Value added tax (VAT): duration of the obligation to respect a minimum standard rate

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The Committee on Economic and Monetary Affairs adopted the report drafted by David CASA (EPP, MT) on the proposal for a Council directive amending Directive 2006/112/EC on the common system of value added tax, with regard to the duration of the obligation to respect a minimum standard rate.

It made some amendments to the proposal under the consultation procedure.

The committee suggests introducing a review clause specifying that by 31 December 2013, the Commission shall submit legislative proposals to replace the current transitional minimum VAT rate level with a definitive system.

For this purpose, the Commission shall hold extensive consultations with all stake-holders, public and private, on the new VAT strategy. Those consultations shall at least address the following aspects: (i) VAT rates; (ii) including reduced VAT rates, as well as the desirability of setting a maximum VAT rate, (iii) the scope of VAT; (iv) the derogations from the system; (v) the alternative options for the structure and functioning of VAT, including the place of taxation for intra-Union supplies.

The Commission shall report to the European Parliament and the Council on the outcome of that consultation.