# Global Invoice V2 concerning Tax Exemption Reason Codes

(Based on a guideline published 2010 on the Swedish Odette web site www.odette.se)

| *Code* | *Description* | *Explanation* | *Application guideline* |
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| E | Exempt from tax | Exempt export of goods | To be used when invoicing goods which are exported from a country outside EC to a country within EC. |
| S | Standard rate | Standard rate applicable in the respective country | To be used when invoicing goods or services where the standard rate of VAT is applicable |
| AAA | Article 146, 148 and 151 of Council Directive 2006/112//EC | Exemption of exports from the Community and like transactions and international transport. | To be used when invoicing goods which are delivered to a non-EC country and when invoicing certain services, where these are directly connected with the export of goods. |
| AAB | Exempt – Article 164 of Council Directive 2006/112//EC | Special exemptions linked to international goods traffic. | To be used when invoicing goods which are imported from a non EC country into an approved warehouse, or free zone, within the EC area, and held in warehouse under VAT suspension. This arrangement may also include VAT suspended goods movements between different approved warehouses within the EC provided that the goods are re-exported from the warehouse to a non-EC country. Should also be used for transport costs included in customs value.Example: a company in EC country A imports goods from US and stores them in an approved warehouse, under VAT suspension. The EC company A then sells the goods to a company in EC country B and transfer the goods from the warehouse in country A to a warehouse in country B, still under VAT suspension.Then the company in country B sells and delivers the goods to a company in Russia. |
| AAC | Exempt – Article 138 of Council Directive 2006/112//EC | Exempt Intra-Community supplies of goods. | To be used when invoicing goods which are delivered from one EC country to another EC country if the customer has a VAT number in another EC country.The goods have to be dispatched or transported by or on behalf of the vendor or the person acquiring the goods. |
| AAD | VAT exempt - Article 44 of Council Directive 2006/112/EC | VAT Exempt cross border supply of services to a customer in a non EC country | To be used when invoicing all taxable services except from work on real estate, passenger transport, cultural, educational, entertainment, scientific and similar services, restaurant and catering services and short time hiring of means of transport. |
| AAE | Reverse Charge - Article 44 of Council Directive 2006/112/EC | Reverse charge cross border supply of services to a customer in another EC country | To be used when invoicing all taxable services except from work on real estate, passengertransport, cultural, educational, entertainment, scientific and similar services, restaurant andcatering services and short time hiring of means of transport. |
| AAF | Exempt – Article 346 of Council Directive 2006/112//EC | Exemption under the special scheme for investment gold. | To be used when invoicing investment gold to a customer in another EC country, where thespecial scheme for investment gold is applicable. |
| AAG | Exempt – Article 131, 132 and 135 of Council Directive 2006/112//EC | Exempt within the territory of the country. | To be used when invoicing, within the supplier’s own country, goods and services that areexempt from VAT under the national legislation – e.g. banking-, insurance services, hospitalcare, medicine and education. |
| AAH | Margin Scheme – Title X11,Chapter 4 of Council Directive 2006/112//EC | Special arrangements applicable to second-hand goods, works of art, collectors items and antiques. | To be used when invoicing second-hand goods, works of arts, collector’s items and antiqueswhere the margin scheme is applicable. |
| AAI | Margin Scheme –Title X11, Chapter 3 of Council Directive 2006/112//EC | Margin scheme for travel agents. | To be used when invoicing for travel arrangements where the margin scheme for travel agentsis applicable. |
| AAJ | Reverse Charge – Article 198 of Council Directive 2006/112//EC | Reverse charge procedure applying to supplies of gold. | To be used when the supplier of the investment gold, which would otherwise be exempt fromVAT, has exercised the right to “option to tax”, under the Article 26b(C) of directive77/388/EC. Under this “option to tax” arrangement, the customer is liable to account for VATon supply, under the reverse charge procedure. |
| AAL | Reverse Charge Exempt - Article 164 of Council Directive 2006/112//EC | Reverse charge procedure when goods cease to be covered by warehousing arrangements. | To be used when invoicing goods from a non-EC country which have been held in an approved warehouse and should be removed for consumption in an EC country (i.e. not re-exported as in AAB).Example: still using the example above (AAB) as a base the company in country A sells and transfers the goods to a company in country B but in this case the company in country B sells and deliver the goods to EC country C for domestic consumption. |
| AAM | Exempt New Means of Transport – Article 2, 3 and 4 of Council Directive 2006/112//EC | Intra-Community supply of a new means of transport. | To be used when invoicing a supply of new means of transport to a customer in another EC country. |
| AAN | Exempt Triangulation – Article 141 of Council Directive 2006/112//EC | Triangulation | To be used when invoicing by a company who is the middleman in a triangulation chain i.e. goods trade between three parties in different EC countries and the goods delivered from the first part to the last part. |
| AAP | VAT exempt/reverse charge, within the construction business, Article 199 1 a-b of Council Directive 2006/112//EC | Reverse charge Supply of certain services within the construction businesses should be taxable by the purchaser instead of the seller. | To be used the services should concern property, building or other establishment. The services mentioned are land- and ground work, construction work, installations, construction finalize work, letting of construction machinery with driver, construction cleaning and letting of labour for these services. The purchaser should be a business which supplies the same services. |
| AAQ | Reverse Charge – Article 194 of Council Directive 2006/112//EC | Reverse charge procedure. Special scheme, so called domestic reverse charge, for both non VAT registered as well as for VAT registered companies within an EC country in case of domestic supply of goods and services to a VAT registered purchaser in that EC country. | To be used when invoicing goods and certain services, from a supplier (a foreign entity) who is not established and registered or a supplier that is VAT registered for VAT in an EC country, to a customer who is VAT registered in that EC country. |