HMRC - VATSC82050 - Faaborg-Gelting Linien A/S (C-231/94)

This Danish case concerned the provision of meals for consumption on board ferries and, although pre-CPP, it is still referred to by the ECJ in more recent cases such as Levob VATSC82140

Faaborg-Gelting Linien A/S was the operator of ships used in the provision of a ferry service between the port of Faaborg in Denmark and Gelting in Germany. The company supplied meals for consumption on board the ferries. The ECJ was asked to determine whether there was a supply of goods or services and the place of supply.

The ECJ analysis is still quoted today where the court advised that ‘regard must be had to all the circumstances in which the transaction in question takes place in order to identify its characteristic features’.

This principle was later utilised in the CPP decision VATSC82070 but was particularly used in this case to decide whether the supply was of goods or services as the court looked at the overall nature of the bundle of transactions because one element did not dominate.

The court pointed out that the supply of prepared food and drink for immediate consumption (as opposed to “take-away” food) was the outcome of a series of services. It found that restaurant transactions are characterised by a cluster of features and acts, of which the provision of food is only one component and in which services largely predominate. They must therefore be regarded as supplies of services.

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