Value added tax VAT: services supplied by electronic mean (amend. Directive 77/388/EEC)

2000/0148(CNS) - 07/05/2002 - Final act

PURPOSE : to amend the rules on electronically supplied services in the field of indirect taxation. COMMUNITY MEASURE : Council Directive 2002/38/EEC amending and amending temporarily Directive 77/388/EEC as regards the value added tax arrangements applicable to radio and television broadcasting services and certain electronically supplied services. CONTENT : This Directive and Regulation 792/2002/EC (please refer to COD000147) modify the rules for applying value added tax to certain servces supplied by electronic means as well as subscription-based and pay-per-view radio and television broadcasting. An indicative list is included in an an annex to the Directive. It mainly covers the supply and hosting of Intenret sites, the sale anbd updating of software, the supply of music and films and the provision of distance-learning services. The rules create a level playing field for the taxation of e-commerce. they ensure that, when services are supplied for consumption within the European Union, they are subject to EU VAT. When they are subject for consumption outside the European Union, they are exempt from VAT. The rate of VAT applied will be that of the Member State where the consumer is established. The Member State of identification will be required to redistribute VAT receipts among consumer countries. The rules also contain some simplifcation measures aimed at reducing the compliance burden for business. DATE OF APPLICATION : 01/07/03. ENTRY INTO FORCE : 15/05/02.