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*Plenary sitting*

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**A8-0306/2017**

16.10.2017

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## **REPORT**

on the proposal for a Council regulation amending Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value added tax  
(COM(2016)0755 – C8-0003/2017 – 2016/0371(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Luděk Niedermayer

### ***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 proposal for a Council regulation amending Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value added tax (COM(2016)0755 – C8-0003/2017 – 2016/0371(CNS))**

**(Special legislative procedure – consultation)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2016)0755),
  - having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0003/2017),
  - having regard to Rule 78c of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A8-0306/2017),
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 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***(1a) The VAT gap in the Union is estimated at 12,8 % or EUR 152 billion per year including EUR 50 billion of cross-border VAT fraud, making VAT an important issue to be addressed at Union level.***

## Amendment 2

### Proposal for a regulation

#### Recital 5

##### *Text proposed by the Commission*

(5) As under the special schemes, a Member State of identification collects and controls VAT on behalf of the Member States of consumption, it is appropriate to provide for a mechanism whereby the Member State of identification would receive a fee from the Member States of consumption concerned compensating for the costs of collection and control. However, as the current system whereby a fee is retained from the VAT amounts to be transferred by the Member State of identification to the Member States of consumption has caused complications for tax administrations, in particular when dealing with reimbursements, such a fee should be calculated and paid annually, outside the special schemes.

##### *Amendment*

(5) As under the special schemes, a Member State of identification collects and controls VAT on behalf of the Member States of consumption, it is appropriate to provide for a mechanism whereby the Member State of identification would receive a fee from the Member States of consumption concerned compensating for the costs of collection and control. However, as the current system whereby a fee is retained from the VAT amounts to be transferred by the Member State of identification to the Member States of consumption has caused complications for tax administrations, in particular when dealing with reimbursements, such a fee should be calculated and paid annually, outside the special schemes, ***and where a rebate is paid between differing national currencies, the valid exchange rate published by the European Central Bank should be applied.***

## Amendment 3

### Proposal for a regulation

#### Recital 6

##### *Text proposed by the Commission*

(6) To simplify the collection of statistical data concerning the application of the special schemes, the Commission should be authorised to automatically access general information related to the special schemes stored in the Member States' electronic systems, with the exception of data concerning individual taxable persons.

##### *Amendment*

(6) To simplify the collection of statistical data concerning the application of the special schemes, the Commission should be authorised to automatically access general information related to the special schemes stored in the Member States' electronic systems, with the exception of data concerning individual taxable persons. ***Member States should be encouraged to ensure that such general information is available to other relevant***

*national authorities, if that is not already the case, in order to combat VAT fraud and money laundering.*

#### **Amendment 4**

##### **Proposal for a regulation Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

*(7a) Communication between the Commission and Member States should be adequate and effective, with a view to attaining the objectives of this Regulation in a timely manner.*

#### **Amendment 5**

##### **Proposal for a regulation Recital 9 a (new)**

*Text proposed by the Commission*

*Amendment*

*(9a) The use of IT in combating fraud could allow the competent authorities to identify fraud networks faster and in a comprehensive manner. A targeted and balanced approach using new technologies could reduce the need for Member States' general anti-fraud measures and at the same time increase the efficiency of anti-fraud policy.*

#### **Amendment 6**

##### **Proposal for a regulation Article 1 – paragraph 1 – point 5 – point b Regulation (EU) No 904/2010 Section 3 – Subsection 1 – Article 47a – paragraph 1**

*Text proposed by the Commission*

*Amendment*

The provisions of this Section shall apply from 1 January 2021.

The provisions of this Section shall apply from 1 January 2021. *Member States shall exchange all information referred to in*

*Subsection 2 without delay, unless expressly stated otherwise.*

*Justification*

*Necessary for the exchange of information between competent authorities.*

**Amendment 7**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 5 – point b**

Regulation (EU) No 904/2010

Section 3 – Subsection 3 – Article 47j – paragraph 4

*Text proposed by the Commission*

4. Each Member State shall communicate to the other Member States and the Commission the details of the competent person responsible for coordination of administrative enquiries within that Member State.

