

# Procedure file

## Basic information

CNS - Consultation procedure  
Regulation

[1998/0210\(CNS\)](#)

Procedure lapsed or withdrawn

Value added tax VAT: verification, refund system, administrative cooperation measures

Subject  
2.70.02 Indirect taxation, VAT, excise duties

## Key players

European Parliament

Council of the European Union  
European Commission

Commission DG

Commissioner

[Taxation and Customs Union](#)

## Key events

16/06/1998	Legislative proposal published	COM(1998)0377	Summary
14/09/1998	Committee referral announced in Parliament		
08/12/1998	Vote in committee		Summary
07/12/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0490/1998</a>	
13/01/1999	Debate in Parliament		
14/01/1999	Decision by Parliament	T4-0032/1999	Summary
17/03/2006	Additional information		Summary

## Technical information

Procedure reference	1998/0210(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 093
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	ECON/4/10395

## Documentation gateway

Legislative proposal		COM(1998)0377	17/06/1998	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0490/1998</a> <a href="#">OJ C 104 14.04.1999, p. 0004</a>	08/12/1998	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0032/1999 <a href="#">OJ C 104 14.04.1999, p. 0103-0126</a>	14/01/1999	EP	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0071/1999</a> <a href="#">OJ C 101 12.04.1999, p. 0073</a>	28/01/1999	ESC	

#### Additional information

European Commission

[EUR-Lex](#)

## Value added tax VAT: verification, refund system, administrative cooperation measures

PURPOSE: in coordination with the proposal to amend the Sixth Directive regarding the rules governing the right to deduct Value Added Tax, to propose a regulation on verification measures, measures relating to the refund system and administrative cooperation measures necessary for the application of that Directive. CONTENT: The substance of this proposal is as follows: - provide for the introduction of a debt compensation and refund system which operates bilaterally between the Member States. - as a derogation from the principles of the present VAT system for those cases currently covered by the Eighth Directive, assign to the Member State of purchase responsibility for verifying that the VAT has been paid. - provide for additional short-term verification measures, resulting in a several-stage verification process where, for each stage, the financial responsibilities of the Member States concerned are established. ?

## Value added tax VAT: verification, refund system, administrative cooperation measures

Reporting on behalf of the Committee, Mr Riccardo GAROSCI (EPP, I) supports the Commission proposals subject to a number of amendments which mainly concern the limits for deducting VAT on food, drink and hotel accommodation. The Committee considers that such expenditure is no different from any other business expenditure and therefore wants the right of full deduction provided the taxable person can prove that the expenditure was of a purely professional nature. ?

## Value added tax VAT: verification, refund system, administrative cooperation measures

The Parliament, in approving its opinion on verification measures relating to VAT refunds and administrative co-operation measures, drafted by Mr. Riccardo GAROSCI (I, EPP), adopted the following two amendments : - if it cannot be ascertained that an expenditure is of a business nature and the tax authorities therefore require the taxable person to have the items on the invoice translated, the costs of external translation shall be borne by the tax authority ; - the Member State of deduction shall inform the Commission and the other Member States in good time of all modifications made to national provisions on VAT which may allow the Member State of deduction to combat possible attempts at evasion or fraud more effectively.?

## Value added tax VAT: verification, refund system, administrative cooperation measures

?Following the screening exercise of proposals pending undertaken as part of its effort for better regulation in the framework of the Partnership for Growth and Jobs in the European Union, the Commission has decided to withdraw certain proposals on which the Legislator has not yet reached a decision and which were found not to be consistent with the Lisbon and Better Regulation criteria, unlikely to make further progress in the legislative process or found to be no longer topical for objective reasons?. (OJ C64 of 17.03.2006, pages 3-10).