Reports of Cases

OPINION OF ADVOCATE GENERAL
SAUGMANDSGAARD ØE
delivered on 2 May 2019 [1]

Case C-692/17

Paulo Nascimento Consulting — Mediação Imobiliária Lda
v
Autoridade Tributária e Aduaneira

(Request for a preliminary ruling
from the Supremo Tribunal Administrativo (Supreme Administrative Court, Portugal))

(Reference for a preliminary ruling — Value added tax (VAT) — Directive 2006/112/EC — Exemptions — Article 135(1)(b) and (d) — Transactions relating to the granting, negotiation and management of credit — Transactions relating to debts, but excluding debt collection — Assignment for consideration, to a third party, of a position in enforcement proceedings for recovery of a debt recognised by a court)

I. Introduction

1. The request for a preliminary ruling from the Supremo Tribunal Administrativo (Supreme Administrative Court, Portugal) was made in the context of a dispute relating to the value added tax ('VAT') payable by a property agency in respect of the assignment for consideration, to a third party, of the position held by that agency in enforcement proceedings for recovery of a debt that has been recognised by a judgment.

2. The question raised by the referring court concerns the interpretation of Article 135(1)(b) of Directive 2006/112/EC, [2] which provides for an exemption from VAT for a taxable person's transactions consisting in the granting and the negotiation of credit and the management of credit by the person granting it.

3. I consider that, in order to give a helpful answer to the referring court, the Court must also rule, in the present case, on the interpretation of point (d) of Article 135(1) of that directive, which provides for an exemption from VAT, inter alia, for a taxable person's transactions concerning debts, except those concerning debt collection.

4. For the reasons set out in this Opinion, I consider that points (b) and (d) of Article 135(1) of that directive must be interpreted as meaning that it is not necessary to apply the exemptions referred to therein in circumstances such as those of the dispute in the main proceedings.

1 Original language: French.

2 Council Directive of 28 November 2006 on the common system of value added tax (OJ 2006 L 347, p. 1).

II. Legal framework

A. EU law

5. As stated in recital 1 thereof, Directive 2006/112 recasts the Sixth Directive 77/388/EEC. [3]

6. Under Article 2(1)(a) and (c) of Directive 2006/112, the supply of goods and the supply of services are to be subject to VAT, where either one is effected for consideration within the territory of a Member State by a taxable person acting as such.

7. The second subparagraph of Article 9(1) of that directive defines what is meant by 'economic activity' within the meaning of the directive.

8. According to Article 14(1) of that directive, '"supply of goods" shall mean the transfer of the right to dispose of tangible property as owner'.

9. According to Article 24(1) of Directive 2006/112, '"supply of services" shall mean any transaction which does not constitute a supply of goods'. Article 25(a) of that directive states that 'a supply of services may consist, inter alia, in … the assignment of intangible property, whether or not the subject of a document establishing title'.

10. Under Article 135(1)(b) and (d) of that directive, Member States are to exempt:

'(b) the granting and the negotiation of credit and the management of credit by the person granting it;

…

(d) transactions, including negotiation, concerning deposit and current accounts, payments, transfers, debts, cheques and other negotiable instruments, but excluding debt collection.' [4]

B. Portuguese law

11. Several provisions were introduced into the Código do Imposto sobre o Valor Acrescentado (Value Added Tax Code, 'the VAT Code') in order to bring the Portuguese VAT legislation into line with the secondary legislation of the European Union applicable in this matter. [5]

12. Under Article 9(27)(a) and (c) of that code, in the version in force at the time of the facts in the main proceedings, the following are exempt from VAT:

'(a) The granting and the negotiation of credit, in any form, including discount and rediscount transactions, and the administration and management of credit by the person who granted it;

…

3 Sixth Council Directive of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes — Common system of value added tax: uniform basis of assessment (OJ 1977 L 145, p. 1, 'the Sixth Directive').

4 I would point out that Article 135(1)(b) to (g) reproduces, in essentially identical terms, the exemptions which were previously provided for in Article 13B(d)(1) to (6), respectively, of the Sixth Directive (see, also, judgment of 25 July 2018, *DPAS*, C-5/17, EU:C:2018:592, paragraph 4).

5 With regard to those transposing provisions, see, inter alia, judgment of 8 March 2012, *Commission* v *Portugal* (C-524/10, EU:C:2012:129, paragraph 14).

(c) Transactions, including negotiation, concerning deposit and current accounts, payments, transfers, payments received, cheques, negotiable and other instruments, but excluding transactions consisting in simple debt collection.'

III. The dispute in the main proceedings, the question referred and the procedure before the Court

13. It is apparent from the order for reference and from the national file submitted to the Court that, in November 2006, Paulo Nascimento Consulting — Mediação Imobiliária Lda ('PNC') agreed, in the context of its activity as a property agency, to provide its agency services on an exclusive basis for a sale of agricultural land. An offer of sale was proposed by PNC but rejected by the owner of the land, who refused to pay it for the service provided.

14. PNC then brought an action before the Tribunal de Família e Menores e de Comarca de Portimão (Family, Juvenile and District Court, Portimão, Portugal), seeking an order that its principal pay it an amount of EUR 125 000 in respect of the property agency fee payable, plus VAT and default interest until the date of full payment. That court granted PNC's application by a judgment which became final.

15. Since the debtor failed to pay the amount owed by her, PNC brought before the same court an enforcement action seeking to recover the debt owed to it as recognised by that judgment, which amounted to EUR 170 859.62 in total. [6]

16. In the context of that enforcement procedure, immovable property belonging to the debtor was made subject to attachment in order to secure payment of the amount due. The attached property was subsequently awarded to PNC for the amount of EUR 606 200, [7] in exchange for the obligation on its part to pay to the enforcement agency the surplus — that is to say, the difference between the amount of the award and the value of the debt owed to PNC — plus enforcement costs. It appears that the amount to be paid in respect of that surplus should have amounted to EUR 417 937.12 in total.

17. By agreement of 29 September 2010, PNC transferred to Unipessoal Lda ('Starplant') all the rights deriving from its position in the ongoing enforcement proceedings, in exchange for a payment by Starplant in the amount of EUR 351 619.90. [8]

18. In October 2010, first, PNC entered in its accounts the amount of EUR 125 000 received in exchange for the services provided to the abovementioned principal and paid the amount of EUR 26 250, corresponding to the VAT payable in that regard. Secondly, it entered in its accounts an amount of EUR 200 369.90, recorded as 'other unspecified income', which corresponded to the remainder of the price paid by Starplant, [9] an amount on which it paid no VAT.

