

Value added tax (VAT): administrative cooperation, exchange of information by electronic means

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The Council took note of a progress report on proposals aimed at simplifying cross-border business obligations relating to value-added tax and of the intention of the United Kingdom and future Austrian presidencies to continue work on the dossier as a priority.

The proposals are intended to ease VAT compliance for businesses, particularly those that have no base in member states where they carry out their activities.

They consist of:

- a draft directive aimed at amending directive 77/388/EEC with a view to simplifying VAT obligations;
- a draft directive laying down detailed rules for the refund of VAT to businesses in member states where it has no base, as provided for in directive 77/388/EEC;
- a draft regulation aimed at amending regulation 1798/2003 as regards administrative co-operation under the “one-stop” scheme and the refund procedure for VAT.

The Council also held an exchange of views, on the basis of a compromise proposed by the presidency, on modifications to EU rules on reduced rates of value-added tax applied by the member states.

It requested the permanent representatives committee to continue work on this basis with a view to allowing the Council to reach an agreement at its meeting on 6 December.