

Electronic value added tax exemption certificate

2024/0152(CNS) - 22/10/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, following a special legislative procedure (consultation), the report by Aurore LALUCQ (S&D, FR) on the proposal for a Council directive amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate.

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

The proposal addresses the amendment of the Council Directive 2006/112/EC (the VAT Directive) in order to introduce an **electronic exemption certificate** confirming that a transaction qualifies for a specific exemption under the first subparagraph of Article 151(1) of that Directive.

The proposal will remove the administrative burden and costs associated with processing the paper version of the VAT exemption certificate. The implementation costs will be covered by the FISCALIS programme within its foreseen financial envelope in the current Multiannual Financial Framework. The costs for Member States, mainly related to providing access to the central application, are estimated to be low.

The new electronic certificate will not affect the scope of VAT exemptions applied. There will therefore be no impact on the EU budget as the own resources based on gross national income (GNI) will not be affected.

The proposal strengthens anti-abuse measures by stipulating that if the exemption conditions outlined in paragraph 1 are not met or cease to apply, the eligible body or individual who issued and signed the certificate will be responsible for paying the VAT to the relevant Member State. In such exceptional cases, Member States are encouraged to allow the payment of VAT without requiring full VAT registration.