19. On 24 June 2014, the Autoridade Tributária e Aduaneira (Tax and Customs Authority, Portugal) issued a VAT assessment (EUR 73 840 18) [10] together with interest thereon (EUR 9 807.59), that is to say a total amount of EUR 83 647.77, after taking the view that the VAT return submitted by PNC for the period in question had not properly accounted for the assignment, for EUR 351 619.90, of the

6 Debt calculated as follows: EUR 125 000 (agency fee) + EUR 26 250 (VAT on that fee) + EUR 19 609.62 (default interest).

7 In the light of the national file, it appears that that amount was 70% of the sale price of the property in question, as determined by the bailiff on the basis of a property valuation carried out for that purpose by an independent entity.

8 Under that agreement, recorded by the registry of the court before which the enforcement action seeking to recover the debt was brought, PNC undertook to do everything in its power and/or to sign individually or jointly with Starplant in order to ensure that the procedural substitution take place immediately.

9 Remainder calculated as follows: EUR 351 619.90 (price paid by Starplant) — EUR 125 000 (agency fee) — EUR 26 250 (VAT on that fee).

10 VAT calculated as follows: EUR 351 619.90 (price paid by Starplant) x 21%.

position held in the proceedings. In that regard, the Autoridade Tributária e Aduaneira took the view that that transaction was separate from the transaction relating to the property agency fee and also subject to VAT, since it constituted a transfer of a right for consideration by a taxable person acting as such, which fell within the concept of supply of services and was not covered by any exemption provided for by the VAT Code.

20. By judgment of 30 June 2015, the Tribunal Administrativo e Fiscal de Loulé (Administrative and Tax Court, Loulé, Portugal) upheld PNC's action for annulment of the VAT assessment referred to above. [11]

21. In its judgment of 4 February 2016, the Tribunal Central Administrativo Sul (Southern Central Administrative Court, Portugal), before which the matter was brought by the Fazenda Pública (Public Treasury, Portugal), set aside the judgment at first instance, on the ground that the debt assignment at issue formed part of the economic activity of PNC, was to be regarded as a taxable supply of services and did not benefit from any of the exemptions referred to in Article 9 of the VAT Code. In particular, that court found that the transaction in question did not fall within the exemption provided for in Article 9(27)(a) of the VAT Code for banking and financial transactions granting and negotiating credit.

22. PNC appealed against that judgment to the Supremo Tribunal Administrativo (Supreme Administrative Court), arguing primarily that the exemption provided for in Article 9(27)(a) of the VAT Code was applicable to debt assignment transactions even where they are carried out by entities other than financial institutions. In that regard, it relied on the case-law of the Court relating to the provision of EU law thereby transposed into Portuguese law, namely Article 13B(d)(1) of the Sixth Directive, now Article 135(1)(b) of Directive 2006/112. [12]

23. Against that background, by decision of 8 November 2017, received at the Court on 11 December 2017, the Supremo Tribunal Administrativo (Supreme Administrative Court) decided to stay the proceedings and to refer the following question to the Court for a preliminary ruling:

'For the purposes of application of the exemption provided for in Article 135(1)(b) of the VAT Directive, do the terms "granting", "negotiation" and "management of credit" encompass the assignment for consideration to a third party of the position held by a taxable person liable for VAT in enforcement proceedings for recovery of a debt, recognised by a judgment and resulting from the breach of a property agency agreement, plus VAT at the rate in force on the date of payment and the default interest already accrued or which may accrue until full payment?'

24. Written observations have been lodged by PNC, the Portuguese Government and the European Commission. At the hearing on 7 February 2019, all of those parties presented oral argument.

IV. Analysis

25. In view of the usual approach in matters relating to VAT and in the light of the information put before the Court with regard to the particular features of the assignment forming the subject matter of the dispute in the main proceedings, it is in my view essential to set out in advance considerations relating to the classification of that transaction, in order to ascertain whether it is subject to VAT (Section A), before answering the question whether it may, where appropriate, be covered by the exemptions provided for in Article 135(1)(b) and (d) of Directive 2006/112 (Section B).

11 I would point out that the dispute in the main proceedings relates solely to the taxation of the assignment effected on 29 September 2010, and not to the taxation of the fee received by PNC in respect of the property agent service which it provided to its client.

12 PNC refers to the judgments of 15 June 1989, *Stichting Uitvoering Financiële Acties* (348/87, EU:C:1989:246); of 27 October 1993, *Muys' en De Winter's Bouw- en Aannemingsbedrijf* (C-281/91, EU:C:1993:855), and of 21 June 2007, *Ludwig* (C-453/05, EU:C:2007:369).

A. Whether a transaction such as that at issue in the main proceedings is subject to VAT

26. Even though the referring court appears to start from the premiss that the transaction at issue in the main proceedings is subject to VAT, the exchange of argument before the Court reveals that it is possible to examine that issue not only in the light of the particular nature of such a transaction (subsection 1) but also in the light of the economic activity of the taxable person concerned (subsection 2); it must also be borne in mind from the outset that it is for the Court to rule on the interpretation of the relevant provisions of EU law by providing the referring court with all the information necessary to resolve the dispute in the main proceedings and that it is for the national courts alone to carry out the factual assessments. [13]

1. The nature of the transaction concerned

27. In order to oppose the taxation of the transaction at issue in the main proceedings, PNC argues that that transaction is a debt assignment which is not covered by the scope of Directive 2006/112, as defined, in particular, by points (a) and (c) of Article 2(1) thereof, points which cover the supply of goods and the supply of services within the meaning of Article 14(1) and Article 24(1) of that directive, respectively.

28. By contrast, the Portuguese Government argues that that transaction is subject to VAT, recalling that the Portuguese tax authorities took the view that it constituted a single supply of services [14] and stating that, if that were not the case, it should be classified as a supply of tangible property. At the hearing, the Commission maintained that there were two taxable supplies of services, the first relating to the assignment of the debt held by PNC and the second relating to the assignment of the position held by that company in the proceedings. [15]

29. For my part, I am inclined for the following reasons to consider that the transaction at issue is a complex but single transaction and that it constitutes a supply of immovable property, with the result that it falls within the scope of VAT, without prejudice to the possible application of the exemption rules relating to such property. [16]

30. *In the first place*, I note that PNC relies primarily on the judgment in *GFKL Financial Services* [17] in order to maintain that debt assignments which entail a definitive transfer of all the rights arising from the debt in question, as appears to be the case in the dispute in the main proceedings, do not fall within the scope of VAT. In that judgment, the Court interpreted Article 2(1) of the Sixth Directive, which corresponds to Article 2(1)(a) and (c) of Directive 2006/112, as meaning that 'an operator who, at his own risk, purchases defaulted debts at a price below their face value does not effect a supply of services for consideration … when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment'.

