

Case C-80/95

Harnas & Helm CV
v
Staatssecretaris van Financiën

(Reference for a preliminary ruling
from the Hoge Raad der Nederlanden)

(VAT — Interpretation of Articles 4, 13 and 17 of the Sixth Directive 77/388/EEC
— Taxable person — Acquisition and holding of bonds)

Opinion of Advocate General Fennelly delivered on 7 November 1996	I - 747
Judgment of the Court (Sixth Chamber), 6 February 1997	I - 768

Summary of the Judgment

Tax provisions — Harmonization of laws — Turnover taxes — Common system of value added tax — Economic activity within the meaning of Article 4 of the Sixth Directive — Mere acquisition and holding of bonds and receipt of income therefrom — Excluded
(Council Directive 77/388, Art. 4(2))

Article 4(2) of the Sixth Directive 77/388 on the harmonization of the laws of the Member States relating to turnover taxes is to be interpreted as meaning that the mere acquisition of ownership in and the holding of bonds, activities which are not subservient to any other business activity, and the receipt of income therefrom are not to be regarded as economic activities conferring on the person concerned the status of a taxable person.

The activity of a bondholder may be defined as a form of investment which does not extend further than straightforward asset management and, if it gives rise to income in the form of interest, such interest cannot be regarded as a return on an economic activity or transaction carried out by its recipient.