

# **Value added tax VAT: administrative cooperation (repeal. Regulation (EEC) No 218/92)**

2001/0133(CNS) - 07/10/2003 - Final act

**PURPOSE** : to incorporate in one Regulation all provisions appertaining to administrative cooperation in the field of value added tax (VAT). **LEGISLATIVE ACT** : Council Regulation 1798/2003/EC on administrative cooperation in the field of value added tax and repealing Regulation 218/92/EC. **CONTENT** : Combating VAT evasion calls for close cooperation between the administrative authorities in each Member State responsible for the application of the provisions in that field. The tax harmonisation measures taken to complete the internal market must therefore include the establishment of a common system for the exchange of information between the Member States. The latter's administrative authorities must assist each other and cooperate with the Commission. Regulation 218/92/EEC supplements Council Directive 77/799/EEC concerning mutual assistance by the competent authorities of the Member States in the field of direct and indirect taxation. Those two legal instruments have proved to be effective but are no longer able to meet the new requirements of administrative cooperation resulting from the ever-closer integration of economies within the internal market. The existence of two separate instruments for cooperation on VAT has, moreover, hampered effective cooperation between tax administrations. This Regulation lays down the conditions under which the administrative authorities in the Member States responsible for the application of the laws on VAT on supplies of goods and services, intra-Community acquisition of goods and importation of goods are to cooperate with each other and with the Commission to ensure compliance with those laws. To that end, it lays down rules and procedures to enable the competent authorities of the Member States to cooperate and to exchange with each other any information that may help them to effect a correct assessment of VAT. This Regulation also lays down rules and procedures for the exchange of certain information by electronic means, in particular as regards VAT on intra-Community transactions. For the period provided for in Article 4 of Directive 2002/38/EC, it also lays down rules and procedures for the exchange by electronic means of VAT information on services supplied electronically in accordance with the special scheme provided for in Article 26c of Directive 77/388/EEC, and also for any subsequent exchange of information and, as far as services covered by that special scheme are concerned, for the transfer of money between Member States' competent authorities. It should be noted that this Regulation places limitations of certain rights and obligations laid down by Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data in order to safeguard the interests referred to in Article 13(1)(e) of that Directive. **ENTRY INTO FORCE** : 01/01/04.