13 According to settled case-law, in the context of a reference for a preliminary ruling, the Court may provide the national courts with all the guidance which it considers necessary to resolve the dispute in the main proceedings, but those national courts alone are entitled to determine whether the factual conditions triggering the application of a rule of EU law are satisfied in the case pending before the national courts and to establish the consequences which they have for the judgment which those courts are required to deliver (see, inter alia, judgments of 5 June 2014, *Mahdi*, C-146/14 PPU, EU:C:2014:1320, paragraphs 78 to 80, and of 7 August 2018, *Prenninger and Others*, C-329/17, EU:C:2018:640, paragraph 27).

14 See also point 19 of this Opinion.

15 In its written observations, the Commission took the view that the transaction at issue constituted a debt assignment for consideration falling within the scope of VAT, but changed its position after becoming aware of facts which emerged during the exchange of argument before the Court.

16 With regard to the exemptions relating to immovable property, see point 51 of this Opinion.

17 Judgment of 27 October 2011 (C-93/10, EU:C:2011:700).

31. In that regard, it suffices to note, as does the Portuguese Government, that the circumstances of the present case are very different from those which gave rise to that judgment. First, the present case is concerned not with the acquisition of a debt by the taxable person concerned, namely PNC, but rather with an assignment by that taxable person of rights of a different nature.[18] Secondly, it is not possible to take the view that the present case is concerned with defaulted debt and that the transaction was carried out at the risk of the purchaser, namely Starplant, since, at the time of the assignment, the debt owed to PNC had already been recognised by a judgment, both in terms of its principle and its amount, and the risk of default by the debtor had been excluded, as a result of the enforcement procedure which had almost been completed.[19] Lastly, it seems to me that, in the present case, the purchase price is not below but much higher than the face value of the debt and of the corresponding enforcement action, even though the wording of the order for reference raises doubts in that regard.[20]

32. *In the second place*, I would recall that, according to the case-law of the Court, application of the common system of VAT depends not on the expressed intention of the parties to the transaction at issue, and in particular on the designation used by them, but on *objective criteria* specific to EU law, relating in particular to consideration of the *economic and commercial reality*, which is assessed in the light of all the relevant circumstances.[21]

33. In the present case, the fact that the agreement concluded between PNC and Starplant was designated by them as a 'cessão de crédito', a term which may be translated as 'loan transfer' or 'debt assignment',[22] cannot be a decisive factor. On the contrary, the circumstances of the transaction at issue and the economic reality which they reflect lead me to consider that the essential purpose of that transaction consists in the transfer of the rights and obligations relating to the immovable property which was awarded to the assignor, namely PNC, in payment of the debt owed to it and already recognised by a judgment which had become final.

34. First, as the wording of the question referred for a preliminary ruling indicates, the transaction at issue relates to the assignment of a position held in proceedings, not to a debt. In that regard, I would note that the debt was, in practice, discharged upon the award to PNC of the immovable property belonging to its debtor and that the assignment post-dates that award, even though the decision making the award became final only on the day after the signature of the agreement. That analysis is supported by the high price which Starplant agreed to pay to acquire the rights relating to that position in the proceedings (EUR 351 619.90),[23] also in return, it seems, for the obligation to

18 It should be noted that PNC sold the position which it held in the enforcement proceedings for recovery of the debt owed to it. I shall consider the classification of that assignment below (see point 33 et seq.).

19 According to the observations submitted to the Court, the assignment was, as a matter of fact, made the day before the day on which the judgment awarding the attached property to PNC became final. The probability that the debtor would bring an action against that judgment must then have appeared low, with the result that the parties to the assignment agreement were able to formulate the terms and conditions of their agreement on the assumption that there would be no appeal.

20 According to that decision, 'the assignor [had] received from the assignee, in consideration for the assignment, an amount less than that which is the subject matter of the action'. If the latter wording is to be understood as meaning that the assignment was made at a price below the value of the debt forming the subject matter of the enforcement action, it seems to me that that assertion is incorrect in view of the abovementioned facts (see points 15 and 17), from which it appears to me to be clear that the value of the rights and obligations in the immovable property which were assigned by PNC is higher than the price paid by Starplant.

21 See, inter alia, judgments of 12 July 2012, *J.J. Komen en Zonen Beheer Heerhugowaard* (C-326/11, EU:C:2012:461 paragraph 33); of 22 February 2018, *T-2* (C-396/16, EU:C:2018:109, paragraph 43); of 22 November 2018, *MEO — Serviços de Comunicações e Multimédia* (C-295/17, EU:C:2018:942, paragraph 43), and of 10 January 2019, *A* (C-410/17, EU:C:2019:12, paragraph 47).

22 Concerning the linguistic issues associated with use of the term 'crédito', see point 49 of this Opinion.

23 Whereas in a traditional debt assignment arrangement the assignor generally obtains a price below the value of the debt owed to it, because the assignee assumes the risk inherent therein (see also points 30 and 31 of this Opinion).

reimburse the surplus which PNC had to repay to the enforcement agency (EUR 417 937.12),[24] that is to say an amount of more than EUR 769 000 in total, unless I am mistaken.[25] Moreover, I note that PNC spontaneously paid VAT on the debt owed to it as increased, and as recognised by the courts, and that the dispute in the main proceedings does not relate to that part.[26]

35. Secondly, like the Portuguese Government, I consider that, following the judicial award in favour of PNC, that company assigned to Starplant, for consideration, the position which PNC held in the proceedings, including all the effects, both assets and liabilities, attaching to that position, with the result that PNC transferred a series of interconnected rights and obligations and did so in a unitary and comprehensive manner. As the Court has repeatedly pointed out, a transaction which comprises a single operation from an economic point of view, in the light of its characteristic features as reflected by its purpose and by the interests of its recipients, should not be artificially split, so as not to distort the functioning of the VAT system.[27] I therefore do not share the Commission's view that the transaction at issue should be split into two separate elements, bearing in mind that, for the reasons set out above, I consider that that transaction does not involve a debt assignment.

