

Value added tax (VAT): application of the reverse charge mechanism to supplies of certain services susceptible to fraud

2009/0139(CNS) - 16/03/2010 - Final act

PURPOSE: [to combat VAT fraud in relation to trade in greenhouse gas emission quotas.](#)

LEGISLATIVE ACT: Council Directive 2010/23/EU amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain services susceptible to fraud

CONTENT: the Council adopted a Directive allowing member states to implement, on an optional and temporary basis, a reversal of liability for the payment of VAT (value-added tax) on greenhouse gas emission allowance trading.

The aim is to close off certain forms of tax fraud, in particular so-called carousel schemes whereby supplies are traded several times by different suppliers without VAT being paid to the tax authorities. Applying a "reverse charge" principle, the directive will allow, until 30 June 2015 and for a minimum period of two years, liability for the payment of VAT on emission allowances and services to be shifted from the supplier (as normally required by EU rules) to the customer.

Member States shall inform the Commission of the application of the mechanism. Member States choosing to apply the mechanism shall communicate the provisions of the measure applying the mechanism to the Commission when the mechanism commences.

ENTRY INTO FORCE : 09/04/2010.

APPLICATION : until 30/06/2015.