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

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The Council held an exchange of views, on the basis of a package of measures proposed by the presidency, on three dossiers dealing with value-added tax arrangements for businesses:

- a proposal for a directive on the place of supply of services as concerns VAT payments;
- proposals for two directives and a regulation on simplification of cross-border VAT obligations and refund procedures for businesses;
- prolongation of a directive on VAT arrangements for e-commerce.

It requested the permanent representatives committee to continue work on the package, taking account of the views expressed by delegations, so as to enable the Council to reach political agreement at its meeting on 7 June 2006.

The proposal on the place of supply is aimed at changing the place of taxation for VAT for services from the place where the supplier is located to the place where the customer is located. The proposals on simplification are aimed at providing for a "one-stop" scheme to simplify registration and declaration of VAT by businesses in member states where they have no base, as well as rules for refunds of VAT to such businesses and improved administrative cooperation as regards to VAT to prevent fraud.

As regards e-commerce, the Commission confirmed its intention to make a proposal to enable the renewal, by 1 July, of provisions of directive 2002/38/EC regarding the provision of broadcasting services and certain electronically supplied services from third countries.