

Wednesday 3 October 2018

P8_TA(2018)0366

Harmonising and simplifying certain rules in the VAT system ***European Parliament legislative resolution of 3 October 2018 on the proposal for a Council directive amending Directive 2006/112/EC as regards harmonising and simplifying certain rules in the value added tax system and introducing the definitive system for the taxation of trade between Member States (COM(2017)0569 – C8-0363/2017 – 2017/0251(CNS))****(Special legislative procedure – consultation)**

(2020/C 11/19)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2017)0569),
 - having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0363/2017),
 - having regard to Rule 78c of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A8-0280/2018),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, in accordance with Article 293(2) of the Treaty on the Functioning of the European Union;
 3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 4. Asks the Council to consult Parliament again if it intends to substantially amend the Commission proposal;
 5. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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Amendment 1

Proposal for a directive

Recital 1

Text proposed by the Commission

- (1) In 1967, when the Council adopted the common system of value added tax (VAT) by means of Council Directives 67/227/EEC ⁽⁴²⁾ and 67/228/EEC ⁽⁴³⁾, the commitment was made to establish a definitive VAT system operating within the European Community in the same way as it would within a single Member State. Since the political and technical conditions were not ripe for such a system, when the fiscal frontiers between Member States were abolished by the end of 1992 transitional VAT arrangements were adopted. Council Directive 2006/112/EC ⁽⁴⁴⁾, which is currently in force, provides that these transitional rules have to be replaced by definitive arrangements.

⁽⁴²⁾ First Council Directive 67/227/EEC of 11 April 1967 on the harmonisation of legislation of Member States concerning turnover taxes (OJ 71, 14.4.1967, p. 1301).

⁽⁴³⁾ Second Council Directive 67/228/EEC of 11 April 1967 on the harmonisation of legislation of Member States concerning turnover taxes — Structure and procedures for application of the common system of value added tax (OJ 71, 14.4.1967, p. 1303).

⁽⁴⁴⁾ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

Amendment

- (1) In 1967, when the Council adopted the common system of value added tax (VAT) by means of Council Directives 67/227/EEC ⁽⁴²⁾ and 67/228/EEC ⁽⁴³⁾, the commitment was made to establish a definitive VAT system operating within the European Community in the same way as it would within a single Member State. Since the political and technical conditions were not ripe for such a system, when the fiscal frontiers between Member States were abolished by the end of 1992 transitional VAT arrangements were adopted. Council Directive 2006/112/EC ⁽⁴⁴⁾, which is currently in force, provides that these transitional rules have to be replaced by definitive arrangements. **However, those rules have now been in place for several decades, resulting in a complex transitional VAT system susceptible to intra-Union cross-border VAT fraud. Those transitional rules suffer from numerous shortcomings, which result in the VAT system being neither fully efficient nor compatible with the requirements of a true single market.**

⁽⁴²⁾ First Council Directive 67/227/EEC of 11 April 1967 on the harmonisation of legislation of Member States concerning turnover taxes (OJ 71, 14.4.1967, p. 1301).

⁽⁴³⁾ Second Council Directive 67/228/EEC of 11 April 1967 on the harmonisation of legislation of Member States concerning turnover taxes — Structure and procedures for application of the common system of value added tax (OJ 71, 14.4.1967, p. 1303).

⁽⁴⁴⁾ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

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Amendment 2**Proposal for a directive****Recital 1 a (new)**

*Text proposed by the Commission**Amendment*

- (1a)** *In its Communication of 28 October 2015 entitled **Upgrading the Single Market: more opportunities for people and business**, the Commission identified the complexity of the current VAT regulations as one of the major obstacles to the completion of the single market. At the same time, the VAT gap, defined as the difference between the amount of VAT revenue actually collected and the theoretical amount that is expected to be collected, has been increasing, reaching EUR 151,5 billion in 2015 in the EU-28. This illustrates the need for an urgent and comprehensive reform of the VAT system towards a definitive VAT regime, to facilitate and simplify cross-border intra-Union trade and make the system more fraud-proof.*