36. Lastly, it seems to me that, of the various elements comprising the transaction at issue, the essential element, which in my view prompted Starplant to accept the terms and conditions of the agreement concluded with PNC and, in particular, the price paid, lies in the fact that PNC assigned to Starplant the right to dispose of tangible property, that is to say the immovable property awarded to PNC, as if it were the owner thereof, which corresponds exactly to the definition of a supply of goods set out in Article 14(1) of Directive 2006/112.[28] Moreover, it seems to me undeniable that, as stated in the question referred for a preliminary ruling, the assignment of the position held by PNC in the proceedings was effected for consideration, in accordance with Article 2(1)(a) of that directive, since the price received by PNC is the value actually given in return for the rights in the immovable property transferred to Starplant.[29]

37. In the alternative, I would note that, even if the classification as a supply of goods is not adopted, the fact remains that the transaction at issue in the main proceedings must, by its nature, potentially be subject to VAT. It should, depending on the circumstances, fall within the concept of supply of services, within the meaning of Article 24(1) of Directive 2006/112, which covers any transaction not constituting a supply of goods. More specifically, as the Portuguese Government and the Commission

24 At the hearing, PNC, aware that it did not itself have the funds necessary for that purpose, stated that Starplant was going to assume payment of the latter amount under their agreement.

25 The amount agreed by Starplant is, in my view, to be viewed in the context of the true value of the property awarded to PNC (see footnote 7 of this Opinion), which points to a possibility of resale at an advantageous price.

26 See point 18 et seq. of this Opinion.

27 See, inter alia, judgments of 10 March 2011, *Bog and Others* (C-497/09, C-499/09, C-501/09 and C-502/09, EU:C:2011:135, paragraph 53 et seq.); of 18 October 2018, *Volkswagen Financial Services (UK)* (C-153/17, EU:C:2018:845, paragraph 30 et seq.), and of 28 February 2019, *Sequeira Mesquita* (C-278/18, EU:C:2019:160, paragraph 30 et seq.).

28 It is settled case-law that the concept of 'supply of goods' referred to in that provision does not refer to the transfer of ownership in accordance with the procedures prescribed by the applicable national law but covers any transfer of tangible property by one party which empowers the other party actually to dispose of it as if he were the owner of the property (see, inter alia, judgments of 8 February 1990, *Shipping and Forwarding Enterprise Safe*, C-320/88, EU:C:1990:61, paragraphs 7 to 9; of 3 September 2015, *Fast Bunkering Klaipėda*, C-526/13, EU:C:2015:536, paragraph 51; and of 19 December 2018, *AREX CZ*, C-414/17, EU:C:2018:1027, paragraph 75).

29 It is clear from the case-law of the Court that a supply of goods is effected 'for consideration' within the meaning of Article 2(1)(a) of Directive 2006/112 if a direct link exists between the goods supplied and the consideration received, the price received by the supplier constituting the value actually given in return for the goods supplied to the purchaser (see, inter alia, judgments of 21 November 2013, *Dixons Retail*, C-494/12, EU:C:2013:758, paragraph 32; of 11 May 2017, *Posnania Investment*, C-36/16, EU:C:2017:361, paragraph 31; and of 13 June 2018, *Gmina Wrocław*, C-665/16, EU:C:2018:431, paragraph 43).

have pointed out, the transaction at issue could constitute a supply of services consisting in the assignment of intangible property, within the meaning of Article 25 of that directive. Moreover, it is also undeniable that the assignment in question was effected for consideration, in accordance with Article 2(1)(c) of that directive, since it was effected in exchange for remuneration. [30]

38. Consequently, I consider that, unless an error has been made in the factual analysis taken as the premiss for this conclusion — which it will be for the national courts to determine —, a transaction such as that at issue in the main proceedings should be classified as a supply of goods for consideration, within the meaning of Article 2(1)(a) of Directive 2006/112, and, in any event, be regarded as potentially subject to VAT under Article 2 of that directive.

2. The economic activity of the taxable person concerned

39. PNC also claims, in essence, that, in a context such as that of the dispute in the main proceedings, the assignor cannot be regarded as having acted in the context of its 'economic activity' within the meaning of the second subparagraph of Article 9(1) of Directive 2006/112. PNC argues that it was itself involved in the assignment at issue solely on an *ad hoc* basis, since it usually exercises not an activity relating to credit transactions, but the activity of providing property agency services. Both the Portuguese Government and the Commission dispute that line of argument. I share that latter view.

40. In that regard, I consider that, irrespective of the classification to be adopted for the transaction at issue, PNC indeed had, for VAT purposes, the status of 'taxable person' acting 'as such', as required by Directive 2006/112, [31] since the person concerned carried out that transaction in the course of its taxable activity. [32]

41. As the Commission stated at the hearing, it is clear from the case-law of the Court that a person who is already subject to VAT, on the basis of his usual activity, must be regarded as a taxable person for any other economic activity carried out on an occasional basis, provided that the latter constitutes an activity within the meaning of the second subparagraph of Article 9(1) of Directive 2006/112. [33] Therefore, it is in my view irrelevant that PNC carried out the transaction at issue only on an exceptional basis, in so far as it is closely associated with the principal economic activity carried out by that taxable person.

30 It is clear from the case-law of the Court that a supply of services is effected 'for consideration', within the meaning of Article 2(1)(c) of Directive 2006/112, where there is a direct link between the service supplied and the consideration received, the remuneration received by the provider of the service constituting the value actually given in return for the service supplied to the recipient (see, inter alia, judgments of 29 October 2015, *Saudaçor*, C-174/14, EU:C:2015:733, paragraph 32, and of 5 July 2018, *Marcandi*, C-544/16, EU:C:2018:540, paragraphs 36 and 37).

31 In particular, Article 2(1)(a) and (c) and the first subparagraph of Article 9(1) of Directive 2006/112.

32 As opposed, in particular, to the situation where a taxable person carries out a transaction in a private capacity (see, inter alia, judgments of 4 October 1995, *Armbrecht*, C-291/92, EU:C:1995:304, paragraph 16 et seq., and of 9 July 2015, *Trgovina Prizma*, C-331/14, EU:C:2015:456, paragraph 18 et seq.).

