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DRAFT REPORT

on the amended proposal for a Council regulation amending Regulation (EU) No 904/2010 as regards measures to strengthen administrative cooperation in the field of value-added tax
(COM(2017)0706 – C8-0441/2017 – 2017/0248(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Roberts Zīle

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the amended proposal for a Council regulation amending Regulation (EU) No 904/2010 as regards measures to strengthen administrative cooperation in the field of value-added tax
(COM(2017)0706 – C8-0441/2017 – 2017/0248(CNS))**

(Special legislative procedure – consultation)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2017)0706),
 - having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0441/2017),
 - having regard to Rule 78c of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A8-0000/2018),
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.

Amendment 1

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) For the purposes of this Regulation, it is appropriate to consider limitations on certain rights and obligations laid down by Regulation (EU) 2016/679 of the European Parliament and of the Council³⁷ in order to safeguard the interests referred to in Article 23(1)(e) of that Regulation. Such

Amendment

(19) For the purposes of this Regulation, it is appropriate to consider limitations on certain rights and obligations laid down by Regulation (EU) 2016/679 of the European Parliament and of the Council³⁷ in order to safeguard the interests referred to in Article 23(1)(e) of that Regulation. Such

limitations are necessary and proportionate in view of the potential loss of revenue for Member States and the crucial importance of making information available in order to combating fraud effectively.

limitations are necessary and proportionate in view of the potential loss of revenue for Member States and the crucial importance of making information available in order to combating fraud effectively. *Such limitations, however, must not go beyond what is strictly necessary to achieve that objective and must meet the high standards required by Article 52(1) of the Charter of Fundamental Rights of the European Union. In addition, any future implementing acts to this Regulation must comply with the data protection requirements laid down in the Regulation (EU) 2016/679 and Regulation (EC) No 45/2001 of the European Parliament and of the Council.*^{37a}

³⁷ Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (OJ L 119, 4.5.2016, p. 1).

³⁷ Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (OJ L 119, 4.5.2016, p. 1).

^{37a}*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 (OJ L 8, 12.1.2001, p. 1).*

Or. en

Amendment 2

Proposal for a regulation

Article 1 – paragraph 1 – point 1 – point b

Regulation (EU) No 904/2010

Article 7 – paragraph 4 – subparagraph 4

Text proposed by the Commission

Where the competent authorities of at least two Member States consider that an

Amendment

Where the competent authorities of at least two Member States consider that an

administrative enquiry is required, the requested authority shall not refuse to undertake that enquiry. Member States shall ensure that arrangements are put in place between those requesting authorities and the requested authority whereby officials authorised by the requesting authorities shall take part in the administrative enquiry carried out in the territory of the requested authority with a view to collecting the information referred to in the second subparagraph. Such administrative enquiry shall be carried out jointly by the officials of the requesting and requested authorities. The officials of the requesting authorities shall ***exercise the same powers of inspection as those conferred on officials of the requested authority. The officials of the requesting authorities shall*** have access to the same premises and ***documents as the officials*** of the requested ***authority for the sole purpose of carrying out the administrative enquiry.***;

administrative enquiry is required, ***they shall submit a reasoned request.*** The requested authority shall not refuse to undertake that enquiry ***and, if the information is already available, shall supply it without delay to the requesting authorities.*** Member States shall ensure that arrangements are put in place between those requesting authorities and the requested authority whereby officials authorised by the requesting authorities shall take part in the administrative enquiry carried out in the territory of the requested authority with a view to collecting the information referred to in the second subparagraph. Such administrative enquiry shall be carried out jointly by the officials of the requesting and requested authorities. The officials of the requesting authorities shall have access to the same ***information, documents, premises and, insofar as it is permitted under the law*** of the requested ***Member State, be able to directly question individuals.***’;

Or. en

Amendment 3

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 904/2010

Article 13 – paragraph 3

Text proposed by the Commission

‘3. The information shall be forwarded ***by means of*** standard forms or by other means which the respective competent authorities deem appropriate. The Commission shall adopt by means of implementing acts ***the standard forms.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(2)’;

Amendment

’3. The information shall be forwarded ***using*** standard forms or by other means which the respective competent authorities deem appropriate. The Commission shall adopt ***the standard forms*** by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(2)’;

Or. en

Amendment 4

Proposal for a regulation

Article 1 – paragraph 1 – point 3 – point a

Regulation (EU) No 904/2010

Article 17 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(a) *in paragraph 1, the following point (e) is added:* **deleted**

‘(e) information as regards the status of a certified taxable person pursuant to Article 13a of Directive 2006/112/EC, as well as the date on which that status was granted, refused and withdrawn.’

