

**Question for written answer E-010405/2014
to the Commission**

Rule 130

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Subject: Impact of new VAT rules on small businesses supplying digital services

In the UK, businesses with a taxable annual turnover of less than GBP 81 000 are not required to register for VAT. This is an important exemption for small and micro businesses.

However, new EU rules on the place of supply of telecommunications, broadcasting and electronic services, which will come into force on 1 January 2015, will make all UK businesses supplying digital services to consumers in other Member States liable to pay VAT in those Member States.

Even with the availability of a VAT Mini One Stop Shop (VAT MOSS), this will impose a significant additional burden on small and micro businesses currently exempt from VAT registration in the UK and may even threaten their commercial viability.

1. Can the Commission explain why no protections for small and micro businesses were included in the new EU rules on the place of supply of telecommunications, broadcasting and electronic services?
2. What scope is there for introducing an EU-wide VAT exemption for enterprises with a turnover of less than EUR 100 000, thereby recognising the serious economic situation many Member States are facing and the fact that small and micro businesses have a crucial role in job creation and innovation?