

By PwC Deutschland | 19. April 2011

# Item received in exchange can be prepayment for VAT

**The finance ministry has decreed that payments in kind before the supply is complete lead to VAT on a payment on account or in advance.**

Under a finance ministry decree, exchanges, or payments in kind, rank as payments in advance if the item tendered in consideration for a taxable supply is delivered before the supply is complete. This brings the tax liability on the supply forward to the delivery of the consideration.

### **Schlagwörter**

exchange, payments in kind