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Interinstitutional Files:

2022/0407(CNS)
2022/0410(NLE)
2022/0409(CNS)

14964/24
ADD 1

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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council

Subject:	VAT in the Digital Age package: a) Draft Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age - General approach b) Draft Council Regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age - Political agreement c) Draft Council Implementing Regulation amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes - Political agreement = Statements
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The following statements were requested to be entered in the minutes of the Coreper meeting on 30 October 2024 and the Council meeting on 5 November 2024.

Statements from the Council and the Commission

‘Re Article 14(4) of Directive 2006/112/EC: The Council and the Commission agree to assess the need to extend the definition of ‘distance sales of goods imported from third territories or third countries’ to supplies of goods from customs warehouses in the EU in the context of the forthcoming negotiations on the proposal on the scope of IOSS (EUR 150 threshold), taking into account the possible effects of this extension in terms of evasion and fraud.’

‘Re Article 262 of doc. 14961/24: The Council and the Commission agree to assess the need to strengthen the VAT administrative cooperation framework to ensure that Member States that use the option provided for under Article 262, paragraph 1, subparagraph 2, allowing to exclude acquirers of goods and recipients of services from the obligation to report the data on those cross-border transactions, provide timely information to the Member State of the supplier whenever required. Based on that assessment, the Commission shall, where appropriate, submit a legislative proposal.’

Statements from the Council

‘Re Article 59c of doc. 14961/24: The Council invites the Commission within 5 years of the entry into force of this Directive to review the amount and scope of the threshold laid down in Article 59c of Directive 2006/112/EC.’

‘Re Mandatory import one-stop-shop: The Council will continue to work on other elements of the proposal as regards the incentives to use the import-one-stop-shop in the framework of the negotiations on the Proposal for a Council Directive amending Directive 2006/11/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT (interinstitutional file number 2023/0158 (CNS)) with a view to reaching an agreement as soon as possible.’

‘Re Entry into application: The Council acknowledges the challenges that the implementation of the new reporting system brings from an IT perspective to tax administrations and taxable persons, in particular SMEs. For that reason, a staged approach to the implementation of electronic invoicing is recommended in particular for Member States introducing digital reporting requirements for self-supplies and supplies of goods and services made between taxable persons within their territory. Member States could provide for consecutive stages in the implementation of the obligation to issue electronic invoices for domestic transactions, other than those covered by the cross-border digital reporting requirements, based on the size of the taxable persons concerned, leading up to the EU-wide entry into force of the reform with respect to e-invoicing and e-reporting as of 1 July 2030.’

Statements from the Commission

‘The Commission acknowledges that the European standard for electronic invoicing was initially developed for its use on B2G (Business to Government) transactions. Work is being carried out on this standard to ensure that it shortly covers all B2B (Business to Business) needs. The Commission also recognises the need for this standard to integrate existing sectoral business requirements in which European businesses have already massively invested. The Commission will assess, before the entry into force of the obligation to use the European standard for all intra-EU transactions, if this work is fully completed and will propose the necessary transitional measures should that not be the case.’

‘In order to provide full transparency, the Commission will collect and publish information on the application of the SME exception, as provided for in Article 28a (4).’

Statement from Spain

‘Spain supports the general approach reflected in the proposal regarding the deemed supplier model provided for in Article 28a of Directive 2006/112/EC (VAT Directive). However, it declares its willingness to apply such a model before the date of entry into application of this provision, as a simplification measure in the collecting of the VAT and as a way to improve the fight against fraud in the VAT, as foreseen in Article 395 of the VAT Directive.’