

WRITTEN QUESTION E-3196/08  
by Raymond Langendries (PPE-DE)  
to the Commission

Subject: VAT and leasing agreements

Where, in transactions similar to that brought before the Court of Justice of the European Communities in Case C-425/06 (Part Service), a company makes property available to another company under a movable or immovable property leasing agreement, there is no link between the parties, the costs are standard for such transactions and the leasing payments are billed separately from the principal and interest payments on the loan, is it permissible for the leasing payments to be made subject to VAT on the basis of Articles 24 and 72 of the VAT Directive and the loan exempted from VAT on the basis of Article 135(1)(c) of that directive?

If the Commission considers that all of the costs should be subject to VAT, why has it not brought infringement proceedings against Member States which allow the cost component of leasing agreements that covers interest on the loan to be exempted from VAT?