

**Question for written answer E-012847/2015
to the Commission**
Rule 130
Pablo Zalba Bidegain (PPE)

Subject: New European rules on VAT on e-commerce

Since 1 January 2015, when the new EU rules on VAT on e-commerce entered into force, VAT on online purchases has been levied in the country where the customer is based, rather than where the supplier is located, as had formerly been the case.

Services provided are, therefore, now taxed in the country of the purchaser's permanent address or usual residence, regardless of the country in which the supplier is based.

Various market players have expressed their concern, claiming that this rule change is causing distortions in the market and could hinder further progress towards the digital single market.

Has the Commission gauged the impact of this rule change on SMEs operating in this market?

What measures is the Commission considering to ensure continued progress towards a digital single market?