

4. Article 10(1) of Regulation (EC) No 561/2006 of the European Parliament and of the Council of 15 March 2006 on the harmonisation of certain social legislation relating to road transport and amending Council Regulations (EEC) No 3821/85 and (EC) No 2135/98 and repealing Council Regulation (EEC) No 3820/85 must be interpreted as not precluding, in principle, a road haulage undertaking from granting drivers a bonus calculated on the basis of the savings made in the form of reduced fuel consumption in relation to the journey made. Nevertheless, such a bonus would infringe the prohibition laid down in that provision if, instead of being linked solely to saving fuel, it rewarded such saving on the basis of the distances travelled and/or the amount of goods carried, in such a way as to encourage the driver to act in a manner that endangers road safety or infringes Regulation No 561/2006.

<sup>(1)</sup> OJ C 95, 23.3.2020.

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**Judgment of the Court (Fourth Chamber) of 8 July 2021 (request for a preliminary ruling from the Tribunal Arbitral Tributário (Centro de Arbitragem Administrativa — CAAD) — Portugal) — Rádio Popular — Electrodomésticos SA v Autoridade Tributária e Aduaneira**

(Case C-695/19) <sup>(1)</sup>

*(Reference for a preliminary ruling — Directive 2006/112/EC — Value added tax (VAT) — Exemptions — Article 135(1)(a) — Definition of ‘insurance’ transactions and of ‘related services performed by insurance brokers and insurance agents’ — Article 174(2) — Right to deduction — Proportional deduction — Extended warranties on household electrical appliances and other computer and telecommunications equipment — Definition of ‘financial transactions’)*

(2021/C 338/03)

Language of the case: Portuguese

**Referring court**

Tribunal Arbitral Tributário (Centro de Arbitragem Administrativa — CAAD)

**Parties to the main proceedings**

*Applicant:* Rádio Popular — Electrodomésticos SA

*Defendant:* Autoridade Tributária e Aduaneira

**Operative part of the judgment**

Article 174(2)(b) and (c) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, read in conjunction with Article 135(1) of that directive, must be interpreted as meaning that it does not apply to transactions involving intermediation in the sale of warranty extensions that are performed by a taxable person in the course of its main activity consisting in the sale to consumers of household electrical appliances and other computer and telecommunications equipment, with the consequence that the amount of turnover relating to those transactions must not be excluded from the denominator of the fraction used to calculate the deductible proportion referred to in Article 174(1) of that directive.

<sup>(1)</sup> OJ C 406, 2.12.2019.