Amendment 3**Proposal for a directive****Recital 1 b (new)**

*Text proposed by the Commission**Amendment*

- (1b)** *The creation of a single EU VAT area is crucial for decreasing compliance costs for businesses, reducing the risks of cross-border VAT fraud and for simplifying VAT-related procedures. The VAT definitive system will strengthen the Single Market and create better business conditions for cross-border trade. It should include the necessary changes due to technological developments and digitalisation, changes in business models and the globalisation of the economy.*

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Amendment 4

Proposal for a directive

Recital 2

Text proposed by the Commission

- (2) In its VAT Action Plan ⁽⁴⁵⁾, the Commission announced its intention to put forward a proposal setting out the principles for a definitive VAT system for cross-border business-to-business (B2B) trade between Member States that would be based on the taxation of cross-border supplies of goods in the Member State of destination.

⁽⁴⁵⁾ Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on an action plan on VAT - Towards a single EU VAT area - Time to decide (COM(2016)0148 of 7.4.2016).

Amendment

- (2) ***The current EU VAT system which was introduced in 1993 is similar to the European customs system. However, equivalent checks are lacking, which makes it a target for cross-border fraud. The current VAT system should be fundamentally changed in the way that the supply of goods from one Member State to another is taxed as if they were supplied and acquired within one Member State.*** In its VAT Action Plan ⁽⁴⁵⁾, the Commission announced its intention to put forward a proposal setting out the principles for a definitive VAT system for cross-border business-to-business (B2B) trade between Member States that would be based on the taxation of cross-border supplies of goods in the Member State of destination. ***That change should contribute to the reduction of VAT-related cross-border frauds by EUR 40 billion annually.***

⁽⁴⁵⁾ Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on an action plan on VAT - Towards a single EU VAT area - Time to decide (COM(2016)0148 of 7.4.2016).

Amendment 5

Proposal for a directive

Recital 3

Text proposed by the Commission

- (3) This would require replacing the current system consisting of an exempt supply in the Member State of departure of the goods and a taxed intra-Community acquisition of goods in the Member State of destination by a system of a single supply taxed in and in accordance with the VAT rates of the Member State of destination. As a rule, the VAT will be charged by the supplier who will be able to verify the applicable VAT rate of any Member State online by means of a web portal. ***However, where the person acquiring the goods is a certified taxable person (a reliable taxpayer recognised as such by Member States), the reverse charge mechanism would apply and the certified taxable person should be liable to VAT on the intra-Union supply.*** The VAT definitive system will also be based on the concept of a single registration scheme (One-Stop Shop (OSS)) for businesses allowing for the payment and deduction of the VAT due.

Amendment

- (3) This would require replacing the current system consisting of an exempt supply in the Member State of departure of the goods and a taxed intra-Community acquisition of goods in the Member State of destination by a system of a single supply taxed in and in accordance with the VAT rates of the Member State of destination. As a rule, the VAT will be charged by the supplier who will be able to verify the applicable VAT rate of any Member State online by means of a web portal. The VAT definitive system will also be based on the concept of a single registration scheme (One-Stop Shop (OSS)) for businesses allowing for the payment and deduction of the VAT due. ***OSS is the core of the new destination-based system without which complexity of the VAT system and the administrative burden would increase significantly. Therefore, extension of the Mini One-Stop Shop (MOSS) to cover all B2B services and sales of goods should take place within proposed improvements of the current system.***

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Amendment 6**Proposal for a directive****Recital 3 a (new)***Text proposed by the Commission**Amendment*

- (3a) **To ensure interoperability, ease of use and future fraud-proofing, OSS for businesses should operate with a harmonised cross-border IT system, based on common standards and allowing for automatic retrieval and input of data, for example, through the use of unified standard forms.**

Amendment 7**Proposal for a directive****Recital 4***Text proposed by the Commission**Amendment*

- (4) These principles should be established in the Directive and should replace the current concept according to which the definitive arrangements shall be based on the taxation in the Member State of origin.