33 See judgment of 13 June 2013, *Kostov* (C-62/12, EU:C:2013:391, paragraph 27 et seq.), and Opinion of Advocate General Kokott in *Posnania Investment* (C-36/16, EU:C:2017:134, point 33 et seq.), in which it is rightly pointed out that, in the specific case which gave rise to that judgment, there was a close relationship between the secondary activity of the person concerned and his primary activity subject to VAT.

42. Like the Portuguese Government and the Commission, I consider that the assignment at issue in the main proceedings is indeed a direct extension of PNC's activity consisting in the provision of property agency services, since the subject matter of that assignment is a substitution of the position held in debt recovery proceedings which stems from a contract concluded in the course of its taxable economic activity. [34] The transaction in question therefore falls, in my view, within the scope of VAT. [35]

43. It is in the light of that guidance as to the interpretation of the relevant provisions of EU law, and subject to the examination of the specific elements of the dispute in the main proceedings which is incumbent upon the referring court, that that court must classify the transaction at issue in order to confirm whether it is potentially subject to VAT, before determining any exemption scheme which may be applicable to that transaction.

44. In view of the classification which it is, in my view, most appropriate for the referring court to adopt for the transaction in question, that is to say that of a supply of immovable property, it seems to me unlikely that the exemptions provided for in Article 135(1)(b) and (d) of Directive 2006/112 are intended to apply in the present case. Nevertheless, for the sake of completeness, I shall make observations on that matter in order to provide an answer to the question referred and to cater for the eventuality that the classification proposed here is ruled out in favour of a classification as a supply of services, which seems to me to be the premiss adopted by the referring court when formulating the question which it has referred for a preliminary ruling.

B. The exemptions provided for in Article 135(1)(b) and (d) of Directive 2006/112

45. Before proceeding to an interpretation both of point (b) and of point (d) of Article 135(1) of Directive 2006/112 (subsection 3 and subsection 4, respectively), I shall first of all set out the reasons why I consider it necessary to examine those two provisions (subsection 1), and then I shall recall the main guidance already provided in the case-law of the Court on that subject (subsection 2).

1. The necessary extension of the scope of the answer to be given by the Court in the present case

46. It may be noted that, formally, the question raised by the referring court relates *solely* to the exemption from VAT provided for in *point (b)* of Article 135(1) of Directive 2006/112, which provides for an exemption from VAT for the 'granting', 'negotiation' or 'management' of 'credit'. It is clear from the order for reference that the wording of that question mirrors the legal basis relied on by PNC in its appeal. [36] However, that fact does not prevent other provisions of that directive from being interpreted in the present case.

47. According to the settled case-law, in order to give a helpful answer to the referring court, the Court may be required to take into consideration rules of EU law to which the referring court has not referred in its question. In that regard, it is for the Court to extract from all the information provided by the national courts, in particular from the grounds of the decision to make the reference, the points of EU law which require interpretation in view of the subject matter of the dispute. [37]

34 The Portuguese Government has argued, more specifically, that the direct link with that activity must be considered to have been established 'because, the origin of the declaratory and enforcement actions lies in a contract concluded in the context of [PNC's] economic activity, or because it is [PNC] to which the courts granted the rights and on which they imposed the obligations in the action for enforcement, or because it is [PNC], in its name and on its behalf, which concluded the contract that gave rise to the transfer for consideration to a third party of the various rights and obligations referred to above'.

35 See, by analogy, judgments of 12 January 2006, *Optigen and Others* (C-354/03, C-355/03 and C-484/03, EU:C:2006:16, paragraph 42 et seq.), and of 8 November 2018, *C&D Foods Acquisition* (C-502/17, EU:C:2018:888, paragraph 35 et seq.).

36 See point 22 of this Opinion.

37 See, inter alia, judgments of 22 October 2015, *Impresa Edilux and SICEF* (C-425/14, EU:C:2015:721, paragraph 20), and of 19 December 2018, *AREX CZ* (C-414/17, EU:C:2018:1027, paragraphs 34 and 35).

48. In the present case, having regard to the origin of the dispute in the main proceedings, which is linked to an action for the enforced recovery of a debt, I take the view, as does the Commission,[38] that the Court should interpret not only point (b) of Article 135(1) of Directive 2006/112, which is referred to in the question referred, but *also point (d)* of Article 135(1) of that directive, bearing in mind that the latter provision provides for an exemption from VAT for transactions relating to 'debts'.

49. To that effect, the Commission states, correctly in my opinion, that the referring court's view that point (b) of Article 135(1) of that directive is the potentially applicable provision in the present case is perhaps explained by the wording of the Portuguese version of Article 135(1) of that directive.[39] Indeed, while the majority of the other language versions clearly distinguish 'credits' as referred to in Article 135(1)(b) of that directive from 'debts' as referred to in Article 135(1)(d) of that directive, the Portuguese version uses the word 'créditos' in both Article 135(1)(b) and in Article 135(1)(d) of that directive, which is likely to have given rise to some confusion as to the legal basis which may be appropriate in the dispute in the main proceedings.[40]

50. Consequently, even though the referring court has limited the question it referred to the interpretation of Article 135(1)(b) of Directive 2006/112, it is, in my view, appropriate also to interpret Article 135(1)(d) of that directive, in order to determine whether a transaction such as that at issue in the main proceedings may be covered by one or other of those two provisions, in the light of the guidance provided by the case-law of the Court in that regard.

51. I note that, in the event that the transaction at issue is classified as a supply of immovable property, as I propose, it would be possible to ask whether points (j) and (k) of Article 135(1) of that directive, which relate to the supply, respectively, 'of a building … and of the land on which it stands' and 'of land which has not been built on',[41] are applicable in the present case, with the result that that transaction would be exempt from VAT, as is generally the case in that field.[42] PNC also referred to those provisions both in its appeal before the referring court and in its observations before the Court. However, having regard to the substance of the question raised by the referring court and to the limited information given in its decision as to the type of immovable property involved in the assignment at issue, I shall not take a view on the interpretation of points (j) and (k) of Article 135(1) of that directive.[43]

38 In their written observations, PNC and the Portuguese Government answered the question referred for a preliminary ruling solely in terms of point (b) of Article 135(1) of Directive 2006/112. However, they were invited by the Court to state their views, at the hearing, on the Commission's opinion that a transaction such as that at issue in the main proceedings might instead fall within the scope of the exemption set out in point (d) of Article 135(1) of that directive.

