Common system of value added tax: special scheme for small enterprises

2018/0006(CNS) - 13/12/2019 - Committee final report tabled for plenary, reconsultation

The Committee on Economic and Monetary Affairs adopted, under the consultation procedure, the report by Inese VAIDERE (EPP, LV) on the draft Council directive amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises.

The committee recommended that the European Parliament approve the Council draft on the further simplification of value added tax (VAT) rules for small enterprises.

As a reminder, the Council decided to consult the European Parliament again on its general approach, since the text indeed differs substantially from the Commission’s original proposal of 18 January 2018.

The Council’s general approach :

- maintains the Commission proposal to extend the VAT SME exemption to non-established SMEs, in line and in the spirit of the Single Market;

- extends, as foreseen in the Commission proposal, the transitional period for SMEs switching from an exemption to the regular VAT regime.

The provision for a "single window for SMEs" (One Stop Shop) which was developed in the Council’s general approach, and the further detailed provisions on the administrative cooperation for exchange of information between Member States, are in line with the European Parliament's requests in its previous report on this proposal.