- (4) These principles should be established in the Directive and should replace the current concept according to which the definitive arrangements shall be based on the taxation in the Member State of origin **with a definitive VAT system. Those new principles would enable the Member States to better fight VAT fraud, especially Missing Trader Intra-Community (MTIC), estimated to amount to at least EUR 50 billion a year.**

Amendment 8**Proposal for a directive****Recital 5***Text proposed by the Commission**Amendment*

- (5) The Council, in its conclusions of 8 November 2016 ⁽⁴⁶⁾, invited the Commission to make certain improvements to the Union VAT rules for cross-border transactions, regarding the role of the VAT identification number in the context of the exemption for intra-Community supplies, call-off stock arrangements, chain transactions and the proof of transport for the purposes of the exemption for intra-Community transactions.

- (5) The Council, in its conclusions of 8 November 2016 ⁽⁴⁶⁾, invited the Commission to make certain improvements to the Union VAT rules for cross-border transactions, regarding **four areas**: the role of the VAT identification number in the context of the exemption for intra-Community supplies, call-off stock arrangements, chain transactions and the proof of transport for the purposes of the exemption for intra-Community transactions.

⁽⁴⁶⁾ Council conclusions of 8 November 2016 on Improvements to the current EU VAT rules for cross-border transactions (No. 14257/16 FISC 190 ECOFIN 1023 of 9 November 2016).

⁽⁴⁶⁾ Council conclusions of 8 November 2016 on Improvements to the current EU VAT rules for cross-border transactions (No. 14257/16 FISC 190 ECOFIN 1023 of 9 November 2016).

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Amendment 9

Proposal for a directive

Recital 6

Text proposed by the Commission

- (6) Given this demand and the fact that **it will take several years for** the definitive VAT system for intra-Union trade to be implemented, these specific measures, intended to harmonise and simplify certain arrangements for businesses, are appropriate.

Amendment

- (6) Given this demand and the fact that the definitive VAT system for intra-Union trade **is yet** to be **duly** implemented, these specific measures, intended to harmonise and simplify certain arrangements for businesses, are appropriate **only in a transitional manner**.

Amendment 10

Proposal for a directive

Recital 7

Text proposed by the Commission

- (7) The creation of the certified taxable person status is needed for the efficient application of the improvements to the Union VAT rules for cross-border transactions as well as for the gradual transition towards the definitive system for intra-Union trade.

Amendment

- (7) The creation of the certified taxable person status is needed for the efficient application of the improvements to the Union VAT rules for cross-border transactions as well as for the gradual transition towards the definitive system for intra-Union trade. **However, strict criteria, applied in a harmonised way by all Member States, need to be put in place to determine which enterprises can benefit from the status of the certified taxable person, and common rules and provisions resulting in fines and penalties for those who do not comply with them should be established.**

Amendment 11

Proposal for a directive

Recital 8

Text proposed by the Commission

- (8) In the current system no distinction is made between reliable and less reliable taxable persons as regards the VAT rules to be applied. The granting of the certified taxable person status on the basis of certain objective criteria should enable the identification of those reliable taxable persons. This status would allow them to benefit from the application of certain **fraud-sensitive** rules not applicable to other taxable persons.

Amendment

- (8) In the current system no distinction is made between reliable and less reliable taxable persons as regards the VAT rules to be applied. The granting of the certified taxable person status on the basis of certain objective criteria, **to be applied in a harmonised way by Member States**, should enable the identification of those reliable taxable persons **and those who do not fully comply with the criteria**. This status would allow them to benefit from the application of certain **simplified and user-friendly** rules not applicable to other taxable persons.

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Amendment 12**Proposal for a directive****Recital 9***Text proposed by the Commission*

- (9) Access to the certified taxable person status should be based on criteria harmonised at Union level and therefore certification provided by one Member State should be valid in the whole Union.