39 In that regard, I would point out that, in interpreting a provision of EU law, the wording used in one of its language versions cannot be made to override the wording in the others and that, where there is divergence between the various versions, account must be taken of the general scheme and the purpose of the rules of which that provision forms part (see, inter alia, judgments of 22 October 2015, *Hedqvist*, C-264/14, EU:C:2015:718, paragraph 47, and of 25 October 2018, *Tänzer & Trasper*, C-462/17, EU:C:2018:866, paragraph 20).

40 The Commission states that, in the Portuguese version of Article 135(1) of Directive 2006/112, the word 'créditos' (in English 'credit') is used in points (b) and (c), whereas the words 'créditos' and 'dívidas' (in English, 'debt') are used together in point (d), which might give the impression to the addressees of that version that the two terms are equivalent for the purposes of that directive. By contrast, in most of the other language versions (with the exception of the Italian and Spanish versions), the term corresponding to the word 'créditos' is used in points (b) and (c), whereas only the word corresponding to the word 'dívidas' is used in point (d).

41 It should be pointed out that the particular cases referred to in points (j) and (k) of Article 135(1) of that directive are expressly restricted to points (a) and (b) of Article 12(1) of that directive, namely 'the supply, before first occupation, of a building or parts of a building and of the land on which the building stands' and 'the supply of building land'.

42 In his Opinion in *Blasi* (C-346/95, EU:C:1997:432, point 15), Advocate General Jacobs pointed out that 'under the [Sixth] Directive the supply and leasing of immovable property are in principle exempt from VAT [under Article 13B(b), (g) and (h) thereof, corresponding to Article 135(1)(j), (k) and (l) of Directive 2006/112]. Those exemptions reflect the particular difficulties in applying VAT to such goods. Unlike ordinary goods, land is not the result of a production process; moreover, buildings, once constructed, may change hands many times during their life, often without being subject to further economic activity'.

43 Provisions which are the subject matter, in particular, of the judgments of 17 January 2013, *Woningstichting Maasdriel* (C-543/11, EU:C:2013:20, paragraphs 22 to 36), and of 13 June 2018, *Polfarmex* (C-421/17, EU:C:2018:432, paragraph 43), and Opinion of Advocate General Bobek in *KPC Herning* (C-71/18, EU:C:2019:226, point 23 et seq.).

2. The established case-law on the interpretation of Article 135(1)(b) and (d) of Directive 2006/112

52. It is clear from the relevant case-law of the Court that a series of rules common to points (b) and (d) of Article 135(1) of Directive 2006/112 must be taken into account when interpreting those provisions. [44]

53. *First*, it is common ground that all the exemptions referred to in Article 135(1) of that directive constitute *independent concepts* of EU law whose purpose is to avoid divergences in the application of the VAT system as between one Member State and another and which must be interpreted in a uniform manner, in the light of the general context and the objectives of the common system of VAT. [45] It follows that a transaction is capable of being the subject of those exemptions irrespective of the classification of that transaction under the law of a Member State and regardless of how that transaction has been designated by the parties to it.

54. *Secondly*, the Court has repeatedly held that the terms used to specify the exemptions provided for in Article 135(1) of Directive 2006/112 are *to be interpreted strictly*, since they constitute exceptions to the general principle that VAT is to be levied on all goods and services supplied for consideration by a taxable person. However, their interpretation cannot be restrictive to the point of depriving the exemption criteria concerned of their intended effect. [46]

55. *Thirdly*, as regards, more specifically, transactions exempt under points (b) to (g) of Article 135(1) of Directive 2006/112, the Court has held that they are defined not in terms of the person supplying or receiving the service, but according to the *nature of the services* provided. In other words, the exemption is subject not to the requirement that the transaction at issue be carried out by a certain type of institution or legal person, but to the requirement that that transaction be, by its very nature, a financial transaction. [47] In that regard, the Court has pointed out that the purpose of the exemption for the transactions referred to in points (b) to (g) of Article 135(1) of that directive was, in particular, to alleviate the difficulties connected with determining the tax base and the amount of VAT deductible. [48]

56. After that reminder of the main rules of interpretation which are, in my view, relevant in the present case, it is now appropriate to apply them in order to determine whether the assignment at issue in the main proceedings may be covered by the provisions of either point (b) or point (d) of Article 135(1) of Directive 2006/112.

44 It is clear that the case-law of the Court relating to the provisions of the Sixth Directive with equivalent content, namely Article 13B(d)(1) to (6) of that directive, is of relevance for the interpretation of Article 135(1)(b) to (g) of Directive 2006/112 (see judgments of 26 May 2016, *Bookit*, C-607/14, EU:C:2016:355, paragraph 32, and of 26 May 2016, *National Exhibition Centre*, C-130/15, not published, EU:C:2016:357, paragraph 27).

45 See, inter alia, judgments of 21 June 2007, *Ludwig* (C-453/05, EU:C:2007:369, paragraph 22); of 26 May 2016, *Bookit* (C-607/14, EU:C:2016:355, paragraph 33); of 16 November 2017, *Kozuba Premium Selection* (C-308/16, EU:C:2017:869, paragraph 38 et seq.); and of 25 July 2018, *DPAS* (C-5/17, EU:C:2018:592, paragraph 28).

46 See, inter alia, judgments of 28 October 2010, *Axa UK* (C-175/09, EU:C:2010:646, paragraph 25); of 16 November 2017, *Kozuba Premium Selection* (C-308/16, EU:C:2017:869, paragraphs 39 and 45); of 25 July 2018, *DPAS* (C-5/17, EU:C:2018:592, paragraph 29); and of 19 December 2018, *Mailat* (C-17/18, EU:C:2018:1038, paragraph 37).

47 See, inter alia, judgments of 19 April 2007, *Velvet & Steel Immobilien* (C-455/05, EU:C:2007:232, paragraph 21 et seq.); of 22 October 2009, *Swiss Re Germany Holding* (C-242/08, EU:C:2009:647, paragraph 44 et seq.); of 28 October 2010, *Axa UK* (C-175/09, EU:C:2010:646, paragraph 26 et seq.); of 22 October 2015, *Hedqvist* (C-264/14, EU:C:2015:718, paragraph 37 et seq.); of 26 May 2016, *Bookit* (C-607/14, EU:C:2016:355, paragraphs 36 and 54); and of 25 July 2018, *DPAS* (C-5/17, EU:C:2018:592, paragraphs 31 and 45).