Or. en

Amendment 5

Proposal for a regulation

Article 1 – paragraph 1 – point 3 – point b

Regulation (EU) No 904/2010

Article 17 – paragraph 1 – point f

Text proposed by the Commission

Amendment

‘(f) information which it collects pursuant to points (a) and (b) of Article 143(2) of Directive 2006/112/EC, as well as the country of origin, the country of destination, the commodity code, the currency, the total amount, the exchange rate, the *prices of the individual items* and the net weight.’

‘(f) information which it collects pursuant to points (a) and (b) of Article 143(2) of Directive 2006/112/EC, as well as the country of origin, the country of destination, the commodity code, the currency, the total amount, the exchange rate, the *item price* and the net weight.’

Or. en

Amendment 6

Proposal for a regulation

Article 1 – paragraph 1 – point 3 – point e

Text proposed by the Commission

‘3. The Commission shall determine by means of implementing acts the **exact categories** of information referred to in point (f) of paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(2).’;

Amendment

‘3. The Commission shall determine by means of implementing acts the **standard forms, templates and procedures for the provision** of information referred to in point (f) of paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(2).’;

Or. en

Justification

Limiting scope of the implementing acts of the Commission to the standard forms, templates and procedures for the provision of the exchange of information between customs and tax administrations instead of the categories of information.

Amendment 7

Proposal for a regulation

Article 1 – paragraph 1 – point 4 – point b – point i

Regulation (EU) No 904/2010

Article 21 – paragraph 2 – point e – point i

Text proposed by the Commission

‘(i) access is in connection with an investigation into suspected fraud or is to detect **or identify perpetrators of** fraud;

Amendment

‘(i) access is in connection with an investigation into suspected fraud or is to detect fraud;

Or. en

Amendment 8

Proposal for a regulation

Article 1 – paragraph 1 – point 4 – point c

Regulation (EU) No 904/2010

Article 21 – paragraph 2a – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

With respect to the information referred to in Article 17(1)(f), **at least** the following details shall be accessible:

With respect to the information referred to in Article 17(1)(f), the following details shall be accessible:

Or. en

Amendment 9

Proposal for a regulation

Article 1 – paragraph 1 – point 4 – point c

Regulation (EU) No 904/2010

Article 21 – paragraph 2a – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) the country of origin, the country of destination, the commodity code, the currency, the total amount, the exchange rate, the **prices of the individual items** and the net weight of the imported goods followed by an intra-Community supply of goods from each person referred to in point (b) to each person holding a VAT identification number referred to in point (a);

(c) the country of origin, the country of destination, the commodity code, the currency, the total amount, the exchange rate, the **item price** and the net weight of the imported goods followed by an intra-Community supply of goods from each person referred to in point (b) to each person holding a VAT identification number referred to in point (a);

Or. en

Amendment 10

Proposal for a regulation

Article 1 – paragraph 1 – point 4 – point c

Regulation (EU) No 904/2010

Article 21 – paragraph 2a – subparagraph 1 – point d – introductory part

Text proposed by the Commission

Amendment

(d) the country of origin, the country of destination, the commodity code, the currency, the total amount, the exchange rate, the **prices of the individual items** and the net weight of the imported goods

(d) the country of origin, the country of destination, the commodity code, the currency, the total amount, the exchange rate, the **item price** and the net weight of the imported goods followed by an intra-

followed by an intra-Community supply of goods from each person referred to in point (b) to each person holding a VAT identification number issued by another Member State under the following conditions:

Community supply of goods from each person referred to in point (b) to each person holding a VAT identification number issued by another Member State under the following conditions:

Or. en

Amendment 11

Proposal for a regulation

Article 1 – paragraph 1 – point 4 – point c

Regulation (EU) No 904/2010

Article 21 – paragraph 2a – subparagraph 1 – point d – point i

Text proposed by the Commission

(i) access is in connection with an investigation into suspected fraud or is to detect *or identify perpetrators of* fraud;

Amendment

(i) access is in connection with an investigation into suspected fraud or is to detect fraud;

Or. en

Amendment 12

Proposal for a regulation

Article 1 – paragraph 1 – point 5

Regulation (EU) No 904/2010

Article 21a – paragraph 2 – point i

Text proposed by the Commission

(i) access is in connection with an investigation into suspected fraud or is to detect *or identify perpetrators of* fraud;

Amendment

(i) access is in connection with an investigation into suspected fraud or is to detect fraud;

