



## BFH on vouchers for electronic services – many questions remain unanswered

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### 1 Background and previous procedure

Since 1 January 2019, VAT law has made a distinction between single-purpose vouchers (SPV) and multi-purpose vouchers (MPV). If, at the time of issuance, the place of supply and the VAT due for the supply underlying the voucher are known, the voucher is classified as a SPV, and VAT arises upon issue and each transfer. Otherwise, the voucher is considered an MPV, and VAT only arises upon redemption.

The distinction between SPVs and MPVs, regarding country-specific vouchers for digital content, has already led to a referral to the ECJ. The subsequent decision of the German Federal Fiscal Court (BFH) from 25 June 2025, which has now been published was, in part, foreseeable. The BFH had already stated in its referral that, in its view, the place of and the VAT due for the supplies underlying the voucher are known, which is why the voucher shall be classified as a SPV (KMLZ VAT Newsletter 10/2023). Remaining doubts as to whether cross-border B2B transfers of vouchers in the distribution chain contradict this classification were dispelled by the ECJ (KMLZ VAT Newsletter 20/2024). However, after the ECJ decision, the BFH was confronted with further arguments from the plaintiff, prompting a renewed review of its initial classification.

### 2 Facts of the case

The plaintiff purchases gift cards issued by Sony (PSN Cards), which can be used for the purchase of digital content in the PlayStation Store, from intermediaries in other EU countries and sells them to end customers. The PSN Cards in dispute have a German country code. According to Sony's specifications, they can only be redeemed by user accounts registered to a German address.



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### 3 Decision of the BFH (judgment of 25 June 2025 – XI R 14/24)

The BFH maintains its assessment that the PSN Cards are SPVs. In line with the ECJ, the BFH first establishes that the classification depends solely on whether the place of supply and the VAT due for the supplies to the end customer are known. Distribution chains are irrelevant. Furthermore, it emphasizes that only the circumstances at the time of voucher issuance are decisive. According to these principles, the PSN Cards, in the BFH's view, only entitle the holder to receive electronic services at the standard VAT rate. The possibility of later changes to the product range is irrelevant. As redemption is restricted to customers residing in Germany, by means of the country code, the place of supply is fixed when used in accordance with the contract.

The plaintiff's further argument that the PSN Cards can also be redeemed in the special territories of Helgoland and Büsingen (which, although territorially part of Germany, are considered third countries for VAT purposes) were ruled out for consideration from a procedural perspective due to a lack of findings by the Fiscal Court of first instance. Rather, the BFH assumes that Sony's treatment of the PSN Cards as SPVs, as established by the Fiscal court, speaks against such redeemability. Also for procedural reasons, the BFH rejected the argument that the PSN Cards can be redeemed for supplies whose place of supply is where Sony is established according to sec. 3a para. 1 German VAT Act.

### 4 Consequences for the practice

On one hand, the judgment brings clarity: distribution chains are irrelevant for the classification of vouchers as SPVs or MPVs. What matters are the contractual use and the circumstances at the time of the voucher issuance.

On the other hand, the BFH does not answer the crucial question of how redeemability by customers residing in Helgoland and Büsingen affects the classification of vouchers. Instead, it retreats, in this specific case, to the procedural position that this aspect can no longer be considered.

What does this mean for legal classification in other cases? Shouldn't vouchers that can be redeemed for supplies both domestically and in special territories actually be considered as MPVs? This is supported by the Spanish view presented by the plaintiff. Does it then depend on whether redeemability for supplies in these territories is explicitly permitted? Or is it sufficient that it is not excluded? Taxable persons should consider these questions when drafting voucher terms and handling VAT treatment of voucher transfers.

Questions also remain regarding the circumstances at the time of voucher issuance: What evidence and verification obligations exist for issuing parties and intermediaries? For intermediaries, for example, it is usually impossible to check the product range at the time of the initial voucher issuance. To what extent can they rely on the issuer's classification? The tax authorities allow, at least under certain conditions, to trust the supplier's classification (sec. 3.17 para. 2 sent. 8, 9; para. 9 sent. 8, 9 German Administrative VAT Guidelines).

Another key question is where the fictitious supply, resulting from the B2B transfer of a SPV in distribution chains, is taxable. In its referral, the BFH seemed to imply that the place of supply should be determined according to the general B2B rule. In contrast, some argue that voucher transfer is taxable where the supply is provided to the end customer upon voucher redemption. A clarifying note is still lacking here as well. This will therefore certainly not be the BFH's last decision on vouchers.