



## ECJ: Are loyalty points and virtual in game currencies vouchers?

### 1 Background

On 1 January 2019, special rules under EU law governing the VAT treatment of vouchers entered into force. Since then, the question has repeatedly arisen as to which instruments fall within the concept of a voucher and which do not. The relevant case law has developed gradually, based on individual factual constellations. As early as 2022, the ECJ held that city cards “may” constitute vouchers (KMLZ VAT Newsletter 19 | 2022). The German Federal Fiscal Court adopted a more unequivocal position with regard to gift cards for the purchase of digital content (KMLZ VAT Newsletter 41 | 2025). Most recently, the ECJ ruled on two further constellations: turnover-based loyalty points and the virtual in-game currency of an online video game.

### 2 ECJ on loyalty points (judgment of 5 March 2026 – C-436/24 – Lyko Operations)

The judgment in *Lyko Operations* concerned a customer loyalty programme under which customers received loyalty points, depending on the volume of their purchases. These points could be redeemed, upon a subsequent purchase, in a “points shop” for additional goods of low value, as a bonus. The points were neither transferable nor exchangeable for money and could not be used (even partially) as a means of payment for a further purchase.

The ECJ clarified that such loyalty points do not constitute vouchers within the meaning of Article 30a of the VAT Directive (sec. 3 para. 12 German VAT Act), insofar as there is no obligation for the supplier to accept them as (part) consideration for a supply. In the case at hand, the Court found that no such obligation existed. The points merely entitled the customer to receive an additional good and did not serve to (partly) pay for a subsequent purchase.



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### 3 ECJ on in-game currency (judgment of 5 March 2026 – Case C-472/24 – MB “Žaidimų valiuta”)

The judgment in MB “Žaidimų valiuta” concerned the purchase and resale of a virtual in-game currency (see KMLZ VAT Newsletter 16 | 2026 for more details). The virtual currency could be acquired in exchange for traditional currencies but then could be used exclusively within the game to obtain virtual items and in-game advantages. Any use outside the game was excluded.

The ECJ rejected a classification as a (multi-purpose) voucher. The virtual currency served exclusively in-game functions and already constituted the consumable benefit itself. There was no obligation to accept it as consideration for a supply of goods or services.

### 4 Consequences for the practice

As the judgments underline, an instrument can qualify as a voucher only where it must actually be accepted as consideration for a distinct supply. At the same time, they clarify which factors are relevant when assessing whether this requirement is met. This requirement is not met, in particular, in the case of instruments which already constitute the consumable benefit (such as transport tickets, admission tickets or postage stamps; cf. sec. 3.17 para. 1 sent. 6 German Administrative VAT Guidelines) or which merely entitle the holder to a discount (cf. sec. 3 para. 13 sent. 2 German VAT Act). Conversely, a classification as a voucher is not precluded merely because the nominal value of the instrument is insufficient to settle the consideration in full and an additional payment is required upon redemption.

In practice, the distinction between vouchers and discounts may be difficult to draw and must be made on a case-by-case basis. Accordingly, the ECJ does not exclude loyalty points from being classified as vouchers as a matter of principle, but rather bases its assessment on the specific design of the scheme at issue. Many loyalty programmes, however, operate differently. For example, they may allow loyalty points to be credited against a new purchase or to be redeemed for rewards without any further purchase being required. In such cases, a voucher may indeed be present.

In her Opinion, the Advocate General likewise stated that stamp cards entitling customers to a free supply after a certain number of purchases constitute vouchers. She also emphasised that customers acquire loyalty points for consideration as part of their purchase. Where a multi-purpose voucher exists, the consideration must therefore be apportioned, and the portion attributable to the voucher would not be subject to VAT. If the points are not redeemed, that portion would likewise not become taxable at a later stage. This makes a design as a multi-purpose voucher particularly appealing.

Providers of loyalty points and other instruments combining voucher and discount characteristics should therefore review the VAT treatment of issuance and redemption in light of the opportunities and risks arising from the ECJ's judgments. The distinction between vouchers and discounts is fluid. For example, the German tax authorities currently classify an instrument entitling the holder to purchase two burgers for the price of one as a voucher (sec. 3.17 para. 11 example German Administrative VAT Guidelines). In light of the ECJ's reasoning, however, this could also be regarded as a discount.

Legal certainty also remains limited in the digital sphere. Although the ECJ denied voucher classification for the virtual in-game currency at issue, other digital instruments exist whose qualification remains open or can be shaped differently in practice, such as game keys or digital tokens with variable functionality. Given that classification as a (multi-purpose) voucher is often advantageous from a VAT perspective, further future disputes appear likely.