

Basic information	
2008/0059(CNS)	Procedure completed
CNS - Consultation procedure Regulation	
Value added tax (VAT): administrative cooperation to combat tax evasion connected with intra-Community transactions	
Amending Regulation (EC) No 1798/2003 2001/0133(CNS)	
Subject	
2.70.02 Indirect taxation, VAT, excise duties 2.80 Cooperation between administrations 7.30.30.06 Action to combat economic fraud and corruption	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs	GARCÍA-MARGALLO Y MARFIL José Manuel (PPE-DE)	22/04/2008
	Committee for opinion	Rapporteur for opinion	Appointed
	CONT Budgetary Control	The committee decided not to give an opinion.	
	IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
Council of the European Union	JURI Legal Affairs	GERINGER DE OEDENBERG Lidia Joanna (PSE)	25/06/2008
	Council configuration	Meetings	Date
	Economic and Financial Affairs ECOFIN	2894	2008-10-07
	Economic and Financial Affairs ECOFIN	2901	2008-11-04
European Commission	Employment, Social Policy, Health and Consumer Affairs	2916	2008-12-16
	Commission DG	Commissioner	
	Taxation and Customs Union	KOVÁCS László	

Key events			
Date	Event	Reference	Summary
17/03/2008	Legislative proposal published	COM(2008)0147 	Summary
10/04/2008	Committee referral announced in Parliament		
07/10/2008	Resolution/conclusions adopted by Council		
04/11/2008	Debate in Council		Summary
05/11/2008	Vote in committee		Summary
14/11/2008	Committee report tabled for plenary, 1st reading/single reading	A6-0449/2008	
03/12/2008	Debate in Parliament		
04/12/2008	Decision by Parliament	T6-0578/2008	Summary
04/12/2008	Results of vote in Parliament		
16/12/2008	Act adopted by Council after consultation of Parliament		
16/12/2008	End of procedure in Parliament		
20/01/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2008/0059(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1798/2003 2001/0133(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 093
Stage reached in procedure	Procedure completed
Committee dossier	ECON/6/61260

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE411.933	22/08/2008	
Committee opinion		PE412.323	05/11/2008	
Committee report tabled for plenary, 1st reading/single reading		A6-0449/2008	14/11/2008	
Text adopted by Parliament, 1st reading/single reading		T6-0578/2008	04/12/2008	Summary

European Commission				
---------------------	--	--	--	--

Document type	Reference	Date	Summary
Legislative proposal	COM(2008)0147 	17/03/2008	Summary
Commission response to text adopted in plenary	SP(2009)402	29/01/2009	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1682/2008	22/10/2008	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

Regulation 2009/0037
OJ L 014 20.01.2009, p. 0001

[Summary](#)

Value added tax (VAT): administrative cooperation to combat tax evasion connected with intra-Community transactions

2008/0059(CNS) - 16/12/2008 - Final act

PURPOSE: to amend Regulation (EC) No 1798/2003 to combat tax evasion connected with intra-Community transactions.

LEGISLATIVE ACT: Council Regulation (EC) No 37/2009 amending Regulation (EC) No 1798/2003 on administrative cooperation in the field of value added tax, in order to combat tax evasion connected with intra-Community transactions

CONTENT: the Council adopted this Regulation stepping up the fight against evasion of value added tax (VAT). It adopted two new legislative acts which are intended to ensure that information on cross-border transactions is collected and exchanged between Member States more quickly, to enable more rapid detection of cases of fraud, and in particular of "VAT carousels". (Please refer to [CNS/2008/0058](#).)

The fight against VAT fraud represents a major challenge both for the EU and for national budgets. Every year, this type of fraud costs Member States billions of euros. It often takes the form of fraud circuits known as "VAT carousels", which target cross-border transactions. In November 2006, the Council agreed to establish a strategy to supplement at EU level the efforts being made nationally to combat fraud.

The adoption of this Regulation and Directive 2008/117/EC provide for a reduction in the statutory time limits imposed on operators for the declaration of transactions for VAT purposes, together with a reduction in the time limits for transmission of such information between Member States. However, in order to prevent the administrative burden on undertakings becoming excessive, these acts focus particularly on supplies of goods, which are the principal conduit for "carousel" fraud. Consequently:

- as a general rule, as from 1 January 2010 transactions will be declared for VAT purposes on a **monthly basis**;
- Member States will nevertheless be able to authorise operators with less than EUR 50 000 (excluding VAT) per quarter for cross-border supplies of goods (EUR 100 000 up to 31 December 2011) and all service providers to continue to submit recapitulative statements on a **quarterly basis**;
- before 30 June 2011 the Commission will evaluate the impact of the new provisions on Member States' capacity to fight fraud.

Value added tax (VAT): administrative cooperation to combat tax evasion connected with intra-Community transactions

2008/0059(CNS) - 04/12/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 597 votes to 19 with 8 abstentions, a legislative resolution amending the proposal for a Council regulation amending Regulation (EC) No 1798/2003 to combat tax evasion connected with intra-Community transactions.