Or. en

Amendment 13

Proposal for a regulation

Article 1 – paragraph 1 – point 8 – point a

Text proposed by the Commission

‘2a. By agreement between the requesting **authority** and the requested authority, and in accordance with the arrangements laid down by the latter, officials authorised by the requesting **authority** may, with a view to collecting and exchanging the information referred to in Article 1, take part in the administrative enquiries carried out in the territory of the requested Member State. Such administrative enquiries shall be carried out jointly by the officials of the requesting and requested authorities. ***The officials of the requesting authority shall exercise the same powers of inspection as those conferred on officials*** of the requested authority. The officials of the requesting authorities shall have access to the same premises and documents as the officials of the requested authority for the sole purpose of carrying out the administrative enquiry. By agreement between the requesting **authority** and the requested authority, and in accordance with the arrangements laid down by the requested authority, **both** authorities may draft a common audit report.’;

Amendment

‘2a. By agreement between the requesting **authorities** and the requested authority, and in accordance with the arrangements laid down by the latter, officials authorised by the requesting **authorities** may, with a view to collecting and exchanging the information referred to in Article 1, take part in the administrative enquiries carried out in the territory of the requested Member State. Such administrative enquiries shall be carried out jointly by the officials of the requesting and requested authorities, ***respecting the administrative practices of those authorities and the national law of the Member State*** of the requested authority. The officials of the requesting authorities shall have access to the same premises and documents as the officials of the requested authority for the sole purpose of carrying out the administrative enquiry. By agreement between the requesting **authorities** and the requested authority, and in accordance with the arrangements laid down by the requested authority, ***the participating*** authorities may draft a common audit report.’;

Or. en

Amendment 14

Proposal for a regulation

Article 1 – paragraph 1 – point 9

Regulation (EU) No 904/2010

Article 31 – paragraph 1

Text proposed by the Commission

(9) in Article 31, paragraph 1 is replaced by the following:

Amendment

deleted

‘1. The competent authorities of each Member State shall ensure that persons involved in the intra-Community supply of goods or of services and non-established taxable persons supplying telecommunication services, broadcasting services and electronically supplied services, in particular those referred to in Annex II to Directive 2006/112/EC, are allowed to obtain, for the purposes of such transactions, confirmation by electronic means of the validity of the VAT identification number of any specified person as well as the associated name and address. The competent authorities of each Member State shall also ensure that it can be verified by electronic means whether any specified person is a certified taxable person pursuant to Article 13a of Directive 2006/112/EC where such tax status is relevant for the purposes of that Article. This information shall correspond to the data referred to in Article 17 of this Regulation.;’

Or. en

Amendment 15

Proposal for a regulation

Article 1 – paragraph 1 – point 10

Regulation (EU) No 904/2010

Article 32 – paragraph 1

Text proposed by the Commission

Amendment

(10) in Article 32, paragraph 1 is replaced by the following: ***deleted***

‘1. The Commission shall, on the basis of the information provided by the Member States, publish on its website the details of the provisions approved by each Member State which transpose Chapter 2 of Title VIII, Article 167a, Chapter 3 of Title XI and Chapter 1 of Title XII of

Amendment 16

Proposal for a regulation

Article 1 – paragraph 1 – point 11 – point a

Regulation (EU) No 904/2010

Article 33 – paragraph 1

Text proposed by the Commission

‘1. In order to promote and facilitate multilateral cooperation in the fight against VAT fraud, this Chapter establishes a network for the swift exchange, processing and analysis of targeted information between Member States and for the coordination of any follow-up actions (‘Eurofisc’).’;

Amendment

‘1. In order to promote and facilitate multilateral cooperation in the fight against VAT fraud, this Chapter establishes a network for the swift exchange, processing and analysis of targeted information ***on cross-border fraud schemes*** between Member States and for the coordination of any follow-up actions (‘Eurofisc’).’;

Amendment 17

Proposal for a regulation

Article 1 – paragraph 1 – point 11 – point b – point i

Regulation (EU) No 904/2010

Article 33 – paragraph 2 – point b

Text proposed by the Commission

‘(b) carry out and coordinate the swift multilateral exchange and the joint processing and analysis of targeted information in the subject areas in which Eurofisc operates (‘Eurofisc working fields’);

Amendment

‘(b) carry out and coordinate the swift multilateral exchange and the joint processing and analysis of targeted information ***on cross-border fraud schemes*** in the subject areas in which Eurofisc operates (‘Eurofisc working fields’);