48 See, inter alia, judgments of 19 April 2007, *Velvet & Steel Immobilien* (C-455/05, EU:C:2007:232, paragraph 24); of 26 May 2016, *Bookit* (C-607/14, EU:C:2016:355, paragraph 55); and of 25 July 2018, *DPAS* (C-5/17, EU:C:2018:592, paragraph 46).

3. Possible application of Article 135(1)(b) of Directive 2006/112

57. By its question, the referring court asks the Court, in essence, whether a transaction such as that at issue in the main proceedings falls within the concepts of 'granting', 'negotiation' or 'management' of 'credit' within the meaning of Article 135(1)(b) of Directive 2006/112.

58. From the outset, I would point out that, in the light of the case-law cited above, according to which the concepts thus referred to and the exemptions deriving therefrom must be given an *independent* interpretation,[49] PNC's arguments based on the content of Portuguese civil law and the choice of the parties to classify the transaction at issue as 'cessão de crédito'[50] are, in my view, irrelevant.

59. Moreover, I would point out that *the referring court* itself notes that it is clear from the case-law of the Court[51] that the exemption from VAT provided for in Article 135(1)(b) of Directive 2006/112 applies 'whatever the nature of the person supplying or receiving the service, since [that] exemption is defined according to the nature of the transactions at issue and not according to the nature of the parties involved'.[52] It correctly infers from this that the exemption in question may be applied to the transactions referred to in that provision even where those transactions are carried out by entities other than financial institutions.[53]

60. By contrast, the referring court expresses doubts as to the applicability of Article 135(1)(b) of Directive 2006/112 in the present case, on account of the specific nature of the transaction at issue. The referring court states that the transaction at issue is an 'assignment, for consideration, of the position held in enforcement proceedings for recovery of a debt recognised by a judgment'.[54] According to the referring court, the Court has to date ruled only on situations relating to the 'granting of credit/financing/loans in the traditional sense (that is to say coupled with interest, borrowing or financing)'.

61. Although the Court has never examined a situation such as that of the dispute in the main proceedings, it has, by contrast, on several occasions ruled on the application of Article 135(1)(b) of Directive 2006/112 to transactions involving the '*granting' of 'credit*' in the traditional sense of that term, that is to say consisting in the making available of a sum of money in the form of loan, repayable on a specified date and possibly with interest.[55] Moreover, the Court has already included within that concept a more atypical arrangement, ruling that the deferred payment of the purchase price of goods agreed by a supplier in return for payment of interest may be regarded as a grant of credit, provided that the payment of interest constitutes not an element of the consideration obtained

49 See point 53 of this Opinion.

50 In relation to the fact that that designation is also irrelevant as regards whether the transaction at issue in the main proceedings is subject to VAT, see point 33 of this Opinion.

51 See, inter alia, judgment of 21 June 2007, *Ludwig* (C-453/05, EU:C:2007:369, paragraph 25).

52 See, also, the case-law cited in footnote 47 of this Opinion.

53 Contrary to what appears to be stated in the judgment under appeal before the referring court and in accordance with the opinion of the Principal Public Prosecutor before that court, which is referred to in the order for reference.

54 Debt 'resulting from the breach of a property agency agreement, plus VAT at the rate in force on the date of payment and the default interest already accrued or which may accrue until full payment'.

55 See, by way of illustration, the various types of loans which gave rise to the judgment of 29 April 2004, *EDM* (C-77/01, EU:C:2004:243); order of 7 July 2010, *Curia* (C-381/09, not published, EU:C:2010:406); and judgment of 8 December 2016, *Stock '94* (C-208/15, EU:C:2016:936).

for the supply of goods or services but consideration for the grant of that credit.[56] In the present case, like the Portuguese Government and the Commission, I take the view that the assignment by the taxable person concerned, namely PNC, is clearly intended neither to be a grant of credit in the traditional sense of the term nor to be such a deferred payment of the purchase of goods.

62. As regards the concept of '*negotiation' of credit* within the meaning of Article 135(1)(b) of Directive 2006/112, the Court has held that it covers the activity of an intermediary who, in return for payment, provides a mediation service consisting in doing all that is necessary in order for two parties to enter into a contract for a financial product, without that negotiator himself being party to the contract or having any interest of his own in the content of that contract.[57] I share the Portuguese Government's view that the transaction at issue in the main proceedings, which relates to an assignment made directly by the taxable person concerned for the benefit of the other party to the contract, in no way corresponds to that concept.

63. Lastly, as regards the concept of '*management' of credit* within the meaning of point (b) of Article 135(1) of Directive 2006/112, I would note that Article 135(1)(b) of that directive expressly states that, in order to be exempted, such an activity must have been carried out by the person who granted the credit. The Portuguese Government argues, rightly in my view, that that concept appears to refer to an activity consisting in carrying out tasks such as the analysis, monitoring or maximisation of returns on credit held by a customer of that taxable person,[58] which is not at all the case with the activity in question in the present case.

64. Accordingly, I am of the view that a transaction such as that at issue in the main proceedings is clearly not one of the VAT-exempt financial transactions concerning 'credit' set out in Article 135(1)(b) of Directive 2006/112.

4. Possible application of Article 135(1)(d) of Directive 2006/112

65. In the light of the subject matter of the dispute in the main proceedings, it is necessary to examine whether the transaction which gave rise to that dispute may fall within the cases of exemption from VAT provided for in Article 135(1)(d) of Directive 2006/112, in that it constitutes a transaction relating to 'debts', within the meaning of that provision, without, however, corresponding to 'debt collection', which is expressly excluded from the exemption pursuant to point (d) *in fine* of Article 135(1) of that directive.

56 See judgments of 27 October 1993, *Muys' en De Winter's Bouw- en Aannemingsbedrijf* (C-281/91, EU:C:1993:855, paragraph 12 et seq.), in which the Court held that although the exemptions are to be interpreted strictly, nevertheless, in the absence of any specification of the identity of the lender or the borrower, the expression 'the granting and the negotiation of credit' is sufficiently broad to include credit granted by a supplier of goods in the form of deferral of payment, and of 18 October 2018, *Volkswagen Financial Services (UK)* (C-153/17, EU:C:2018:845, paragraph 36).

57 See, inter alia, judgments of 21 June 2007, *Ludwig* (C-453/05, EU:C:2007:369, paragraphs 23 and 28); of 5 July 2012, *DTZ Zadelhoff* (C-259/11, EU:C:2012:423, paragraph 27); and order of 21 November 2017, *Kerr* (C-615/16, not published, EU:C:2017:906, paragraphs 42 and 43).

