Downloaded from Blogs on 03.11.2026 00:45

By PwC Deutschland | 02 November 2025

Prepaid cards or voucher codes for purchase of digital content in an online shop are single-purpose vouchers

The Supreme Tax Court decided that voucher codes for use in the X network - regardless of the distribution channel - are so-called single-purpose vouchers and their transfer is subject to German VAT because the place of performance is in Germany, and the amount of VAT is already determined at the time of issue based on the country code of the user accounts.

Downloaded from Blogs on 03.11.2026 00:45

Backgound

To harmonize the treatment of vouchers within the EU, the EU adopted the Voucher Directive 2016/1065 which is applied in all EU Member States since 1 January 2019.

In **the case in dispute** (pertaining to the year 2019), the plaintiff sold voucher codes via its online shop to end consumers with a German user account (country code DE) for recharging user accounts for the X network (an electronic platform with digital content). End consumers were able to use many different electronic services on the X network. The plaintiff had previously purchased the codes from intermediaries in other member states of the EU.

When issuing the codes, X had assumed that they were single purpose vouchers. The plaintiff did not include the sales in its VAT returns and claimed that the codes were multi-purpose vouchers because they could be purchased through intermediaries in other EU countries. The tax office and the tax court did not share this view.

In 2022 the Supreme Tax Court had therefore requested a preliminary ruling from the ECJ who held that the classification of a voucher as a ‘single-purpose voucher’ within the meaning of Article 30a (2) VAT Directive solely requires that the place of supply of services to end consumers, to which that voucher relates, must be known at the time of the issue of that voucher.

With its final decision, the Supreme Tax Court applied the legal requirements of the ECJ judgment. Since the vouchers could be used only by customers domiciled in Germany and who had a German X user account, the place of supply, within the meaning of Paragraph 3a (5) of the local VAT Act, was in Germany.

Since only digital content subject to the standard VAT rate was available, the voucher codes were single-purpose vouchers. Their transfer is subject to VAT. The classification made by X when the voucher codes were first issued therefore proved to be correct. The taxation of vouchers does not depend on the distribution chain. Purchases made directly from the issuing entrepreneur are taxed in the same way as purchases made through one or more intermediaries.

The blog post regarding the ECJ judgment of 18 April 2024 (C?68/23) *Finanzamt O* to be found **here**.

Source:

Supreme Tax Court judgment of 25 June 2025 XI R 14/24 (XI R 21/21) published on 30 October 2025.

Keywords

Downloaded from Blogs on 03.11.2026 00:45

digital platform operators, voucher