

ECJ Decides on Whether Resale of Scrapped Vehicles to Third Parties Constitutes Second-Hand Goods Supplies: *État belge (TVA – Véhicules vendus pour pièces)* (Case C-365/22) (VAT)

17 May 2023

Report from IBFD Knowledge Centre

On 17 May 2023, the Court of Justice of the European Union (ECJ) gave its decision in *IT v. État belge* (Case C-365/22) based on a number of grounds.

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

Article 311(1)(1) of [Council Directive No 2006/112/EC](#) of 28 November 2006 on the common system of value added tax, must be interpreted as meaning that definitively end-of-life motor vehicles acquired by an undertaking from the persons referred to in Article 314 of that directive and intended to be sold 'for parts' without the parts having been removed are second-hand goods within the meaning of Article 311(1)(1) of that directive where, first, they still include parts which maintain the functionalities that they possessed when new so that they can be reused as such or after repair and, secondly, it is established that those vehicles remained in the same economic cycle because of that reuse of parts."

For a previous TNS report regarding the case, see [Belgium 3, News 3 October 2022](#).

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