

ECJ Decides on Treatment of Gifts to Subscribers for VAT Purposes: *Deco Proteste - Editores* (Case C-505/22) (VAT)

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Report from IBFD Knowledge Centre

On 5 October 2023, the Court of Justice of the European Union (ECJ) gave its decision in *Deco Proteste – Editores, Lda. v. Autoridade Tributária e Aduaneira* (Tax and Customs Administration) ([Case C-505/22](#)) based on a number of grounds.

"On those grounds, the Court (Seventh Chamber) hereby rules:

Article 2(1)(a) and the first paragraph of Article 16 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax

must be interpreted as meaning that the provision of a subscription gift in return for taking out a subscription to periodicals constitutes a supply that is ancillary to the principal service of supplying periodicals, which falls within the concept of 'supply of goods for consideration', within the meaning of those provisions, and must not be regarded as a disposal of goods free of charge within the meaning of the first paragraph of Article 16."

For a previous TNS regarding the case, see [Portugal-2, News 7 November 2022](#).

A more substantial report containing details of the ECJ's decision will be published in the ECJ Case Law collection in due course.