Amendment 18

Proposal for a regulation

Article 1 – paragraph 1 – point 11 – point b – point ii

Regulation (EU) No 904/2010

Article 33 – paragraph 2 – point d

Text proposed by the Commission

‘(d) coordinate participating Member States’ administrative enquiries *into the suspects and perpetrators* of fraud identified by the Eurofisc liaison officials as referred to in Article 36(1).’;

Amendment

‘(d) coordinate participating Member States’ administrative enquiries of fraud identified by the Eurofisc liaison officials as referred to in Article 36(1).’;

Or. en

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point 12

Regulation (EU) No 904/2010

Article 34 – paragraph 2

Text proposed by the Commission

‘2. Member States having chosen to take part in a Eurofisc working field shall actively participate in the multilateral exchange and the joint processing and analysis of targeted information between all participating Member States and in the coordination of any follow-up actions.’;

Amendment

‘2. Member States having chosen to take part in a Eurofisc working field shall actively participate in the multilateral exchange and the joint processing and analysis of targeted information *on cross-border fraud schemes* between all participating Member States and in the coordination of any follow-up actions.’;

Or. en

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point 13

Regulation (EU) No 904/2010

Article 35 – paragraph 1

Text proposed by the Commission

The Commission shall provide Eurofisc with technical and logistical support. The Commission shall not have access to the information referred to in Article 1, which may be exchanged over Eurofisc, except in the circumstances provided for in Article 55(2).’;

Amendment

The Commission shall provide Eurofisc with ***the necessary*** technical and logistical support. The Commission shall not have access to the information referred to in Article 1, which may be exchanged over Eurofisc, except in the circumstances provided for in Article 55(2).’;

Or. en

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 14 – point c

Regulation (EU) No 904/2010

Article 36 – paragraph 3

Text proposed by the Commission

‘3. Eurofisc working field coordinators may ***forward***, on their own initiative or on request, ***some of the collated and processed*** information to Europol and the European Anti-Fraud Office (‘OLAF’), as agreed by the working field participants.

Amendment

‘3. Eurofisc working field coordinators may, on their own initiative or on request, ***forward relevant*** information ***on the most serious VAT offences*** to Europol and the European Anti-Fraud Office (‘OLAF’), as agreed by the working field participants.

Or. en

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 16

Regulation (EU) No 904/2010

Article 48 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Where the Member State of establishment becomes aware that a taxable person making a request for refund of VAT, in accordance with Article 5 of Directive 2008/9/EC, has undisputed VAT liabilities

Amendment

Where the Member State of establishment becomes aware that a taxable person making a request for refund of VAT, in accordance with Article 5 of Directive 2008/9/EC, has undisputed VAT liabilities

in that Member State of establishment, it may ***inform the Member State of refund of those liabilities so that the Member State of refund shall*** request the consent of the taxable person for the transfer of the VAT refund directly to the Member State of establishment in order to discharge the outstanding VAT liabilities. Where the taxable person ***consents*** to this transfer, the Member State of refund on behalf of the taxable person shall transfer this amount to the Member State of establishment, to the extent that it is required to discharge the outstanding VAT liability. The Member State of establishment shall inform the taxable person whether the amount transferred amounts to either a full or a partial discharge of the VAT liability ***within 15 days of the receipt of the transfer from the Member State of refund.***

in that Member State of establishment, it may request ***via an application for refund of VAT*** the consent of the taxable person for the transfer of the VAT refund directly to the Member State of establishment in order to discharge the outstanding VAT liabilities. Where the taxable person ***has consented*** to this transfer, ***the Member State of establishment shall inform the Member State of refund of those liabilities and the consent obtained and*** the Member State of refund on behalf of the taxable person shall transfer this amount to the Member State of establishment, to the extent that it is required to discharge the outstanding VAT liability. The Member State of establishment shall inform the taxable person whether the amount transferred amounts to either a full or a partial discharge of the VAT liability ***in accordance with its national law and its existing administrative practices.***

Or. en

Amendment 23

Proposal for a regulation

Article 1 – paragraph 1 – point 16

Regulation (EU) No 904/2010

Article 48 – paragraph 1 – subparagraph 3

Text proposed by the Commission

Where the Member State of establishment becomes aware that a taxable person making a request for refund of VAT, in accordance with Article 5 of Directive 2008/9/EC, has disputed VAT liabilities in that Member State of establishment, it may inform the Member State of refund of those liabilities, so that the Member State of refund shall request the consent of the taxable person for the transfer of the VAT refund directly to the Member State of establishment in order that it be retained as a precautionary measure.

