Common system of VAT Committee

1997/0186(CNS) - 25/02/1998

The VAT Committee was set up in 1977 for the purpose of facilitating the uniform application of the 6th VAT Directive and enabling closer co-operation between the Member States and the Commission. These objectives were not realised, partly, according to the Commission, because the Committee was given very limited means, and, partly because Member States are not obliged to implement guidelines adopted by the VAT Committee because they have no legal status and are not published. As part of its programme to move towards a common system of VAT, the Commission has put forward a proposal to give the VAT Committee a broader remit and to transform it into a Regulatory Committee. This would enable the Commission, supported by the regulatory Committee, in the future to enact common rules implementing the sixth VAT Directive, especially in areas where the absence of common rules can lead to double taxation or non-taxation of transactions. Reporting for the Committee,Dr Werner LANGEN (EPP, D) welcomes the Commission proposals a significant step towards the creation of a legally binding VAT framework. The Committee adopted two amendments to the proposal, calling on the Commission to submit to Parliament an annual report on the work of the VAT Committee.