Other chain transactions

Chain transaction as a general term means that the same goods are transferred several times in a row and are delivered from the first transferor located in one Member State of the European Union to the last acquirer in another Member State of the European Union.

As of 1 January 2020, the amendments to the VAT Act provide for a transaction which, in such a chain of transactions, is treated as intra-Community supply of goods subject to 0 % VAT. As a general rule, it is the supply of goods from the first transferor to the first reseller who generates an intra-Community acquisition in the Member State of the last acquirer. All subsequent sales are taxed as domestic supply in the Member State of the last acquirer.

However, if the first reseller informs the first transferor of his VAT identification number in the Member State of dispatch of the goods, the intra-Community supply at a rate of 0% is generated by that reseller in the Member State of dispatch and the person acquiring the goods from such a reseller will generate intra-Community acquisition in the Member State of the last acquirer (if he is not the last acquirer, all subsequent sales must be taxed as domestic supply in the Member State of the last acquirer). The first transferor generates regular domestic supply in its own Member State.

These amendments do not concern triangular transactions. Both the concept of triangular transactions and the VAT treatment in the case of a triangular transaction remain as they were before 1 January 2020.

Last updated on 08.01.2025