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VAT on services for wind farms

The finance ministry has issued a decree on the place of performance of the services supplied to, in particular, offshore wind farms.

The ECJ held in June 2013 that services deemed for VAT to be carried out where a property lies must depend in essence on a specific site (judgment C-155/12 *Donnelley* in a case on warehousing facilities for foreigners in which the court held that the service was only property-related if the customer had unfettered access to a specific section of the warehouse). The ministry of finance has now drawn upon this case as the basis for a decree on services for wind farms, particularly those located off shore. Planning and engineering work, including technical evaluations in respect of a specific project are deemed to be carried out on the farm. This includes work on the wiring within the farm, the power cables to the shore station and on the transformers and converters on shore and at sea. By contrast, the transfer of rights to a project or its know-how, and project management, documentation or control are not services directly linked to a property and are thus subject to VAT under normal rules at the establishment of the business customer.

Keywords

property, wind farm