

Value added tax (VAT): administrative cooperation and combating fraud

2016/0371(CNS) - 16/10/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Ludk NIEDERMAYER (EPP, CZ) on the proposal for a Council regulation amending Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value added tax.

As a reminder, this proposal is part of a legislative package on the modernisation of VAT in the context of cross-border electronic commerce between businesses and consumers (B2C). It is closely related to the proposal amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations applicable for supplies of services and distance sales of goods.

The committee called on Parliament to approve the Commission proposal subject to the following amendments:

Provisions applicable from 1 January 2021: the proposal adds a new section 3 on the provisions applicable from 1 January 2021. Members specified that, unless expressly stated otherwise, **Member States should immediately exchange all the information** referred to in Subsection 2.

Subsection 2 of Section 3 contains the provisions relating to the exchange of information between Member States concerning the identification of taxable persons making use of the Mini One Stop Shop (MOSS), VAT returns and VAT payments.

Publication on the Commission website: information on the contact details of the competent person responsible for coordinating administrative investigations in the Member States should be published on the Commission's website.

Statistical information: when giving the Commission access to statistical information stored in their electronic systems, Member States should limit themselves to the information necessary for relevant statistical purposes.

The Commission should ensure that the extraction of data does not impose an unnecessary administrative burden on the Member States.

Fee: the proposal provides for the payment of a fee of 5% to be paid by the Member States of consumption to the Member State of identification in order to compensate the latter Member State for the costs linked to the collection and control of VAT under the special schemes.

Members suggested that the Commission should **review** within two years of the application of this Regulation in order to ensure the viability and cost-effectiveness of the fee and, if necessary, take corrective measures.

In the recitals, the report stressed the importance of:

- treating VAT at Union level, since the **VAT gap** in the Union is estimated at 12.8 % or EUR 152 billion per year including EUR 50 billion of cross-border VAT fraud, making VAT an important issue to be addressed at Union level;

- encourage Member States to make general information on special schemes stored in their electronic systems available to other relevant national authorities, if that is not already the case, in order to combat VAT fraud and money laundering;
- ensuring that communication between the Commission and the Member States is effective in order to achieve the objectives of the Regulation in a timely manner;
- ensuring a **targeted and balanced approach using new technologies** in the fight against fraud to enable competent authorities to identify fraud networks faster and in a comprehensive manner.