Common system of value added tax (VAT): quick reaction mechanism against VAT fraud

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The Council held a **policy debate** on a proposal for a Directive aimed at enabling immediate measures to be taken in cases of sudden and massive VAT fraud ("quick reaction mechanism").

The Commission's proposal is aimed at speeding up the procedure for authorising Member States to derogate from the provisions of the VAT directive (2006/112/EC), by providing for implementing powers to be conferred on the Commission under a "quick reaction mechanism". Based on Article 113 of the TFEU, the Directive requires unanimity for adoption by the Council, after consulting the European Parliament.

The debate focused on **whether implementing powers under the Directive should be conferred on the Commission or on the Council**.

The Council asked the Permanent Representatives Committee to oversee further work on the proposal, exploring both alternatives, with a view to enabling it to reach an agreement as soon as possible.