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By PwC Deutschland | 10 March 2026

ECJ: Loyalty program with points acquired based on purchase price no voucher

Once again, the European Court of Justice was asked to define the criteria for a voucher from a VAT point of view. The request for a preliminary ruling from the Swedish Supreme Administrative Court concerns a loyalty program with points earned based on the purchase price which can be redeemed later in a “points shop” in connection with a future purchase. The court held that loyalty points of this kind do not constitute a “voucher” within the meaning of Article 30a of the VAT Directive.

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Background

The Advocate General Juliane Kokett had a nice way to put it by citing Ben Terra, a tax law scholar who was well-known and highly regarded in VAT circles: "*There are certain things that get better with age. Regretfully, the Voucher Directive, in respect of which it has taken the Member States so long to agree to the content, is not one of them*".

The case concerns a customer loyalty program, which is common in practice, in which customers collect, with their purchases from the company (Lyco Operations), points which they can use in a subsequent purchase. The result is that the points lead to the next purchase becoming 'cheaper' for the customer, either in that the points can be deducted from the price or in that, as in the present case, additional goods are purchased from a reward shop of the company.

The voucher option in the current case is clearly evident from **the two questions referred for a preliminary ruling**:

(1) Does a customer loyalty program where points are awarded on the basis of previous purchases constitute a voucher as defined in Article 30a of the VAT Directive if the points are designed in such a way that a customer who purchases goods obtains points according to the amount spent on the purchases and is then entitled, when making a future purchase, to use the points to obtain further goods from the seller's range?

(2) If the answer is in the affirmative, how is the taxable amount under Article 73a of the VAT Directive determined when the points are used to obtain goods from the seller?

The ECJ was just as plain and unequivocal in its decision.

The concept of a 'voucher' *defined in Article 30a of the VAT Directive* ***does not include the issue of points as in the situation in the main proceedings*** *where those points are determined on the basis of the amount spent on the purchase of goods and are used by those customers to obtain additional goods offered for sale by that supplier when a new purchase is made. This is because there is no obligation for the supplier to accept those points as consideration or part consideration for a supply of goods.*

In the present case, the first question is whether "there is an obligation to accept it as consideration or part of consideration for the supply of goods or services."

That condition means that instruments which entail no right for the holder to receive such goods or services but which, for instance, only entitle the holder to a discount upon further purchase of goods or services cannot be classified as a 'voucher' within the meaning Article 30a Number 1 of the VAT Directive.

In the present case and in light of the information provided by the referring court, the points awarded to the customers on the basis of the amount spent on their purchases are to be used in the company's points shop in combination with a new purchase of products

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from that company, and allow those customers to obtain products of low value which that company offers for sale.

In those circumstances, the points described do not create any obligation on the part of the supplier presented to accept them as consideration for a supply of goods. Those points only enable holders who decide to make a new purchase from that supplier to obtain, as a bonus, additional goods of low value.

In summary, the ECJ notes that since the instrument at issue does not appear to satisfy one of the two cumulative conditions necessary for it to be classified as a ‘voucher’ it cannot constitute either a ‘single-purpose voucher’ or a ‘multi-purpose voucher’ within the meaning of Article 30a of the VAT Directive.

The complete ECJ-decision of 5 March 2026 in the case **C-436/24** *Lyko Operations* to be found here.

Keywords

multiple-purpose voucher, voucher