

Common system of value added tax (VAT): period of application of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud

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The Committee on Economic and Monetary Affairs adopted, under the consultation procedure, the report by Sirpa PIETIKÄINEN (EPP, FI) on the proposal for a Council directive amending Directive 2006/112/EC on the common system of value added tax as regards the period of application of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud.

The committee recommended that the European Parliament **approve the Commission proposal** without amendments.

The purpose of this proposal is to prolong: (i) the possibility for Member States to apply the reverse charge mechanism to combat existing fraud in supplies of goods and services included in Article 199a of the VAT Directive and (ii) the possibility to use the Quick Reaction Mechanism (QRM) to combat fraud.

The purpose of the measures foreseen in Articles 199a and 199b is to allow Member States to quickly tackle problems of the Missing Trader Intra-Community (MTIC) fraud. The measures included in Articles 199a and 199b of the VAT Directive have been useful as temporary and targeted measures. Their expiration on 31 December 2018 would deprive Member States of an efficient tool to fight fraud.

It is therefore proposed to prolong the measures included in Articles 199a and 199b until 30 June 2022, the date on which the definitive regime for intra-Union B2B supplies of goods should enter into force.