Common system of VAT Committee

1997/0186(CNS) - 25/06/1997 - Legislative proposal

OBJECTIVE: the aim of the proposal is to amend the sixth VAT Directive (77/388/EEC) so as to introduce measures to ensure the Community-wide uniform application of the common system of value added tax. SUBSTANCE: the Commission proposes transforming the VAT Committee from an advisory committee into a regulatory committee, which, on the basis of drafts submitted by the Commission, would deliver its opinions by a qualified majority. Under the proposal, the Commission, assisted by the committee, would be able to establish common interpretations of the provisions of the Sixth Directive, particularly where the lack of a uniform application could result in double taxation or non-taxation. Where the Sixth Directive does not regulate a field, or where the Member States have the power to apply the common VAT system differently, the Commission, assisted by the VAT Committee, would not have the power to adopt implementing measures. Questions concerning VAT rates, particularly transitional rates, are explicitly excluded from the scope of the proposed procedure. Apart from the powers proposed in the context of the regulatory committee procedure, the VAT Committee would continue to carry out its advisory committee functions, i.e. to study points on which it must be consulted, pursuant to the Directive, and to take decisions on the questions raised by its chairman or any of its members.