Value added tax (VAT): place of supply of services

2003/0329(CNS) - 16/05/2006 - Text adopted by Parliament after reconsultation

The European Parliament adopted a resolution drafted by Otmar **KARAS** (EPP-ED, AT) and approved the Commission's proposal with a few amendments. (Please see the summary of 25/04/2006.) Parliament stated that, in order to ensure the proper application of VAT on services that are subject to the reverse charge mechanism, the data collected by the Member State where the supplier is established should be communicated to the Member State where the recipient is established. Council Regulation 1798/2003/EC on administrative cooperation in the field of value added taxshould provide for such communication and should be amended accordingly. The adoption of this Directive is closely linked to the necessary amendments of Regulation 1798/2003/EC, as well as to the effective modification of the VAT information exchange system (VIES) in order to include services in the exchange of information.