VAT numbers of A and B	**Invoice**: the VAT numbers of B and C	

Last updated on 08.01.2025