

Territorial Scope of VAT Groups

This document should be read in conjunction with section 15 of the VAT Consolidation Act 2010 (VATCA 2010) and regulation 4 of S.I. no. 639 of 2010

Document created November 2025



Introduction

This guidance sets out the territorial scope of VAT groups as provided for in section 15 of the VATCA 2010. This guidance should be read in conjunction with the [Tax and Duty Manual VAT Groups](#).

1. Territorial Scope of VAT Grouping

VAT grouping is only available to establishments located within the State.

The Court of Justice of the European Union (CJEU) in the FCE Bank case¹ confirmed that a Head Office and a Branch, not being independent of each other, are part of the same person. This applies where neither the Branch nor Head Office is part of a VAT group.

The CJEU has also clarified, in the Danske Bank² case, that only establishments located within the territory of a Member State are able to avail of the VAT grouping regime of that Member State.

This is particularly important when considering arrangements between head offices and branches. Only a head office or branch established in Ireland is entitled to be a member of an Irish VAT group. Non-Irish head offices or branches may not be members of an Irish VAT group. Therefore, supplies between such non-Irish establishments and an Irish VAT group are within the scope of VAT.

See [section 3](#) for examples of how the territorial scope of VAT grouping operates.

2. Implementation date

This guidance has immediate effect for any VAT Groups established after its publication.

This guidance will impact on some existing VAT Groups. Those existing VAT Groups impacted by this change can contact their Revenue District to agree suitable transitional arrangements to ensure compliance with this guidance. This guidance is to be implemented by existing VAT Groups by 31 December 2026.

¹ Ministero dell'Economia e delle Finanze, Agenzia delle Entrate v FCE Bank plc (C-210/04)

² Danske Bank A/S, Danmark, Sverige Filial v Skatteverket (C-812/19)

3. Examples

Example 1 – territorial scope

Company A has a branch in another EU Member State. Neither the Company A nor its branch are members of VAT groups. Company A supplies IT services to its branch. The supply by Company A to its branch is outside the scope of VAT as the FCE Bank decision confirmed that a Head Office and a branch are the same person.

Example 2 – territorial scope

Company A and Company B form an Irish VAT group. Company A has a branch in another EU Member State. Company B supplies services directly to that non-Irish branch of Company A. The supplies by Company B are within the scope of VAT as the non-Irish branch of Company A is not a member of the VAT group. The place of supply is where the branch is established, and the VAT group can claim deductibility on inputs if the supply is a 'qualifying activity'.

Example 3 – territorial scope

Company A and an Irish branch of Company B form a VAT group. The head office of Company B is located outside of Ireland. The head office of Company B supplies services to the VAT group. The supplies of services are within the scope of VAT and the VAT group must account for Irish VAT on the reverse charge basis to the extent such supplies are taxable.

Example 4 – territorial scope

A branch of Company A is located in Ireland. The head office of Company A is located in another Member State and is a member of a VAT group in that Member State. Supplies between the non-Irish head office and the Irish branch are within the scope of VAT and the Irish branch should account for reverse charge VAT in Ireland to the extent the supplies are taxable. By virtue of the non-Irish head office joining a local VAT group the head office and its Irish branch are now considered two separate taxable persons.