

# ECJ Decides on Application of VAT Reduced Rate to Repair and Renovation Work on Private Dwellings: *HPA - Construções* (Case C-433/22) (VAT)

11 January 2024

Report from IBFD Knowledge Centre

On 11 January 2024, the Court of Justice of the European Union (ECJ) gave its decision in *Autoridade Tributária e Aduaneira v. HPA – Construções, SA* ([Case C-433/22](#)) based on a number of grounds.

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

Point 2 of Annex IV to [Council Directive 2006/112/EC](#) of 28 November 2006 on the common system of value added tax must be interpreted as not precluding national legislation which provides for the application of a reduced rate of VAT to services relating to the renovation and repair of private dwellings on condition that the dwellings concerned are actually used for residential purposes at the time when those works are carried out."

For a previous TNS regarding the case, see [ECJ Advocate General Opines on Application of VAT Reduced Rate to Repair and Renovation Work on Private Dwellings: HPA - Construções \(Case C-433/22\) \(VAT\) \(7 September 2023\)](#).

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