

COMMISSION DECISION
of 3 July 2012
setting up the EU VAT forum
(2012/C 198/05)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Whereas:

- (1) In its Communication of December 2008 ⁽¹⁾, the Commission presented a short-term action plan for combating VAT fraud. It also suggested a reflection on a longer-term approach that could take into account technological developments and new strategies regarding compliance and monitoring, with the overall aim of reducing the involvement of tax authorities and reducing the administrative burden on business.
- (2) Furthermore, given the taxpayers' crucial role in making the VAT system work, and the fact that their relationship with the tax authorities should be based on trust, which could have a considerable influence on the cost of administering the system, the Commission put forward the idea of devising a new approach based on voluntary compliance, risk assessment and monitoring. This approach called upon the expertise of business representatives to contribute to this reflection on the longer-term strategy.
- (3) In March 2010, the business experts group on a smooth functioning of the VAT in the EU, hereinafter referred to as 'the business expert group on VAT' (BEGV), was set up in order to discuss at EU level the actual practical problems that arise from managing the VAT system as it is implemented in the Member States, as well as suggestions for possible solutions for reducing the administrative burden.
- (4) On 23 February 2011, Member States agreed on setting up a new ad hoc expert group, known as the 'tax authorities dialogue platform' (TADP). The much-changed business environment prompted some Member States to develop a customer-led business strategy which is based on understanding the different groups of tax payers/customers, their behaviours and the difficulties they experience when dealing with tax authorities — from the individual filing of a tax return to the needs of large business. The aim of this approach was to create a level playing field for compliant business for fairer competition and it allowed the tax authorities to allocate resources to combat fraud more efficiently.
- (5) Both experts groups have been set up to prepare the dialogue between tax authorities and business experts which is due to take place at EU level in a new forum.
- (6) With a view to improving the governance of VAT at EU level, in line with the Communication from the Commission on the future of VAT — Towards a simpler, more robust and efficient VAT system tailored to the single market ⁽²⁾ —, stakeholders have also advocated setting up a channel of communication at EU level, where tax authorities, business representatives and the Commission would be able to exchange views on the practical aspects of VAT administration.
- (7) Identifying best practices on both sides could contribute to streamlining the management of the VAT system, and thereby to reducing compliance costs, while at the same time securing VAT revenue. It is therefore appropriate to set up the EU VAT forum (comprising Member States and stakeholders, and chaired by the Commission) and to define its tasks and its structure.
- (8) The EU VAT forum is a structured platform for dialogue, aimed at improving the relationship between business and tax authorities in order to create the conditions for a smoother functioning of the current VAT system in the EU, thereby reducing costs and administrative burden on both sides. Real practical problems arising from managing the VAT system are due to be discussed, as well as suggestions for possible solutions.
- (9) The forum should be chaired by the Commission and consist of the Member States' tax authorities and of organisations representing business or tax practitioners; authorities and organisations in the Member States will nominate their representatives.
- (10) Rules on disclosure of information by members of the forum should be provided for, without prejudice to the Commission's rules on security as set out in the Annex to Commission Decision 2001/844/EC, ECSC, Euratom ⁽³⁾.
- (11) Personal data should be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data ⁽⁴⁾.

⁽¹⁾ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee on a coordinated strategy to improve the fight against VAT fraud in the European Union, COM(2008) 807 final of 1 December 2008.

⁽²⁾ COM(2011) 851, 6.12.2011.

⁽³⁾ OJ L 317, 3.12.2001, p. 1.

⁽⁴⁾ OJ L 8, 12.1.2001, p. 1.

HAS DECIDED AS FOLLOWS:

Article 1

Subject matter

The group of experts called the 'EU VAT forum', hereinafter referred to as 'the forum', is hereby set up.

Article 2

Tasks

The forum's tasks shall be:

- (a) to create a platform where business and national tax authorities' experts can informally discuss tax administration issues in the field of VAT with which both parties are currently confronted in a cross-border environment;
- (b) to discuss practical insights provided by tax authorities, as well as business experts, and to elaborate on possible ways to manage the current VAT system more efficiently, including by combating fraud, in the interest of both parties with a view to achieving a smoother functioning of the current VAT system;
- (c) to assist the Commission in promoting good practice including the use of IT, which could culminate in a more efficient, secure, fairer and cost-effective VAT system in the interests of both parties;
- (d) to work, where necessary, in cooperation with any other appropriate bodies or committees dealing with VAT and administrative cooperation in the tax field.

Article 3

Consultation

The Commission may consult the forum on any matter relating to tax administration in the field of VAT.

