Basic information

2004/0261(CNS) CNS - Consultation procedure Directive	Procedure lapsed or withdrawn
Value added tax VAT: one-stop scheme to simplify tax obligations **Subject** 2.70.02 Indirect taxation, VAT, excise duties	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	BECSEY Zsolt László (PPE-DE)	30/11/2004

Committee for opinion	Rapporteur for opinion	Appointed
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2734	2006-06-07
Economic and Financial Affairs ECOFIN	2726	2006-05-05
Economic and Financial Affairs ECOFIN	2617	2004-11-16
Economic and Financial Affairs ECOFIN	2804	2007-06-05
Economic and Financial Affairs ECOFIN	2766	2006-11-28
Economic and Financial Affairs ECOFIN	2688	2005-11-08

European Commission

Commission DG	Commissioner
Taxation and Customs Union	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
29/10/2004	Legislative proposal published	COM(2004)0728	Summary
16/11/2004	Debate in Council		

27/04/2005	Committee referral announced in Parliament		
21/06/2005	Vote in committee		
06/07/2005	Committee report tabled for plenary, 1st reading/single reading	A6-0228/2005	
06/09/2005	Debate in Parliament		
07/09/2005	Decision by Parliament	T6-0332/2005	Summary
07/09/2005	Results of vote in Parliament		
08/11/2005	Debate in Council		Summary
05/05/2006	Debate in Council		Summary
07/06/2006	Debate in Council		
28/11/2006	Debate in Council		
05/06/2007	Debate in Council		Summary
21/05/2014	Proposal withdrawn by Commission		Summary

Technical information

Procedure reference	2004/0261(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Stage reached in procedure	Procedure lapsed or withdrawn

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE359.965	03/06/2005	
Committee report tabled for plenary, 1st reading/single reading		A6-0228/2005	06/07/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0332/2005 OJ C 193 17.08.2006, p. 0127-0249 E	07/09/2005	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2004)0728	29/10/2004	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0531/2005 OJ C 267 27.10.2005, p. 0045-0049	12/05/2005	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Value added tax VAT: one-stop scheme to simplify tax obligations

2004/0261(CNS) - 07/09/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report tabled by BECSEY (EPP/ED, HU) which supports two Commission proposals aimed at reviewing strategy regarding VAT. The first proposal concerns a proposal for a Council Directive amending Directive 77/388/EEC with view to simplifying value added tax obligations and confirms the vital principle of destination that neutralises differences concerning domestic VAT rates in cross-border business transactions. It contains five measures for a less burdensome common VAT system, aiming for a better VAT compliance within the EU.

The second relates to a Regulation amending Regulation (EC) No 1798/2003 as regards the introduction of the administrative cooperation arrangements in the context of the one-stop shop scheme and refund procedure for value added tax. It makes it possible for taxable persons to have a single point of contact for VAT compliance in their Member State of identification, by building a system of exchange of information between tax administrations.

The Parliament suggests several improvements, in particular, in terms of the simplification of administrative tax rules:

- improvement of cooperation between the Member States' tax authorities;

- setting of a meaningful deadline for registration for VAT so as to facilitate transparency and reduce the administrative burden on the businesses concerned;

- obligation to keep VAT documents and reports in the country in which the trader is established;

- possibility to submit the declaration by electronic means within the 40 days (instead of 20) that follow the expiry of the period that it covers;

- clarification of the VAT reimbursement system;

- clarification of the location of the bank account in the event of excessive payment of VAT (the tax payer is not obliged to have an account in the Member State of destination);

- the introduction of a minimum threshold of EUR 50,000 for VAT exemption, but only for the first three years of the operations of an SME.

Value added tax VAT: one-stop scheme to simplify tax obligations

2004/0261(CNS) - 08/11/2005

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.

Value added tax VAT: one-stop scheme to simplify tax obligations

2004/0261(CNS) - 05/06/2007

The Council examined a package of measures aimed at simplifying value-added tax (VAT) arrangements for businesses. It adopted the following conclusions:

As a result of the substantial progress, the Council reached political agreement on the VAT package elements related to:

- the place of supply of services (one exception) (CNS/2003/0329);
- the mini one-stop shop;
- the draft directive on refund (CNS/2005/0807);
- the administrative cooperation elements (CNS/2004/0262).

The Council recognises that, before the formal adoption of the full package, further discussion will be necessary on the change of the place of supply of services for B2C supplies for telecom, broadcasting, electronic and maritime services (Articles 56, 58 and 59a of the draft Directive on the place of supply of services), and invites the Portuguese Presidency to prepare final agreement on this issue.

The Council also invites the Portuguese Presidency, before the formal adoption of the full package, to find solutions that would improve control and cooperation measures engaging both the Member State of the supplier and the Member State of consumption (including, if appropriate, reporting obligation in the Member State of establishment as regards the amount of supplies of services to other Member States, electronic matching of these amounts with those declared in all relevant Member States of consumption), without undue increases in the compliance burden for economic operator or the administrative burden for the tax authorities.

The Council confirms its intention to formally adopt the VAT package before 31 December 2007 with the intention that the package would enter into force at the latest on 1 January 2010.

Value added tax VAT: one-stop scheme to simplify tax obligations

2004/0261(CNS) - 05/05/2006

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.

Value added tax VAT: one-stop scheme to simplify tax obligations

2004/0261(CNS) - 29/10/2004 - Legislative proposal

PURPOSE : to simplify current Value Added Tax (VAT) compliance obligations to help cross-border traders who supply goods and services to other EU Member States.

PROPOSED ACT : Council Directive.

CONTENT : studies including the Commission's European Tax Survey have demonstrated that VAT obligations are at present extremely burdensome and costly for cross-border activity. Furthermore, the European Council has identified the reduction of the administrative burden on business as an important element for fostering economic growth. This proposal is a valuable contribution towards that objective.

The proposal contains six elements designed to facilitate VAT compliance requirements for traders that are not established in Member States into which they supply goods or services.

- It would give a trader the option of using the VAT number by which he is identified in his own Member State for all supplies made to other Member States and of making VAT declarations to one single electronic portal. This information would then be submitted automatically to the different Member States where he supplies goods or services. The trader would pay the VAT directly to the Member State where the VAT is due. Non-EU traders would also have the option of using this scheme.

- A similar "one-stop-shop" approach would be introduced for requesting refunds of VAT from other Member States. The electronic portal would ensure that the refund request was directed to the Member State where the expenses were incurred, which would refund directly to the applicant. The deadline for repayment of VAT would also be reduced from 6 months to 3 months and a Member State would, if it exceeded the deadline, be required to pay interest of 1% a month, calculated on the amount refunded.

- The categories of expenses for which Member States may choose to apply restrictions to the right to deduct VAT would be harmonised.

- The use of the reverse charge mechanism whereby a receiving trader rather than the supply trader would be responsible for paying the VAT would be extended.

- The threshold under which traders, in particular SMEs, would be exempt from VAT could be set by Member States at a maximum of EUR 100.000.

- The arrangements concerning distance selling of goods subject to VAT would be simplified by introducing a global threshold, set at EUR 150.000, calculated on all supplies to other Member States.

This is done through three different legislative proposals: a modification of the Sixth VAT Directive, the replacement of the Eighth VAT Directive and a modification to Council Regulation 1798/2003/EC on VAT administrative cooperation (refer to CNS/2004/0262).

Lastly, this initiative has already been extensively discussed with Member States and has been the subject of a wide consultation process on the Internet.