



Central Baltic INTERREG IVA Programme 2007-2013  
Joint Technical Secretariat  
P.O.Box 273  
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Finland

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## Value added tax

Pursuant to Value Added Tax Act, § 2 clause 2, "business" is treated as the independent economic activity of a person in public law only if it confirms to the notion of economic activity as specified in the Sixth Directive, Addendum D, or the provision of such goods and services specified in §1 clause 1 of the Value Added Tax Act that can be carried out also by other taxable persons and in which case not imposing the tax on will significantly influence competition. Research and development activities in this project are therefore not business in the meaning of the VAT Act.

Pursuant from this no turnover will occur and the corresponding income is regarded as a grant. Therefore it is not possible to deduce VAT from the goods (including the purchase cost of durable equipment) and services to be bought for research and development activities.

University of Tartu will not recalculate VAT from the goods and services bought for the purpose of implementing the Central Baltic Interreg IV A project "Towards transboundary access of nature observation data (BALTICDIVERSITY)" and thus no refund of VAT will be obtained from the Tax and Customs Office. The input VAT will be calculated as the expenditure of the University of Tartu.

Yours sincerely,

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