

| Basic information   |                     |
|---|---------------------|
| <b>2024/0152(CNS)</b><br>CNS - Consultation procedure<br>Directive  | Procedure completed |
| Electronic value added tax exemption certificate<br>Amending Directive 2006/112 <a href="#">2004/0079(CNS)</a><br><b>Subject</b><br>2.70.02 Indirect taxation, VAT, excise duties |                     |

| Key players                   |  |  |   |                  |
|-------------------------------|--|--|---|------------------|
| European Parliament           | <b>Committee responsible</b>   |  | <b>Rapporteur</b>   | <b>Appointed</b> |
|                               | <span style="border: 1px solid red; padding: 2px;">ECON</span> Economic and Monetary Affairs |  | LALUCQ Aurore (S&D)   | 12/09/2024       |
|                               |  |  | Shadow rapporteur<br>FERBER Markus (EPP)<br>ZLE Roberts (ECR)<br>ÓDOR udovít (Renew)<br>PETER-HANSEN Kira Marie (Greens/EFA)<br>SARAMO Jussi (The Left) |                  |
| Council of the European Union |  |  |   |                  |
| European Commission           | <b>Commission DG</b>   |  | <b>Commissioner</b>   |                  |
|                               | Taxation and Customs Union   |  | GENTILONI Paolo   |                  |

| Key events |   |  |                         |
|------------|---|--|-------------------------|
| Date       | Event   | Reference  | Summary                 |
| 08/07/2024 | Legislative proposal published                                  | <a href="#">COM(2024)0278</a><br> |                         |
| 16/09/2024 | Committee referral announced in Parliament                      |  |                         |
| 14/10/2024 | Vote in committee   |  |                         |
| 22/10/2024 | Committee report tabled for plenary, 1st reading/single reading | <a href="#">A10-0012/2024</a>  | <a href="#">Summary</a> |
| 14/11/2024 | Decision by Parliament  | <a href="#">T10-0032/2024</a>  | <a href="#">Summary</a> |
| 14/11/2024 | Results of vote in Parliament                                   |                                   |                         |
| 18/02/2025 | Act adopted by Council after consultation of Parliament         |  |                         |
| 28/02/2025 | Final act published in Official Journal                         |  |                         |

| Technical information      |  |
|----------------------------|--|
| Procedure reference        | 2024/0152(CNS)   |
| Procedure type             | CNS - Consultation procedure                               |
| Procedure subtype          | Legislation  |
| Legislative instrument     | Directive  |
|                            | Amending Directive 2006/112 <a href="#">2004/0079(CNS)</a> |
| Legal basis                | Treaty on the Functioning of the EU TFEU 113               |
| Other legal basis          | Rules of Procedure EP 165                                  |
| Stage reached in procedure | Procedure completed  |
| Committee dossier          | ECON/10/00446  |

| Documentation gateway   |  |                               |                         |                         |
|---|--|-------------------------------|-------------------------|-------------------------|
| <b>European Parliament</b>                                      |  |                               |                         |                         |
| Document type   | Committee  | Reference                     | Date                    | Summary                 |
| Committee draft report  |  | <a href="#">PE763.197</a>     | 01/10/2024              |                         |
| Committee report tabled for plenary, 1st reading/single reading |  | <a href="#">A10-0012/2024</a> | 22/10/2024              | <a href="#">Summary</a> |
| Text adopted by Parliament, 1st reading/single reading          |  | <a href="#">T10-0032/2024</a> | 14/11/2024              | <a href="#">Summary</a> |
| <b>European Commission</b>                                      |  |                               |                         |                         |
| Document type   | Reference  | Date                          | Summary                 |                         |
| Legislative proposal  | <a href="#">COM(2024)0278</a><br> | 08/07/2024                    | <a href="#">Summary</a> |                         |
| <b>Other institutions and bodies</b>                            |  |                               |                         |                         |
| Institution/body  | Document type  | Reference                     | Date                    | Summary                 |
| ESC   | Economic and Social Committee: opinion, report   | <a href="#">CES3143/2024</a>  | 18/09/2024              |                         |

| Final act  |
|--|
| <a href="#">Directive 2025/0425</a><br>OJ OJ L 28.02.2025 <span style="float: right;"><a href="#">Summary</a></span> |

## Electronic value added tax exemption certificate

2024/0152(CNS) - 28/02/2025 - Final act

PURPOSE: to adopt a new electronic VAT exemption certificate to replace paper forms.

LEGISLATIVE ACT: Council Directive (EU) 2025/425 amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate.

CONTENT: this Directive amends Council Directive 2006/112/EC (the 'VAT Directive') to provide for a VAT exemption certificate in electronic format confirming that a transaction qualifies for a specific exemption under the first subparagraph of Article 151(1) of that Directive. The recipient of a supply of goods or services to which or to whom the exempt supply of goods or services is made will issue the certificate and, together with the host Member State, will sign it by electronic means.

Replacing the current paper certificates with a new electronic form will simplify and streamline the process for businesses and administrations when these goods are imported for embassies, international organisations or armed forces.

The Commission will, by means of **implementing acts**, determine the technical details and specifications as regards the electronic format of the certificate and its processing, taking into account the necessities of the Member States, including as regards the applicable IT system for this purpose.

Member States may use the **paper version** of the certificate set out in Annex II to the VAT Implementing Regulation for transactions carried out until 30 June 2032.

