Basic information

2013/0343(CNS) CNS - Consultation procedure Directive	Procedure lapsed or withdrawn
Common system of value added tax (VAT): standard VAT return Amending Directive 2006/112/EC 2004/0079(CNS) **Subject** 2.70.02 Indirect taxation, VAT, excise duties 3.45.08 Business environment, reduction of the administrative burdens	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs		

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy		
JURI Legal Affairs		

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3399	2015-06-19
Economic and Financial Affairs ECOFIN	3271	2013-11-15
Economic and Financial Affairs ECOFIN	3324	2014-06-20

European Commission

Commission DG	Commissioner
Taxation and Customs Union	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
23/10/2013	Legislative proposal published	COM(2013)0721	Summary
15/11/2013	Debate in Council		

18/11/2013	Committee referral announced in Parliament		
30/01/2014	Vote in committee		
04/02/2014	Committee report tabled for plenary, 1st reading/single reading	A7-0090/2014	Summary
26/02/2014	Decision by Parliament	T7-0138/2014	Summary
26/02/2014	Results of vote in Parliament		
20/06/2014	Debate in Council		
19/06/2015	Debate in Council		
30/04/2016	Proposal withdrawn by Commission		

Technical information

Procedure reference	2013/0343(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2006/112/EC 2004/0079(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	ECON/7/14450

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE523.020	14/11/2013	
Amendments tabled in committee		PE524.728	17/12/2013	
Committee report tabled for plenary, 1st reading/single reading		A7-0090/2014	04/02/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0138/2014	26/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2013)0721	23/10/2013	Summary
Document attached to the procedure	SWD(2013)0426	23/10/2013	
Document attached to the procedure	SWD(2013)0427	23/10/2013	

Document attached to the procedure	SWD(2013)0428	23/10/2013	
Commission response to text adopted in plenary	SP(2014)446	20/05/2014	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2013)0721	18/12/2013	
Contribution	IT_SENATE	COM(2013)0721	19/05/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES6872/2013	26/02/2014	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Common system of value added tax (VAT): standard VAT return

2013/0343(CNS) - 23/10/2013 - Legislative proposal

PURPOSE: to amend Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return for all businesses operating in the Union.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Directive 2006/112/EC requires taxable persons to submit VAT returns but allows flexibility for the Member States to determine the information needed. This gives rise to **disparate rules and procedures governing the submission of VAT returns in the Union**, added complexity for businesses and VAT obligations that create obstacles to Union trade.

To **reduce burdens on business** and improve the functioning of the internal market, the Commission proposes that a standard VAT return should be introduced for all businesses trading in the Union.

The Commission sought stakeholder views on a standard VAT declaration through the consultation on the Green Paper on the Future of VAT. Positive replies from stakeholders led the Commission to include in the Communication on the Future of VAT a commitment to come forward with a proposal for a standard VAT declaration before the end of 2013.

The Single Market Act II is therefore calling for the introduction of a standard VAT return. The recent Communication on Smart regulation aims to reduce burdens on all business, and particularly SMEs.

IMPACT ASSESSMENT: of the options evaluated in detail, the preferred option is for a **standard VAT return, mandatory for Member States and for business**. According to estimates, this should **reduce administrative burdens by a maximum of EUR 15 billion per annum**.

LEGAL BASIS: Article 113 of the Functioning of the European Union (TFEU).

CONTENT: the proposal seeks to amend Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return. The use of standardised returns should facilitate the control of VAT returns by the Member States.

The idea behind a standard VAT declaration is to allow all businesses to provide standardised information to each Member State submitted in a **common, preferably electronic, format**.

According to the proposal, the standard VAT declaration should be **available to all businesses**.

The proposal addresses issues in relation to the content, submission in terms of when and how, and corrections of the standard VAT return. It lists a **maximum number of twenty six boxes of information to be completed by business for which Member States may choose to exempt businesses from all but five**. The information provided should be **consistent** in all Member States.

Member States may require **extra information** for the control and administration of VAT for specific regions, territories, or special regimes allowed exceptionally in VAT legislation.

For the **submission of the declaration**, the proposal provides for a minimum standard. All businesses should be allowed to submit monthly VAT returns, with VAT being due and paid by the end of the month following the VAT return period. Beyond that Member States may introduce further burden reductions to allow for longer VAT return periods of up to one year and to extend the due date for submission and payment by up to a further month.

To ensure that certain technical aspects of the VAT return are standardised, which cannot be achieved through a directive, **scope is provided in the proposal for the use of the comitology procedure**. This is envisaged where needed for the technical details of the return, for the common definitions and procedures, for the detailed treatment of corrections, as well as for the common methods of electronic submission.

BUDGETARY IMPLICATIONS: the proposal has no negative impact on the EU budget.

Common system of value added tax (VAT): standard VAT return

2013/0343(CNS) - 04/02/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, in the framework of a special legislative procedure (Parliament consultation) the report by Ivo STREJČEK (ECR, CZ) on the proposal for a Council directive amending Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return.

The committee approved the Commission proposal subject to amendments.

Members:

- highlighted that the use of standardised returns should facilitate both the collection and payment of VAT and the control of VAT returns by the Member States tax authorities and should also contribute to **helping businesses comply with VAT legislation**, thus reducing the error rate, and ultimately contributing towards a reduction or even elimination of VAT fraud and the VAT gap;
- stressed that the standard VAT return will only fulfil its full potential if the Member States **fully transpose** this Directive, in a timely manner, into their national laws, regulations and administrative provisions, without deviating from its scope;
- suggested that Member State tax authorities should provide their officials and taxable persons with **online tutorials on the appropriate use of electronic filing** to ensure that submission of the standard VAT return is conducted in an appropriate and secure manner.

In order to further reduce burdens on business and improve the functioning of the internal market, the information requirements in the standard VAT return should become **unified** in all Member States, and the Commission should, within five years of the date of entry into force of this Directive, **evaluate the implementation of this Directive** from that point of view and make proposals if appropriate.

The results of the review shall be communicated to the European Parliament and to the Council accompanied, where necessary, by appropriate legislative proposals.

Common system of value added tax (VAT): standard VAT return

2013/0343(CNS) - 26/02/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 572 votes to 20, with 20 abstentions, in the framework of a special legislative procedure (Parliament consultation), a legislative resolution on the proposal for a Council directive amending Directive 2006/112/EC on the common system of value added tax as regards a standard VAT return.

Parliament approved the Commission proposal subject to the following amendments:

Use of standardised VAT returns: the use should facilitate both the collection and payment of VAT and the control of VAT returns by the Member States tax authorities and should also contribute to **helping businesses comply with VAT legislation**, thus reducing the error rate, and ultimately contributing towards a reduction or even elimination of VAT fraud and the VAT gap.

Transposition: Members stressed that that the standard VAT return will only fulfil its full potential if the Member States **fully transpose** this Directive, in a timely manner, into their national laws, regulations and administrative provisions, without deviating from its scope.

Electronic filing: the resolution suggested that Member State tax authorities should provide their officials and taxable persons with **online tutorials on the appropriate use of electronic filing** to ensure that submission of the standard VAT return is conducted in an appropriate and secure manner.

Evaluation of the Directive: in order to **further reduce burdens** on business and improve the functioning of the internal market, the information requirements in the standard VAT return should become **unified** in all Member States, and the Commission should, within **five years** of the date of entry into force of this Directive, **evaluate the implementation of this Directive** from that point of view and make proposals if appropriate. The results of the review shall be communicated to the European Parliament and to the Council accompanied, where necessary, by appropriate legislative proposals.