Amendment

- (9) Access to the certified taxable person status should be based on **clearly defined** criteria **and should be available to businesses including SMEs. Those criteria should be** harmonised at Union level and therefore certification provided by one Member State should be valid in the whole Union. **The Commission should therefore present implementing acts and comprehensive and easy to use guidelines, facilitating harmonisation and administrative cooperation between the authorities and ensuring interoperability among Member States whilst verifying the proper application by Member States of such harmonised criteria across the Union. Those guidelines should be closely aligned to the criteria of the Authorised Economic Operator under the Union Customs Code, in order to reduce the administrative burden and to ensure uniform implementation and compliance across Member States.**

Amendment 13**Proposal for a directive****Recital 9 a (new)***Text proposed by the Commission**Amendment*

- (9a) **With particular focus on the higher compliance costs for SMEs, the Commission should present simplified administrative procedures for SMEs to obtain the status of certified taxable persons.**

Amendment 14**Proposal for a directive****Recital 9 b (new)***Text proposed by the Commission**Amendment*

- (9b) **Information on whether an economic operator is a certified taxable person should be accessible via the VIES system.**

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Amendment 15

Proposal for a directive

Recital 10

Text proposed by the Commission

(10) Certain taxable persons covered by particular arrangements excluding them from the general VAT rules, **or who only occasionally carry out economic activities**, should not be granted the certified taxable person status as far as those particular arrangements or occasional activities are concerned. Otherwise the smooth application of the proposed changes could be disrupted.

Amendment

(10) Certain taxable persons covered by particular arrangements excluding them from the general VAT rules should not be granted the certified taxable person status as far as those particular arrangements or occasional activities are concerned. Otherwise the smooth application of the proposed changes could be disrupted. ***In addition, special attention should be paid to ensuring that SMEs are not put at a competitive disadvantage compared to large enterprises in respect of the obtainment of the status of certified taxable persons.***

Amendment 16

Proposal for a directive

Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) ***The EU VAT cross-border ruling pilot project should be the basis for a fully developed Union tool which would prevent conflict of VAT rules on tax disputes and would resolve cases of intra-Union cross-border disputes in VAT cases. National mechanisms will continue to apply for internal VAT tax disputes between the taxpayer concerned and the national tax authority.***

Amendment 17

Proposal for a directive

Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) ***This Directive provides for provisional arrangements prior to the adoption by Member States of a definitive system for the taxation of trade between Member States, and should be accompanied by corresponding implementing acts and guidelines. This Directive, implementing acts and guidelines should enter into force at the same time.***

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Amendment 18**Proposal for a directive****Recital 13 c (new)**

Text proposed by the Commission

Amendment

(13c) *A mechanism should be established to ensure a transparent and direct information system which automatically notifies tax payers of updates and changes in the VAT rates of Member States. Such a mechanism should be based on harmonised standards and reporting forms, ensuring uniform reporting and data retrieval across Member States. Member States should be obliged to ensure that all information regarding their national VAT rates are correct and up to date. Member States should furthermore ensure that any changes to national VAT rates are notified via such a system within a reasonable time of their adoption and in any case before the changes become applicable.*

Amendment 19**Proposal for a directive****Recital 15 a (new)**

Text proposed by the Commission

Amendment

(15a) *In keeping with the public interest and the financial interests of the Union, whistleblowers should enjoy effective legal protection, in order to facilitate the detection and prevention of all forms of fraud.*

Amendment 20**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13 a – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

Any taxable person who has a place of business or a fixed establishment **in the Community or in absence of place of business and fixed establishment has his permanent address or usual residence** in the Community and who, in the course of his economic activity, carries out, or intends to carry out, any of the transactions referred to in Articles 17a, 20 and 21, or transactions in accordance with the conditions specified in **Article 138** may apply to the tax authorities for the status of certified taxable person.

Any taxable person who has a place of business or a fixed establishment in the Community and who, in the course of his economic activity, carries out, or intends to carry out, any of the transactions referred to in Articles 17a, 20 and 21, or transactions in accordance with the conditions specified in **Articles 138 and 138a** may apply to the tax authorities for the status of certified taxable person.

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Amendment 21

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 1 – subparagraph 3

Text proposed by the Commission

Where the applicant is a taxable person who has been granted the status of an authorised economic operator for customs purposes, the criteria in paragraph 2 shall be deemed to have been met.

