



Action brought on 17 June 2025 – Nomad Stays v Council

(Case T-394/25)

(C/2025/4185)

Language of the case: English

Parties

Applicant: Nomad Stays Co (Yenne, France) (represented by: A. de Moncuit de Boisguillé and C. Worms, lawyers)

Defendant: Council of the European Union

Form of order sought

The applicant claims that the Court should:

- annul Article 3(1) of Council Directive (EU) 2025/516 of 11 March 2025 amending Directive 2006/112/EC as regards VAT rules for the digital age, inasmuch as it inserts Article 28a(1) into Directive 2006/112/EC;
- annul Article 3(3)(a) of Council Directive (EU) 2025/516 of 11 March 2025 amending Directive 2006/112/EC as regards VAT rules for the digital age, ⁽¹⁾ inasmuch as it modifies Article 135(2) of Directive 2006/112/EC by inserting a subparagraph after the first subparagraph deeming short-term accommodation rentals services to have a similar function to the hotel sector;
- annul Article 1(8) of Implementing Regulation (EU) 2025/518 of 11 March 2025 amending Implementing Regulation (EU) No 282/2011, ⁽²⁾ inasmuch as it amends Article 30 of Implementing Regulation (EU) No 282/2011 by inserting new subparagraph 2 (hereinafter, the ‘contested provisions’);
- order the Council to bear its own costs and to pay those incurred by the applicant.

Pleas in law and main arguments

In support of the action, the applicant relies on seven pleas in law.

1. First plea in law, alleging a manifest error of assessment. The contested provisions are based on a number of incorrect assumptions, in particular that short-term accommodation rentals (‘STR’) and hotels are in direct competition and that there is a ‘distortion of competition’ between the two, as well as on unreliable data and unsubstantiated claims.
2. Second plea in law, alleging an infringement of the principle of proportionality. The contested provisions impose disproportionate measures, in particular on smaller operators, while less burdensome measures exist to achieve the same objectives. The deemed supplier regime will put the STR sector at an unfair disadvantage.
3. Third plea in law, alleging an infringement of the principles of fiscal neutrality and equal treatment. The contested provisions result in unequal VAT treatment between comparable and non-comparable services, and discriminate between sales channels and market actors.
4. Fourth plea in law alleging an infringement of the principles of legal certainty and good administration. The contested provisions fail to clarify a number of concerns on their specific application and will lead to divergent implementation across Member States.

⁽¹⁾ Council Directive (EU) 2025/516 of 11 March 2025 amending Directive 2006/112/EC as regards VAT rules for the digital age (OJ L, 2025/516).

⁽²⁾ Council Implementing Regulation (EU) 2025/518 of 11 March 2025 amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes (OJ L, 2025/518).

5. Fifth plea in law alleging an infringement of Member States' fiscal autonomy and of the principle of subsidiarity. The contested provisions impose a harmonised VAT regime in areas better addressed at national level and without demonstrating the necessity of Union-level action.
 6. Sixth plea in law alleging an infringement of the freedom to conduct a business and of the right to property. The contested provisions impose regulatory and financial burdens that jeopardise the economic viability of small platforms, in breach of Articles 16 and 17 of the Charter of Fundamental Rights.
 7. Seventh plea in law alleging that the Council has exceeded its implementing powers conferred by Article 397 of Directive 2006/112/EC pursuant to Article 291(2) TFEU by inserting a definition of 'facilitation services' in Implementing Regulation 282/2011 instead of Directive 2006/112/EC.
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