If the exemption conditions are not met or cease to apply, the exempt body or individual who issued the electronic certificate is liable for the VAT in the Member State in which it is due.

ENTRY INTO FORCE: 20.3.2025.

TRANSPOSITION: no later than 30.6.2031.

## Electronic value added tax exemption certificate

2024/0152(CNS) - 08/07/2024

PURPOSE: to amend the VAT Directive to allow for a digital VAT exemption certificate.

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: Article 51 of Council Implementing Regulation (EU) No 282/2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax provides that the value added tax (VAT) and/or excise duty exemption certificate set out in Annex II to that Implementing Regulation serves to confirm that a supply of goods or services made to an eligible body or individual qualifies for an exemption under Article 151 of Council Directive 2006/112/EC. Implementing Regulation (EU) No 282/2011 provides for an exemption certificate in paper form to be signed by hand. It is necessary to **digitalise the process of creating and submitting the exemption certificate** and to **replace the paper document with a document in electronic format** in order to minimise bureaucracy and the administrative burden and to reduce costs in the long term.

CONTENT: the Commission proposes to amend Directive 2006/112/EC to provide that Member States use an electronic certificate to confirm that a transaction qualifies for an exemption under the VAT Directive. This certificate will be issued by the eligible body or person to whom the exempt supply of goods or services is made and who, together with the host Member State, will sign that certificate by electronic means.

The Commission will, by means of implementing acts, determine the technical details and specifications as regards the electronic format of the certificate and its processing.

If the goods or services are intended for official use, Member States may dispense the eligible body or individual from the requirement to have the certificate signed by the host Member State under the conditions they may lay down. This dispensation may be withdrawn in the case of abuse.

In view of the large number of resource-intensive IT projects in which Member States are involved, Member States will be allowed to continue to use the paper form set out in Annex II to VAT Implementing Regulation for transactions carried out until 30 June 2030.

It should be noted that, if the conditions for exemption are not met or cease to apply, the body or exempt individual who issued the electronic certificate is liable for the VAT in the Member State in which it is due.

In cases where the conditions for exemption are not met or cease to apply, the eligible body or individual who issued the certificate is liable to pay any VAT due.

### ***Budgetary implications***

The proposal will remove the administrative burden and costs associated with processing the paper version of the VAT exemption certificate. Most of the costs for the implementation and operation of the digital solution, estimated at EUR 2.9 million, will be borne by the Commission, fully financed by FISCALIS programme within its foreseen financial envelope in the current Multiannual Financial Framework. The costs for Member States, mainly related to providing access to the central application, are estimated to be low.

The new electronic certificate will not affect the scope of VAT exemptions applied. There will therefore be no impact on the EU budget as the own resources based on gross national income (GNI) will not be affected.

## Electronic value added tax exemption certificate

2024/0152(CNS) - 14/11/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 621 votes to 10, with 11 abstentions, following a special legislative procedure (consultation), a legislative resolution on the proposal for a Council directive amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate.

Parliament **approved the Commission proposal** without amendments.

The purpose of this proposal is to amend Council Directive 2006/112/EC (the VAT Directive) in order to introduce an electronic exemption certificate confirming that a transaction qualifies for a specific exemption under the first subparagraph of Article 151(1) of that Directive.

The amended VAT Directive by enabling the Commission, in consultation with Member States, to adopt implementing measures providing for an electronic certificate confirming that the transaction qualifies for a specific exemption under the first subparagraph of Article 151(1) of the VAT Directive, to be issued by the eligible body or person to whom the exempt supply of goods or services is made and who, together with the host Member State, will sign that certificate by electronic means.

The necessary implementing acts will contain the technical details and specifications for the electronic format and processing of the certificate.

Due to the large number of ongoing IT projects, Member States may alternatively use the paper version of the certificate set out in Annex II of the VAT Implementing Regulation for transactions carried out until 30 June 2030.

Recognising that businesses do not normally have access to the relevant information, it is clarified that if the conditions for exemption are not met or cease to apply, it is the eligible body or individual issuing the electronic certificate who is liable to pay any VAT to the Member State where it is due.

In order to give Member States sufficient time to implement the new electronic procedure, they will have to apply the new rules from 1 July 2026.

## Electronic value added tax exemption certificate

2024/0152(CNS) - 22/10/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, following a special legislative procedure (consultation), the report by Aurore LALUCQ (S&D, FR) on the proposal for a Council directive amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate.

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

The proposal addresses the amendment of the Council Directive 2006/112/EC (the VAT Directive) in order to introduce an **electronic exemption certificate** confirming that a transaction qualifies for a specific exemption under the first subparagraph of Article 151(1) of that Directive.

The proposal will remove the administrative burden and costs associated with processing the paper version of the VAT exemption certificate. The implementation costs will be covered by the FISCALIS programme within its foreseen financial envelope in the current Multiannual Financial Framework. The costs for Member States, mainly related to providing access to the central application, are estimated to be low.

The new electronic certificate will not affect the scope of VAT exemptions applied. There will therefore be no impact on the EU budget as the own resources based on gross national income (GNI) will not be affected.

The proposal strengthens anti-abuse measures by stipulating that if the exemption conditions outlined in paragraph 1 are not met or cease to apply, the eligible body or individual who issued and signed the certificate will be responsible for paying the VAT to the relevant Member State. In such exceptional cases, Member States are encouraged to allow the payment of VAT without requiring full VAT registration.