Amendment

However the transfer of the VAT refund to the Member State of establishment shall ***not affect the right of the Member State of refund to recover the liabilities that the taxable person has in that Member State.*** Where ***the tax liabilities in*** the Member State of establishment ***are disputed, the transfer of the refund amounts can be used by the Member State of establishment as a retention measure in so far as an effective judicial review is ensured in that Member State.***

*Where the taxable person consents to this transfer and retention, the Member State of refund on behalf of the taxable person shall transfer this amount to the Member State of establishment to the extent that it is required to secure the payment of the disputed VAT liability. The Member State of establishment shall inform the taxable person of the transfer and of the retention of the amount transferred within 15 days of the receipt of the transfer from the Member State of refund. The transfer of the amount to the Member State of establishment shall **only be permitted** where the Member State of establishment **has in place** effective judicial **control, which enables the courts to grant the release, at the request of the taxable person and in all stages of the proceedings, of the amount retained or of any part of it.***;

Or. en

Amendment 24

Proposal for a regulation

Article 1 – paragraph 1 – point 19 – point b

Regulation (EU) No 904/2010

Article 55 – paragraph 5

Text proposed by the Commission

'5.All storage, processing or exchange of information referred to in this Regulation is subject to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council(*). However, Member States **shall**, for the purpose of the correct application of this Regulation, restrict the scope of the obligations and rights provided for in Articles 12 to 22 and Articles **5 and** 34 of Regulation (EU) 2016/679 to the extent required in order to safeguard the interests referred to in Article 23(1)(e) of that Regulation. The processing and storage of information referred to in

Amendment

'5.All storage, processing or exchange of information referred to in this Regulation is subject to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council* **and Regulation (EC) No 45/2001 of the European Parliament and of the Council****. However, Member States **may**, for the purpose of the correct application of this Regulation, restrict the scope of the obligations and rights provided for in **Article 5**, Articles 12 to 22 and Article 34 of Regulation (EU) 2016/679. **However, with respect to Article 5 of that Regulation, Member States may**

this Regulation shall be carried out only for the purposes referred to in Article 1(1) of this Regulation *and* the storage periods of this information shall be limited to the extent necessary to achieve those purposes.’;

only restrict its scope insofar as it corresponds to the rights and obligations provided for in Articles 12 to 22 and Article 34. of that Regulation. Such restrictions may be implemented to the extent required in order to safeguard the interests referred to in Article 23(1)(e) of that Regulation and to the extent that it constitutes a necessary and proportionate measure in a democratic society with due regard for the legitimate interests of the concerned person in order to:

(a) enable the competent authorities of the Member States to fulfil their tasks properly for the purposes of this Regulation; or

(b) avoid obstructing administrative or legal enquiries, analyses, investigations or procedures for the purposes of this Regulation and to ensure that the prevention, investigation and detection of tax evasion and tax avoidance is not jeopardised.

The processing and storage of information referred to in this Regulation shall be carried out only for the purposes referred to in Article 1(1) of this Regulation. *The information shall not be further processed or used for any other means such as commercial purposes.* The storage periods of this information shall be limited to the extent necessary to achieve those purposes.’;

(*) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

* Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

**** 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 (OJ L 8, 12.1.2001, p. 1).

Or. en

Justification

Formal comments from the EDPS

EXPLANATORY STATEMENT

Value added tax (VAT) is an important source of tax revenue for the Member States. Yet countries are missing out on some of that revenue due to fraud. Within the context of VAT, cross-border tax fraud is one of the major problems facing the Member States. The current system of the taxation of trade between the Member States is unable keep up with the increasing speed of the economy.

Your Rapporteur welcomes the Commission's proposal to strengthen cooperation between Member States in order to help them fight the VAT fraud more easily, quickly and efficiently. However, some improvements were necessary.

Your Rapporteur believes that the legislative proposal needs to strike the right balance between requests for and analysing of information on the one hand and data protection and privacy on the other. Hence several amendments have been introduced that seek to more clearly define the operating boundaries of Eurofisc as well as the processing and use of information by the authorities. References to relevant data protection legislation have been inserted.

Similarly, the proposal has been improved so as to strike a better balance between the interests and responsibilities of the requesting and the requested authorities. Without undermining the ability for the requesting authorities to launch administrative enquiries, the rights of the requested authorities are now better served. Furthermore, a more simplified mechanism on how the Member States deal with outstanding VAT liabilities is introduced. Due to evolution of the respective file, Your Rapporteur has deleted provisions relating to certified taxable person.

With other minor amendments Your Rapporteur has strived to further improve and clarify the spirit of the proposal.