Value added tax VAT: verification, refund system, administrative cooperation measures

1998/0210(CNS) - 17/06/1998 - Legislative proposal

PURPOSE: in coordination with the proposal to amend the Sixth Directive regarding the rules governing the right to deduct Value Added Tax, to propose a regulation on verification measures, measures relating to the refund system and administrative cooperation measures necessary for the application of that Directive. CONTENT: The substance of this proposal is as follows: - provide for the introduction of a debt compensation and refund system which operates bilaterally between the Member States. - as a derogation from the principles of the present VAT system for those cases currently covered by the Eighth Directive, assign to the Member State of purchase responsibility for verifying that the VAT has been paid. - provide for additional short-term verification measures, resulting in a several-stage verification process where, for each stage, the financial responsibilities of the Member States concerned are established.