Amendment

Where the applicant is a taxable person who has been granted the status of an authorised economic operator for customs purposes **only**, the criteria in paragraph 2 shall be deemed to have been met.

Amendment 22

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 2 – point a

Text proposed by the Commission

(a) the absence of any serious infringement or repeated infringements of taxation rules and customs legislation, **as well as of any** record of serious criminal offences relating to **the** economic activity **of the applicant**;

Amendment

(a) the absence of any serious infringement or repeated infringements of taxation rules and customs legislation **in the last three years of economic activity, the absence of any serious tax adjustment by tax administrations, or no** record of serious criminal offences relating to **his or her** economic activity, **regardless of whether the activity has taken place within the Union or elsewhere**;

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Amendment 23**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13a – paragraph 2 – point a (new)

*Text proposed by the Commission**Amendment*

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- (aa) the absence of any record of serious criminal offences relating to the economic activity of the applicant, such as, but not limited to:**
- (i) money laundering;**
 - (ii) tax evasion and tax fraud;**
 - (iii) abuse of Union funds and programmes;**
 - (iv) bankruptcy or insolvency fraud;**
 - (v) insurance fraud or other financial fraud;**
 - (vi) bribery and/or corruption;**
 - (vii) cybercrime;**
 - (viii) participation in a criminal organisation;**
 - (ix) offences in the field of competition law;**
 - (x) direct or indirect involvement in terrorist activities;**

Amendment 24**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13a – paragraph 2 – point b

*Text proposed by the Commission**Amendment*

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- (b) the demonstration by the applicant of a high level of control of his operations and of the flow of goods, either by means of a system managing commercial and, where appropriate, transport records, which allows appropriate tax controls, or by means of a reliable or certified internal audit trail;**
- (b) the demonstration by the applicant of a high level of control of his operations and of the flow of goods, either by means of a system managing commercial and, where appropriate, transport records, which allows appropriate tax controls, or by means of a reliable or certified internal audit trail, *in accordance with the implementing acts and guidelines to be adopted by the Commission;***

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Amendment 25

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 2 – point c

Text proposed by the Commission

- (c) evidence of financial solvency of the applicant, which shall be deemed to be proven either where the applicant has good financial standing, which enables him to fulfil his commitments, with due regard to the characteristics of the type of business activity concerned, or through the production of guarantees provided by insurance or other financial institutions or by other economically reliable third parties.

Amendment

- (c) evidence of financial solvency of the applicant **during the last three years**, which shall be deemed to be proven either where the applicant has good financial standing, which enables him to fulfil his commitments, with due regard to the characteristics of the type of business activity concerned, or through the production of guarantees provided by insurance or other financial institutions or by other economically reliable third parties. **The applicant shall possess a bank account in a financial institution established in the Union.**

Amendment 26

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Where the applicant has been denied the status of an authorised economic operator in accordance with the Union Customs Code during the last three years, the applicant shall not be granted the status of a certified taxable person.

Amendment 27

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In order to ensure a harmonised interpretation in the granting of the certified taxable person status, the Commission shall adopt by means of an implementing act further guidance for Member States regarding the evaluation of those criteria, which shall be valid across the Union. The first implementing act shall be adopted no later than one month after the entry into force of this Directive.

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Amendment 28**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 1 3a – paragraph 2 b (new)

*Text proposed by the Commission**Amendment*

2b. The Commission shall adopt implementing acts and guidelines in close connection to the implementing acts and guidelines for the authorised economic operator for customs purposes.**Amendment 29****Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 1 3a – paragraph 2 c (new)

*Text proposed by the Commission**Amendment*

2c. The criteria set out in paragraph 2 shall be commonly applied by all Member States based on clearly and precisely defined rules and procedures in an implementing act.**Amendment 30****Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 1 3a – paragraph 3 – subparagraph 1 – point d a (new)

*Text proposed by the Commission**Amendment*

(da) taxable persons which do not have or cease to have a valid VAT registration number;

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Amendment 31

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 3 – subparagraph 2

Text proposed by the Commission

However, the taxable persons mentioned under points (a) to (d) may be granted the status of a certified taxable person for the other economic activities that they carry out.