58 That government refers, to that effect, to the judgment of 19 July 2012, *Deutsche Bank* (C-44/11, EU:C:2012:484, paragraphs 23 and 24), which relates to the management of securities-based assets (portfolio management).

66. In that regard, I note that, in accordance with the aforementioned rules of interpretation,[59] the Court has repeatedly held that, in order to determine whether a transaction may be *exempt from VAT under point (d)* of Article 135(1) of Directive 2006/112, it is necessary to take account of the particular circumstances in which the transaction took place, and not of the persons concerned, and to ascertain whether the transaction fulfils the specific, essential functions of one of the financial services referred to in point (d) of Article 135(1) of that directive.[60] On the other hand, the Court has not, to my knowledge, given a precise definition of the concept of 'debts' within the meaning of that provision.

67. I would point out that, although the wording which transposed point (d) of Article 135(1) of Directive 2006/112 into Portuguese law does not use a term exactly equivalent to the word 'debt',[61] which is placed after the word 'transfers' in that provision of EU law, this does not in itself preclude the application of point (d) of Article 135(1) of the directive in a context such as that of the dispute in the main proceedings, since the concepts referred to in that provision are to be interpreted autonomously[62] and there is an obligation to interpret the national provision concerned in accordance with EU law.[63]

68. However, even if, contrary to what I propose, the transaction at issue in the main proceedings is classified, in terms of whether it is subject to VAT, as a supply of services relating to the assignment of an intangible right, the subject matter of that assignment is not a right to receive payment of a debt[64] but rights in immovable property.[65] In other words, it is not possible, in my view, to consider that the transaction in question fulfils the specific, essential functions of a financial service in the nature of 'transactions … concerning … debts' for the purposes of point (d) of Article 135(1) of Directive 2006/112.

69. For the sake of completeness, as regards *the exception relating to 'debt collection'* in point (d) *in fine* of Article 135(1) of Directive 2006/112, it is clear from the case-law of the Court that, since it is an exception to a rule derogating from the general application of VAT, that concept must be regarded as having a broad scope. Accordingly, where a taxable person provides a service in return for payment with the objective of obtaining the payment of debts owed to his customer, by relieving that customer of the burden of the procedures and risks associated with payment default on the part of the debtor, that taxable person cannot benefit from the exemption provided for in that provision.[66]

59 See point 53 et seq. of this Opinion.

60 See, inter alia, judgments of 22 October 2009, *Swiss Re Germany Holding* (C-242/08, EU:C:2009:647, paragraph 45 et seq.); of 22 October 2015, *Hedqvist* (C-264/14, EU:C:2015:718, paragraph 38 et seq.); of 26 May 2016, *National Exhibition Centre* (C-130/15, not published, EU:C:2016:357, paragraph 34 et seq.); and of 25 July 2018, *DPAS* (C-5/17, EU:C:2018:592, paragraph 36).

61 It should be pointed out that Article 9(27)(c) of the VAT Code is worded as follows: 'as operações … relativas a … transferências, *recebimentos* …'; and that the Portuguese version of Article 135(1)(d) of Directive 2006/112 is worded as follows: 'as operações … relativas a … transferências, *créditos* …' (emphasis added, with possible translations of the emphasised words being 'payments received', for the first, and 'credit', for the second).

62 In accordance with the case-law referred to in point 53 of this Opinion.

63 At the hearing, the Portuguese Government took the view that the national legislature may have considered that it was not necessary to use the term 'debts', since that would be tantamount to repeating the word 'payments', which is used in point (d) of Article 135(1) of Directive 2006/112. The Commission stated that the wording used in Portuguese law did not pose any problems, provided that the practice followed by the administrative authorities was consistent with EU law.

64 I would point out that, when the agreement with Starplant was concluded, not only had the debt owed to PNC already been recognised by the courts, as regards its principle and as regards its amount, but the actual recovery of that debt was also secured and the debt was practically repaid, following the award to PNC of the previously attached immovable property belonging to its debtor (see also point 34 of this Opinion).

65 Rights coupled with an obligation to pay to the enforcement agency the difference between the amount of the debt held by PNC as against its debtor and the price at which the immovable property belonging to the debtor was awarded to PNC (see point 16 of this Opinion).

66 See, inter alia, judgments of 26 June 2003, *MKG-Kraftfahrzeuge-Factoring* (C-305/01, EU:C:2003:377, paragraphs 49, 58 and 72 to 80), and of 28 October 2010, *Axa UK* (C-175/09, EU:C:2010:646, paragraphs 29 to 36).

70. In the present case, even if the transaction at issue could be classified as a supply of services, in any event, the assignment by the taxable person concerned, namely PNC, can in no way be regarded as a remunerated service seeking to recover a debt owed to the other party to the contract, Starplant,[67] with the result that that assignment would be covered by the exception set out in the final part of point (d) of Article 135(1) of Directive 2006/112.

71. I am therefore of the view that points (b) and (d) of Article 135(1) of Directive 2006/112 must be interpreted as meaning that neither of those points applies to a transaction such as that at issue in the main proceedings.

V. Conclusion

72. In the light of the foregoing considerations, I propose that the Court should answer as follows the question referred for a preliminary ruling from the Supremo Tribunal Administrativo (Supreme Administrative Court, Portugal):

Article 135(1)(b) and (d) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax must be interpreted as meaning that the exemptions from value added tax provided for in points (b) and (d) of Article 135(1) of that directive, for transactions concerning, respectively, the granting, negotiation or management of credit, and debts, do not apply to a transaction such as that at issue in the main proceedings, which consists in the assignment by a taxable person to a third party, in return for remuneration paid by latter, of the position held by the former in enforcement proceedings for recovery of a debt which has been recognised by a judgment and the payment of which has been secured by a right in attached immovable property awarded to it.

67 In its written observations, the Commission noted that, as the purchaser or assignee, Starplant could, by contrast, be taxed if it transpires that the assignment at issue constitutes 'debt collection'. In its oral arguments, the Portuguese Government doubted that the service provided by Starplant could be so classified, in the light of the payment guarantee which PNC already held at the time of that assignment. Be that as it may, I would point out that this is not the situation which prevails in the main proceedings, in which the dispute is between only PNC and the Portuguese tax authorities.