

ECJ Decides on VAT Liability When Employee Issues Fraudulent VAT Invoices on Behalf of Employer: *P Sp. z o.o.* (Case C-442/22) (VAT)

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Report from IBFD Knowledge Centre

On 30 January 2024, the Court of Justice of the European Union (ECJ) gave its decision in *P Sp. z o.o. v. Dyrektor Izby Administracji Skarbowej w Lublinie* (Case C-442/22) based on a number of grounds.

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

Article 203 of [Council Directive 2006/112/EC](#) of 28 November 2006 on the common system of value added tax must be interpreted as meaning that, where an employee of a taxable person for value added tax (VAT) purposes has issued a fake invoice showing VAT using the employer's identity as a taxable person, without that employer's knowledge or consent, that employee must be considered to be the person who enters the VAT, within the meaning of Article 203, unless that taxable person did not exercise the due diligence reasonably required to monitor the conduct of that employee."

For a previous TNS regarding the case, see [ECJ Advocate General Opines on VAT Liability When Employee Issues Fraudulent VAT Invoices on Behalf of Employer: Dyrektor Izby Administracji Skarbowej w Lublinie \(Case C-442/22\) \(VAT\) \(21 September 2023\)](#).

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