Amendment

However, the taxable persons mentioned under points (a) to (d) may be granted the status of a certified taxable person for the other economic activities that they carry out, ***under the precondition that the results of those activities do not interfere with the activities which excluded those taxable persons from being granted the status of a certified taxable person in the first place.***

Amendment 32

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 13a – paragraph 4 – subparagraph 1

Text proposed by the Commission

A taxable person who applies for the status of a certified taxable person shall supply all the information required by the tax authorities in order to enable them to take a decision.

Amendment

A taxable person who applies for the status of a certified taxable person shall supply all the information required by the tax authorities in order to enable them to take a decision. ***The Commission shall set up simplified administrative procedures for SMEs to obtain the status of a certified taxable person.***

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Amendment 33**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13a – paragraph 4 – point a

Text proposed by the Commission

(a) those of the Member State where the applicant has established his business;

Amendment

(a) those of the Member State where the applicant has established his business **as defined in Council Directive (EU) .../... of ... on a Common Corporate Tax Base (CCTB) (*) and in Council Directive (EU) .../... of ... on a Common Consolidated Corporate Tax Base (CCCTB) (**), as well as in Council Directive (EU) .../... of ... laying down rules relating to the corporate taxation of a significant digital presence (***) and in Council Directive (EU) .../... of ... on the common system of a digital services tax on revenues resulting from the provision of certain digital services (****);**

(*) **OJ: Please insert in the text the number of the Directive contained in document 2016/0337(CNS) and insert the number, date, title and OJ reference of that Directive in the footnote.**

(**) **OJ: Please insert in the text the number of the Directive contained in document 2016/0336(CNS) and insert the number, date, title and OJ reference of that Directive in the footnote.**

(***) **OJ: Please insert in the text the number of the Directive contained in document 2018/0072(CNS) and insert the number, date, title and OJ reference of that Directive in the footnote.**

(****) **OJ: Please insert in the text the number of the Directive contained in document 2018/0073(CNS) and insert the number, date, title and OJ reference of that Directive in the footnote.**

Amendment 34**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13a – paragraph 4 – subparagraph 2 – point c

Text proposed by the Commission

(c) **those of the Member State where the applicant has his permanent address or where he usually resides, where he has neither a place of business nor a fixed establishment.**

*Amendment***deleted**

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Amendment 35

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 1 3a – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Where the status of a certified taxable person is granted, that information shall be made available via the VIES system. Changes to that status shall be updated in the system without delay.

Amendment 36

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 1 3a – paragraph 5

Text proposed by the Commission

Amendment

5. Where the application is refused, the grounds for refusal shall be notified by the tax authorities to the applicant together with the decision. Member States shall ensure that the applicant is granted a right of appeal against any decision to refuse an application.

5. Where the application is refused, the grounds for refusal shall be notified by the tax authorities to the applicant together with the decision. Member States shall ensure that the applicant is granted a right of appeal against any decision to refuse an application. **An appeal procedure harmonised at the Union level shall be established by 1 June 2020 by means of an implementing act, and shall include the obligation for Member States to inform other Member States of that refusal and the reasons accompanying that decision through their tax authorities. The appeal procedure shall be initiated within a reasonable time of the announcement of the decision to the applicant, to be determined by the implementing act, and should take into account any implemented remedy procedure.**

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Amendment 37**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13a – paragraph 6

Text proposed by the Commission

6. The taxable person who has been granted the status of certified taxable person shall inform the tax authorities **without delay** of any factor arising after the decision was taken, which may affect or influence the continuation of that status. The tax status shall be withdrawn by the tax authorities where the criteria set out in paragraph 2 are no longer met.