The report had been tabled for consideration in plenary by José Manuel **GARCIA-MARGALLO y MARFIL** (EPP-ED, SP) on behalf of the Committee on Economic and Monetary Affairs.

The main amendments – adopted in the framework of the consultation procedure – are as follows:

- several amendments clarify the procedure applicable to the implementing measures, the regulatory procedure;
- Parliament specified that Member States and the Commission shall periodically evaluate the application of this Regulation. The Commission shall pool information relating to the Member States' actions against fraud, shall publicise the most successful, and shall propose measures that it considers most appropriate for remedying fraudulent behaviour;
- the Commission shall draw up a set of indicators for defining the areas in which the risk of non-compliance with tax law is greater than others. National tax authorities' measures shall be inspired by the need to remedy fraud and facilitate law-abiding behaviour by honest taxpayers;
- a list of statistical data needed for evaluation of the application of the Regulation shall be determined in accordance with the regulatory procedure. On the basis of the data thus compiled, the Commission shall draw up a set of indicators with a view to ascertaining to what extent each Member State will cooperate with the Commission and the other Member States in providing them with the available information and offering them the necessary assistance for remedying fraud. Those reports shall be made available to the public;
- the European Parliament shall be fully informed of the measures envisaged, in accordance with point 5 of the Agreement between the European Parliament and the Commission on procedures for implementing Council Decision 1999/468/EC.

Value added tax (VAT): administrative cooperation to combat tax evasion connected with intra-Community transactions

2008/0059(CNS) - 04/11/2008

The Council reached agreement in principle on a **general approach** on proposals for a Directive and Regulation to strengthen the fight against VAT (value added tax) fraud.

The Directive and Regulation will be adopted at a forthcoming Council meeting, once the European Parliament has delivered its opinion.

Value added tax (VAT): administrative cooperation to combat tax evasion connected with intra-Community transactions

2008/0059(CNS) - 17/03/2008 - Legislative proposal

PURPOSE : to amend Regulation (EC) No 1798/2003 to combat tax evasion connected with intra-Community transactions.

PROPOSED ACT : Council Regulation

CONTENT : this proposal and the proposal to amend Directive 2006/112/EC on the common system of value added tax to combat tax evasion connected with intra-Community transactions (see CNS/2008/0058) are intended to rectify the shortcomings of the intra-Community VAT arrangements. The system for the exchange of information on intra-Community supplies of goods established under the transitional VAT arrangements adopted when the single market was introduced is no longer sufficient to combat effectively tax evasion connected with intra-Community transactions. The Council has asked the Commission to submit a proposal aimed at reducing to one month both the reference period for the collection of information on intra-Community transactions and the maximum period for the transmission of that information between Member States.

The proposed measure is aimed solely at speeding up the collection and exchange of information on intra-Community transactions. The provisions in force are set out in Chapters 5 and 6 of Title XI of Council Directive 2006/112/EC and in Chapter V of Regulation (EC) No 1798/2003. Under the current provisions, data are collected from businesses with the following frequency: the recapitulative statements containing information on intra-Community supplies of goods are submitted by traders quarterly, in some cases monthly. From 1 January 2010 the recapitulative statements will also include information on supplies of services in the Member State of the customer for which the customer is liable for payment of VAT. Information on intra-Community acquisitions of goods in the Member State of arrival is collected by means of VAT returns, which are submitted on a monthly, two-monthly, quarterly, six-monthly or annual basis. At present, the interval between the time at which a transaction takes place and the time at which the

information is made available to the Member State of the purchaser ranges from three to six months. The proposal would reduce this interval to one or two months.

Directive 2006/112/EC already gives Member States the option of collecting recapitulative statements on a monthly basis. Since, however, this option does not directly benefit the Member State collecting the information, only four Member States collect monthly statements from a significant number of taxable persons.

The proposal also contains a significant simplification for businesses by obliging the Member States to allow recapitulative statements and VAT returns to be submitted by electronic file transfer.

Accordingly, the proposal aims to do the following:

- reducing to one month the period for declaring intra-Community transactions in the recapitulative statements referred to in Title XI, Chapter 6, of Council Directive 2006/112/EC.
- reducing from three months to one month the period for transmission of this information between Member States.
- to obtain the information needed to combat tax evasion, it also proposed that information be collected monthly on intra-Community acquisitions of goods and purchases of services from a supplier established in another Member State for which the customer is liable for VAT. To do this, purchasers or customers carrying out such transactions for an amount higher than EUR 200 000 per calendar year will be obliged to submit their VAT returns monthly. This threshold has been calculated so as to avoid imposing further obligations on businesses making intra-Community acquisitions on an occasional basis or for small amounts while covering amounts significant for fraud;
- to provide for the amounts relating to the services concerned to be entered separately in the return for the cross-checking purposes;
- to enact provisions aimed at harmonising the rules for charging VAT on services in order to make sure that transactions are declared by the vendor and the purchaser during the same period. This provision will enable the information submitted
- to be cross-checked efficiently.

Lastly, the proposal includes a provision aimed at simplifying the procedures for submitting recapitulative statements in Member States where these procedures are unusually complex in order to reduce the burden that such submission can represent for businesses.