VAT and excise duty Directives: inclusion of the Italian municipality of Campione d’Italia and the Italian waters of Lake Lugano in the customs territory of the Union and in the territorial application

2018/0124(CNS) - 10/09/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, under the consultation procedure, the report by Roberto GUALTIERI (S&D, IT) on the proposal for a Council directive amending Directives 2006/112 /EC and 2008/118/EC as regards the inclusion of the Italian municipality of Campione d’Italia and the Italian waters of Lake Lugano in the customs territory of the Union and in the territorial application of Directive 2008/118/EC.

The committee recommended that the European Parliament **approve the Commission proposal** without amendments.

As a reminder, the Italian government requested that the Italian municipality of Campione d’Italia and the Italian waters of Lake Lugano should be included in the EU customs territory and in the territory of the Union to which Directive 2008/118/EC concerning the general arrangements for excise duty (the ‘excise Directive’) applies.

However, Italy wishes to continue the exclusion of the two territories from the territorial application of Directive 2006/112/EC (VAT Directive) on the common system of value added tax, as Italy considers it to be essential to maintain an even playing field between economic actors in Campione d’Italia and Switzerland.

This proposal only requires a formal amendment of the VAT Directive, moving the two territories from Article 6(2) (territories not forming part of the EU customs territory excluded from the territorial application of the VAT Directive) to Article 6(1) (territories forming part of the EU customs territory excluded from the territorial application of the VAT Directive).