Amendment

6. The taxable person who has been granted the status of certified taxable person shall inform the tax authorities **within 1 month** of any factor arising after the decision was taken, which may affect or influence the continuation of that status. The tax status shall be withdrawn by the tax authorities where the criteria set out in paragraph 2 are no longer met. **Tax authorities of the Member States having granted the status of a certified taxable person shall review that decision, at least every two years, to ensure that the conditions are still met. If the taxable person has not informed the tax authorities of any factor possibly affecting the certified taxable person status as laid down in the implementing act or has purposefully concealed it, it shall be subject to proportionate, efficient and dissuasive sanctions, including the loss of the certified taxable person status.**

Amendment 38**Proposal for a directive****Article 1 – paragraph 1 – point 1**

Directive 2006/112/EC

Article 13a – paragraph 6 a (new)

*Text proposed by the Commission**Amendment*

6a. A taxable person who has been refused the status of a certified taxable person, or who on his or her own initiative has informed the tax authority that he or she no longer meets the criteria set out in paragraph 2, may no earlier than six months from the date of the refusal of that status or its withdrawal re-apply for a certified taxable person status provided that all relevant criteria are met.

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Amendment 39

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 1 3a – paragraph 6 b (new)

Text proposed by the Commission

Amendment

6b. A certified taxable person who ceases to have a VAT identification number shall have his or her status as a certified taxable person withdrawn automatically.

Amendment 40

Proposal for a directive

Article 1 – paragraph 1 – point 1

Directive 2006/112/EC

Article 1 3a – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. Procedures relating to refused applications, changes to the situation of the taxable person, appeal procedures and procedures to re-apply for the certified taxable person status shall be defined in an implementing act and shall be commonly applied in all Member States.

Amendment 41

Proposal for a directive

Article 1 – paragraph 1 – point 3

Directive 2006/112/EC

Article 138 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) the taxable person or non-taxable legal person for whom the supply is made is identified for VAT purposes in a Member State other than that in which dispatch or transport of the goods begins;

(b) the taxable person or non-taxable legal person for whom the supply is made is identified for VAT purposes in a Member State other than that in which dispatch or transport of the goods begins **and possesses a VAT identification number accessible via VIES;**

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Amendment 42**Proposal for a directive****Article 1 – paragraph 1 – point 4**

Directive 2006/112/EC

Article 138a – paragraph 3 – point b

Text proposed by the Commission

(b) 'intermediary operator' shall mean a supplier in the chain other than the first supplier, who dispatches or transports the goods, himself or by a third party on his behalf;

Amendment

(b) 'intermediary operator' shall mean a supplier in the chain other than the first supplier **or the last receiver/customer**, who dispatches or transports the goods, himself or by a third party on his behalf;

Amendment 43**Proposal for a directive****Article 1 – paragraph 1 – point 5**

Directive 2006/112/EC

Article 243 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Every certified taxable person to whom goods are supplied under the call-off stock arrangements referred to in Article 17a shall keep a register of those goods.

Amendment

Every certified taxable person to whom goods are supplied under the call-off stock arrangements referred to in Article 17a shall keep a **digitalised** register of those goods **accessible to tax authorities**.

Amendment 44**Proposal for a directive****Article 1 – paragraph 1 – point 6**

Directive 2006/112/EC

Article 262 – paragraph 1 – introductory part

Text proposed by the Commission

1. Every taxable person identified for VAT purposes shall submit a recapitulative statement of the following:

Amendment

1. Every taxable person identified for VAT purposes shall submit a recapitulative statement **to the competent tax authority** of the following:

Wednesday 3 October 2018

Amendment 45

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2006/112/EC

Article 262 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The information referred to in paragraph 1 shall be accessible to all involved tax authorities via VIES.

Amendment 46

Proposal for a directive

Article 1 – paragraph 1 – point 6 a (new)

Directive 2006/112/EC

Title XIV – Chapter 2 a (new)

Text proposed by the Commission

Amendment

(6a) the following Chapter is inserted in Title XIV:

‘CHAPTER 2a

VAT dispute resolution mechanism

Article 398a

1. A VAT dispute resolution mechanism shall be set up by 1 June 2020 to resolve disputes between Member States of claimed or filed or suspected erroneous cross-border VAT payments, and applied where the Mutual Agreement Procedure does not lead to a result within two years.