Article 4

Membership — Appointment

1. The forum shall be composed of a maximum of 45 members.
2. The forum shall comprise:
 - (a) one representative from each Member State;
 - (b) representatives of maximum 15 organisations representing business or tax practitioners.
3. The tax authorities of each Member State shall nominate one representative from among the officials dealing with tax administration issues, compliance and services to users in the European VAT environment.
4. The Director-General for Taxation and Customs Union shall appoint organisations referred to in Article 4.2(b) with competence in the areas referred to in Article 2 and which have responded to a call for applications.

5. Organisations shall nominate one representative and an alternate to replace a representative who is absent or indisposed. The Director-General for Taxation and Customs Union may refuse a representative or an alternate proposed by an organisation on the basis that he or she does not meet the profile required in the call for applications. In such cases, the organisation concerned shall be asked to appoint another representative or another alternate.

6. Alternates shall be appointed on the same conditions as members; alternates automatically replace any members who are absent or indisposed.

7. Organisations are appointed for three years, unless they are replaced or excluded pursuant to paragraph 9. Their term of office may be renewed after they have responded to a further call for applications.

8. Organisations deemed suitable for membership, but not appointed, may be placed on a reserve list to be kept for three years, which the Commission shall use to appoint replacements.

9. Organisations referred to in Article 4.2(b) or their representatives may be replaced or excluded for the remainder of their term of office in any of the following cases:

- (a) where the organisation or its representative is no longer capable of contributing effectively to the forum's deliberations;
- (b) where the organisation or its representative does not comply with the condition set out in Article 339 of the Treaty on the Functioning of the European Union;
- (c) where the organisation or its representative is not independent of any outside influence;
- (d) where the organisation or its representative has failed to inform the Commission in good time of a conflict of interest;
- (e) where the organisation or its representative resigns;
- (f) where it is desirable in order to maintain a balanced representation of relevant areas of expertise and areas of interest.

The Director-General for Taxation and Customs Union may ask an organisation to appoint another representative or another alternate on the basis of one or more of the conditions set out in paragraph 9 of this Article.

10. The names of organisations and their representatives shall be published in the Register of Commission expert groups and other similar entities, hereinafter referred to as 'Register', as well as on a dedicated website.

11. Personal data shall be collected, processed and published in accordance with Regulation (EC) No 45/2001.

Article 5

Operation

1. The forum shall be chaired by a representative of the Commission.

2. In agreement with the Commission services, the forum may set up sub-groups to examine specific questions on the basis of terms of reference defined by the forum. Such sub-groups shall be disbanded as soon as their mandate is fulfilled.

3. The Chairperson may, on an ad hoc basis, invite experts from outside the forum with specific competence on a subject on the agenda to participate in the work of the forum or sub-group. In addition, the Chairperson may grant observer status to individuals or organisations as defined in Rule 8(3) of the horizontal rules on expert group⁽¹⁾ and candidate countries. In particular, representatives of accession countries and from international organisations may be invited as observers.

4. Members and their representatives, as well as invited experts and observers, shall comply with the obligation of professional secrecy laid down by the Treaties and their implementing rules, as well as with the Commission rules on security regarding the protection of EU classified information, laid down in the Annex to Decision 2001/844/EC, ECSC, Euratom. Should they fail to respect these obligations, the Commission may take all appropriate measures.

5. The meetings of the forum and its sub-groups shall in principle be held on Commission premises. The Commission shall provide secretarial services. Other Commission officials with an interest in the proceedings may attend meetings of the forum and its sub-groups.

6. The forum shall adopt its rules of procedure on the basis of the standard rules of procedure for expert groups.

7. The Commission publishes relevant documents on the activities carried out by the forum either in the Register or via a link from the Register to a dedicated website. A document shall not be published where its disclosure would undermine the protection of a public or private interest as defined in Article 4 of Regulation (EC) No 1049/2001⁽²⁾.

Article 6

Meeting expenses

1. Participants in the activities of the forum shall not be remunerated for the services they render.

2. Travel and, where appropriate, subsistence expenses incurred by participants in the activities of the forum shall be reimbursed by the Commission in accordance with the provisions in force within the Commission.

3. Those expenses shall be reimbursed within the limits of the available appropriations allocated under the annual procedure for the allocation of resources.

Article 7

Applicability

This Decision shall apply until 30 September 2018.

Done at Brussels, 3 July 2012.

For the Commission

Algirdas ŠEMETA

Member of the Commission

⁽¹⁾ Communication from the President to the Commission — Framework for Commission expert groups: horizontal rules and public register, C(2010) 7649 final.

⁽²⁾ These exceptions are intended to protect public security, military affairs, international relations, financial, monetary or economic policy, privacy and integrity of the individual, commercial interests, court proceedings and legal advice, inspections/investigations/audits and the institution's decision-making process.