

Case C-175/09

Commissioners for Her Majesty's Revenue and Customs

v

AXA UK plc

(Reference for a preliminary ruling
from the Court of Appeal (England and Wales) (Civil Division))

(Sixth VAT Directive — Exemption — Article 13B(d)(3) — Transactions concerning
payments or transfers — Debt collection and factoring — Payment plans
for dental care — Service of collecting and processing payments for the
account of the service supplier's clients)

Judgment of the Court (Third Chamber), 28 October 2010 I - 10703

Summary of the Judgment

Tax provisions — Harmonisation of laws — Turnover taxes — Common system of value added tax — Exemptions provided for in the Sixth Directive — Banking transactions covered by Article 13B(d)(3)

(Council Directive 77/388, Art. 13B(d)(3))

Article 13B(d)(3) of Sixth Directive 77/388 on the harmonisation of the laws of the Member States relating to turnover taxes is to be interpreted as meaning that the exemption from value added tax provided for by that provision does not cover a supply of services which consist, in essence, in requesting a third party's bank to transfer to the service supplier's account, via the direct debit system, a sum due from that party to the service supplier's client, in sending to the client a statement of the sums received, in making contact with the third parties from whom the service supplier has not received payment and, finally, in giving instructions to the service supplier's bank to transfer the payments received, less the service supplier's remuneration, to the client's bank account.

Article 13B(d)(3) and is therefore excluded from the list of exemptions, for it is intended to obtain the payment of sums of money due to the service supplier's clients from those third parties and is therefore intended to obtain the payment of debts. By undertaking the recovery of debts for the account of those entitled to them, the service supplier frees its clients of tasks which, without its intervention, those clients, as creditors, would have to perform themselves, tasks consisting in requesting the transfer of the sums due to them, via the direct debit system.

In fact, such a service comes within the meaning of 'debt collection and factoring' in

(see paras 28, 32-33, 36, operative part)