2. The mechanism referred to in paragraph 1 shall be composed of Member States’ competent authorities.

3. A VAT dispute resolution mechanism shall be set up by 1 June 2020 to resolve disputes between Member States of claimed or filed or suspected erroneous cross-border VAT payments, and applied where the Mutual Agreement Procedure does not lead to a result within two years.

4. The mechanism shall also encompass an online VAT dispute resolution platform with the aim of allowing Member States to resolve disputes without the direct intervention of the mechanism nor competent authorities, by setting out clear approaches on how to relieve disputes when they occur, and procedures to resolve disputes.’;

Wednesday 3 October 2018

Amendment 47**Proposal for a directive****Article 1 – paragraph 1 – point 6 b (new)**

Directive 2006/112/EC

Title XIV – Chapter 2 b (new)

Text proposed by the Commission

*Amendment***(6b) the following Chapter is inserted in Title XIV:****‘CHAPTER 2b****Automated notification mechanism****Article 398b**

An automated notification mechanism shall be set up by 1 June 2020. That mechanism shall ensure automatic notifications to tax payers on changes and updates to the VAT rates of Member States. Such automatic notifications shall be activated before the change becomes applicable and at the latest five days after the decision has been taken.’;

Amendment 48**Proposal for a directive****Article 1 – paragraph 1 – point 9**

Directive 2006/112/EC

Articles 403 and 404

Text proposed by the Commission

*Amendment***(9) Articles 403 and 404 are deleted.****(9) Article 403 is deleted.**

Wednesday 3 October 2018

Amendment 49**Proposal for a directive****Article 1 – paragraph 1 – point 9 a (new)**

Directive 2006/112/EC

Article 404

Present text

"Article 404

Every four years starting from the adoption of this Directive, the Commission shall, on the basis of information obtained from the Member States, present a report to the European Parliament and to the Council on the operation of the common system of VAT in the Member States and, in particular, on the operation of the transitional arrangements for taxing trade between Member States. That report shall be accompanied, where appropriate, by proposals concerning the definitive arrangements."

Amendment

(9a) Article 404 is replaced by the following:**'Article 404**

By ... [one year after the date of entry into force of this Directive], and every three years thereafter, the Commission shall forward to the European Parliament and the Council a report on the exemption scheme for imports from third countries and its compatibility with the European framework and on cooperation with the competent authorities of third States, in particular as regards the combating of fraud. By ... [two years after the date of entry into force of this Directive], and every three years thereafter, the Commission shall forward to the European Parliament and the Council a report on national practices as regards the imposition of administrative and criminal penalties on legal and natural persons found guilty of VAT fraud. The Commission shall work with the competent national and European authorities to follow up, if appropriate, the recommendations designed to bring about a minimum degree of harmonisation.'

Amendment 50**Article 1 – paragraph 1 – point 9 b (new)****Proposal for a directive**

Directive 2006/112/EC

Article 404 a (new)

Text proposed by the Commission

Amendment

(9b) the following Article 404a is inserted:**'Article 404a**

Every three years, each Member State shall submit a report assessing the effectiveness of the VAT fraud monitoring system to the Commission, which shall forward it to OLAF.'

Wednesday 3 October 2018

Amendment 51**Article 2 – paragraph 1 – subparagraph 2****Proposal for a directive***Text proposed by the Commission**Amendment*

They shall apply those provisions from 1 January 2019.

They shall apply those provisions **together with the implementing acts and guidelines** from 1 January 2019.**Amendment 52****Proposal for a directive****Article 2 – paragraph 2 a (new)***Text proposed by the Commission**Amendment*

2a. By ... [date of adoption of this Directive] and every three years thereafter, the Commission shall, on the basis of information obtained from the Member States, present a report to the European Parliament and to the Council on the implementation of the criteria to define a certified taxable person in the Member States and, in particular, on the impact it can have in fighting VAT fraud. That report shall be accompanied, where appropriate, by a proposal for a legislative act.
