

# ECJ Decides on Validity of Limiting Right to Deduct VAT Based on Formal Requirements of Invoices: *Shortcut* (Case C-690/22) (VAT)

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Report from Stefania Lotito Fedele, VAT Associate, IBFD

On 24 May 2023, the Court of Justice of the European Union (ECJ) gave its decision in the case of *Shortcut - Consultadoria e Serviços de Tecnologias de Informação Lda v. Autoridade Tributária e Aduaneira* (Case C-690/22) concerning the denial of the right to deduct VAT to a company on the sole ground that the invoices do not comply with the formal requirements with regard to their content as laid down in the [VAT Directive \(2006/112\)](#), even though the invoices contain all the elements necessary to verify that the substantive conditions for this right are also met.

The seventh Chamber of the ECJ ruled:

"Articles 178(a), 219 and 226(6) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added [VAT Directive (2006/112)] tax must be interpreted as meaning that:

They preclude national tax authorities from refusing the right to deduct value added tax on the ground that invoices containing statements such as 'application development services' do not comply with the formal requirements referred to in that provision".

(Unofficial translation)

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