Common system of value added tax (VAT): extension of the application period of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud

2022/0027(CNS) - 03/05/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 605 votes to 2, with 27 abstentions, following a special legislative procedure (consultation), a legislative resolution on the proposal for a Council directive amending Directive 2006/112/EC as regards the extension of the application period of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud.

Parliament **approved the Commission's proposal** without amendments.

The proposal for a Directive amending Council Directive 2006/112/EC on the common system of value added tax (the ‘VAT Directive’) consists of extending until 31 December 2025:

1) the possibility for Member States to apply the **reverse charge mechanism** to combat existing fraud affecting supplies of goods and services referred to in Article 199a(1) of the VAT Directive and

2) the possibility to use the **Quick Reaction Mechanism** (QRM), as provided for in Article 199b of the VAT Directive, to combat fraud via the application of the reverse charge mechanism in specific cases.