



Ref: Rental of goods only by UK company (Goods used at location of event/delivery address), client based in ROW (no UK registration) and event delivery is in the UK.

The general place of supply of services rule for business to business (B2B) transactions is that the supply takes place where the business customer belongs, i.e. ROW. However there are exceptions to this general rule that may apply. In this case, we would need to consider whether the supply falls to be a 'land related service' which takes place where the land itself is located, i.e. the UK, and whether UK VAT should apply.

The supply of specific stand space at an exhibition or fair without any related services is a land related service and where the stand space was in the UK the supply would take place in the UK for VAT purposes. HMRC guidance states that stand space at an exhibition or conference when supplied as part of a package with related services that enable the exhibitor to promote their goods or services is not a land related service and as a result the supply is subject to the general B2B place of supply rule. Accompanying services provided as part of a package includes such things as the design and erection of a temporary stand, security, power, telecommunications, hire of machinery or publicity material.'

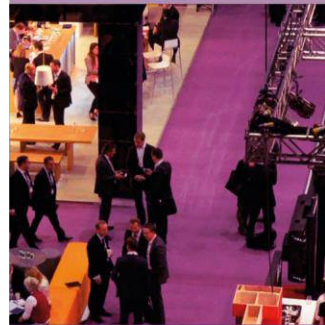
This view is supported by guidance issued by the EU on the interpretation of the place of supply rules where it is stated that:

There are three important cumulative criteria that have to be met for the service to be considered as not connected with immovable property under Article 31a(3)(e):

- i) the provision of a stand location;
- ii) the provision of one or more related services;
- iii) these related services must enable the exhibitor to display items and promote its services or products.

In this case, the supplier is hiring equipment, selling graphics and services and also providing stand building services to the customer established in ROW. Although HMRC's guidance does not explicitly state that the services provided alone are not land related, We believe this can be inferred from the examples provided. Additionally, the fact that construction services do not relate to a permanent structure or the building itself also supports the view that the services cannot be land related services.

The ECJ's conclusion that services were not land-related in Inter-Mark Group sp. z o.o. sp. komandytowa (Case C-530/09) also appears valid here. The company provided stands for exhibitors, transporting them to the venue and assembling them there, but it did not operate the venue itself, and – in the course of a judgment mainly concerned with other provisions – the ECJ was clear that this was not land-related: 'the supply of services envisaged has no direct connection with immovable property, the mere fact that a fair or exhibition stand must, on an ad-hoc and temporary basis, be installed on immovable property, or inside such property, being insufficient for that purpose'.





On this basis (and provided the ROW customer is not established in the UK) our on balance view is that the supplier's service would be subject to the general place of supply rule and would be outside the scope of UK VAT.

