Common system of VAT Committee

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The ESC accepts the proposition that subsisting differences between the Member States in administrative procedures and regulations impair the neutrality of the tax and constitute a major obstacle to the completion of the Single Market. Under the implementation procedure, the VAT Committee and the Council of Ministers would each act by QMV in accepting or rejecting the Commission's proposals. This would constitute a significant departure from established practice, since hitherto any decision involving taxation has required unanimity; in view of the fact that all matters relating to VAT rates have been specifically excluded from its remit and that they will remain, together with other fiscal matters, subject to unanimity, as will the approval of the current proposal itself, the ESC accepts the rationale for this change. The ESC considers it essential that Commission proposals which are to be put to the VAT Committee should be published in advance. At present, changes to Community VAT legislation require a directive or regulation and their publication in draft form gives all interested parties an opportunity to comment. This public safeguard should also apply to proposals put to the VAT Committee. The opinions which the VAT Committee delivers, whether acting in its regulatory or advisory capacity, should also be published in the Official Journal. The ESC does not agree that the Commission, assisted by the VAT Committee, should be given powers to make adjustments to the scope of exemptions granted under Article 15 (10) or to decide which organizations should be eligible for such exemptions but it sees no reason why matters relating to the details, form and contents of the exemption certificate should not be brought within the competence of the reformed VAT Committee.