

Acquisitions not treated as intra-Community acquisitions of goods in Estonia

Subsection 3 of § 8 of the VAT Act sets out which transactions are not deemed to be intra-Community acquisitions of goods. For example, the acquisition of goods to be installed in Estonia is not considered to be intra-Community acquisition, as supply is generated in Estonia. Also, the temporary transport of goods to Estonia for the provision of services, including the transport of a movable to Estonia for it to be hired or leased; or establishment of a usufruct on the movable is not deemed to be acquisition.

The following are not deemed to be intra-Community acquisitions of goods (subsection 3 of § 8 of the VAT Act):

1. temporary transport of goods to Estonia for the provision of services, including the transport of a movable to Estonia for it to be hired or leased;
For example, a taxable person may temporarily import the tools necessary for him, without the transaction being regarded as an intra-Community acquisition of goods.
2. temporary transport of goods to Estonia for up to twenty-four months for purposes which comply with the purposes of implementing the temporary importation procedure with total relief from import duties;
An economic operator has the right to temporarily introduce goods for purposes for which, if the goods were brought temporarily from third countries, the goods would be under the control of the customs authorities and should not be subject to import VAT. For example, it would be justified not to regard as intra-Community acquisition of goods the temporarily introduced means of transport, some tools, exhibits for fairs, educational equipment, laboratory equipment, equipment necessary for disaster relief.
3. temporary transport of movables to Estonia for the purpose of work with the movables, unless the movables are delivered to Estonia for the purposes of taking the movables out of the Community; Works related to movables include, inter alia, repair, servicing, maintenance, processing, painting, etc. It must be possible to identify from an economic operator's daily records the movables brought for repair or evaluation by a taxable person established in another Member State. When movable property is not returned to another Member State, the transaction must be regarded as an intra-Community sale of goods on the one hand and an intra-Community acquisition of goods on the other.
4. the acquisition of goods installed or assembled in Estonia from a taxable person of another Member State;
Goods to be installed or assembled in Estonia are goods which are transferred and installed or assembled by or on behalf of the transferor and the cost of installation or assembly exceeds 5 per cent of the taxable value of the transaction. A taxable person in Estonia must calculate the value added tax on the specified goods on the basis of subsection 4 of § 3 of the VAT Act.
VAT return: the value of the goods to be installed or assembled in euros in line 1 (or 2) "Acts and transactions subject to tax at a rate of 24% (or 9%)" and calculated VAT in line 4 "Total amount of value-added tax (24% of line 1 + 20% of line 1¹ + 22% of line 1² + 9% of line 2 + 5% of line 2¹ + 13%

of line 2²)” and, in the case of goods acquired for taxable supply, input VAT is deducted in field 5 “Total amount of input VAT subject to deduction pursuant to law”. The value of the acquired goods to be assembled is also declared in informative line 7 “Acquisition of other goods and services subject to VAT, incl”.

5. intra-Community distance selling of goods to Estonia from another Member State;
Distance sales are the transfer and delivery of goods (other than a new means of transport or goods to be installed or assembled) by or on behalf of the transferor to another Member State to a person not registered there as a taxable person or taxable person with limited liability. For example, if a natural person orders goods online and the goods are delivered home to him, there is no intra-Community acquisition of goods in Estonia and the foreign company is liable to pay VAT.
6. the acquisition of goods, except a new means of transport, by a natural person for personal use;
When a natural person purchases goods, VAT is always paid by the seller. The only exception when this does not apply is when a natural person acquires a new means of transport.
7. the acquisition of goods by a person not registered as a taxable person for a total amount not exceeding the threshold specified in subsection 2 of § 21 of the VAT Act;
On the basis of this clause, the acquisition of goods less than 10,000 euros in value per calendar year is not regarded as intra-Community acquisition of goods. If the taxable value of a person's intra-Community acquisition of goods (§ 8), except excise goods and new means of transport, exceeds 10,000 euros as of the beginning of a calendar year, the obligation to register as a taxable person with limited liability arises from the date on which the person exceeded the specified threshold.
8. the acquisition of second-hand goods, original works of art, collectors' items or antiques from a taxable person of another Member State who applies the procedure for the calculation of taxable value provided in § 41 of the VAT Act when calculating the tax liabilities of that person in the other Member State;
9. the acquisition of goods by the acquirer in a triangular transaction;
Upon acquisition of goods by triangular transaction in Estonia, the acquirer pays VAT on the basis of clause 4 of subsection 4 of § 3 of the VAT Act.
10. the transport of natural gas or electricity, heating or cooling energy transmitted via a network from another Member State to Estonia;
Special provisions are applicable to the supply of natural gas or electricity, heating or cooling energy (see clause 9 of subsection 2 of § 7 and subsections 1, 2 and 3 of § 9 of the VAT Act).
11. the transport of goods from another Member State to Estonia for the purpose of taking them out of the Community if the goods are placed under the customs procedure of export in the other Member State and the goods are taken out of the Community within two months after the goods were conveyed to Estonia;
The goods are deemed to have been exported in the other Member State in which the customs procedure was commenced. Since there is no acquisition of goods to Estonia, the person of another Member State is not obliged to register for VAT.
12. the transport of goods to Estonia if the goods are delivered to another Member State temporarily for up to twenty-four months for a purpose which complies with the purposes of implementing the temporary importation procedure with total relief from import duties;
13. the transport of movables from another Member State to Estonia if the movables were temporarily moved from Estonia to another Member State for the purposes of work with the movables;
In the case of temporary transport of movable property to another Member State for the purpose of repair, processing or other service (common concept of work with movable property), only the

supply of services is taxed and the supply of goods does not arise. Similarly, there is no intra-Community acquisition of goods upon the return of the movable to Estonia. The above transactions are not be regarded as intra-Community acquisitions only if the requirements referred to in a specific clause are met. If the basis for the transaction ceases to exist, the transaction must be regarded as an intra-Community acquisition of goods from the date on which the abovementioned requirements could no longer be applied (subsection 4 of § 8 of the VAT Act).

14. the transport of call-off stock to Estonia.

Delivery of call-off stock to Estonia is not considered an intra-Community acquisition. Intra-Community acquisition occurs upon acquisition of call-off stock delivered to Estonia by an Estonian taxable person. If the call-off stock delivered to Estonia has not been transferred within 12 months of its arrival, intra-Community acquisition will arise for the person of another Member State who delivered the call-off stock to Estonia.

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