*Amendment*

4. Each Member State shall communicate to the other Member States and the Commission the details of the competent person responsible for coordination of administrative enquiries within that Member State. ***That information shall be published on the website of the Commission.***

**Amendment 8**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 5 – point b**

Regulation (EU) No 904/2010

Section 3 – Subsection 4 – Article 47l – paragraph 3 a (new)

*Text proposed by the Commission*

*Amendment*

***Within two years of the date of application of this Regulation, the Commission shall conduct a review to ensure the viability and cost effectiveness of the fee, and, if necessary, take steps for correction.***

**Amendment 9**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 5 – point b**

Regulation (EU) No 904/2010

Section 3 – Subsection 5 – Article 47m – paragraph 1



*Text proposed by the Commission*

Member States shall grant the Commission access to statistical information stored in their electronic system pursuant to Article 17(1)(d). This information shall not contain any personal data.

*Amendment*

Member States shall grant the Commission access to statistical information stored in their electronic system pursuant to Article 17(1)(d). This information shall not contain any personal data ***and shall be limited to the information necessary for relevant statistical purposes.***

**Amendment 10**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 5 – point b**

Regulation (EU) No 904/2010

Section 3 – Subsection 6 – Article 47n – paragraph 1 – point f

*Text proposed by the Commission*

(f) the information to be accessed by the Commission as referred to in Article 47m as well as the technical means for the extraction of this information.

*Amendment*

(f) the information to be accessed by the Commission as referred to in Article 47m as well as the technical means for the extraction of this information. ***The Commission shall ensure that the extraction of data does not impose an unnecessary administrative burden on Member States.***

## EXPLANATORY STATEMENT

This proposal, put forward by the Commission on 1 December 2016, is part of the package of legislation on *modernising VAT for cross-border B2C e-commerce*. The proposal provides the basis for the underlying IT infrastructure and the rules and procedures necessary for cooperation by Member States to ensure successful extension of the Mini One Stop Shop (MOSS) to services beyond telecommunications, broadcasting and electronically supplied services (for which the MOSS already applies) and to distance sales of goods, both within and from outside the EU. The overall package is estimated to increase VAT revenues for Member States by EUR 7 billion annually and reduce regulatory costs for business by EUR 2.3 billion annually.

This proposal is closely linked to the *Proposal amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain VAT obligations for supplies of services and distance sales of goods* (COM/2016/757; 2016/0370 (CNS)), as it implements the changes put forward in that proposal through amendments to the *Regulation 2010/904 on administrative cooperation and combating fraud in the field of VAT*; the two proposals should therefore be treated together.

The proposal is estimated to have important positive budgetary implications for MS. The coordination of audits and the incentive of the administrative fee paid by Member State receiving collected VAT to the Member State of identification of the taxable person should result in risk based audits. A more efficient streamlined audit process which focuses on audit yield and significantly decreases red tape for businesses should lead to higher compliance rates compared to the alternative of an uncoordinated approach which can needlessly tie up resources.

The rapporteur welcomes and fully supports this proposal by the Commission. As this proposal constitutes the technical alignment of the *Regulation on administrative cooperation and combating fraud in the field of VAT* resulting from the changes put forward in the proposal on *Modernising VAT for cross-border e-commerce* (as outlined above), the rapporteur recommends adoption of this proposal, and calls upon the Council to swiftly adopt this proposal.

## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	Administrative cooperation and combating fraud in the field of value added tax	
<b>References</b>	COM(2016)0755 – C8-0003/2017 – 2016/0371(CNS)	
<b>Date of consulting Parliament</b>	21.12.2016	
<b>Committee responsible</b> Date announced in plenary	ECON 16.1.2017	
<b>Committees asked for opinions</b> Date announced in plenary	JURI 16.1.2017	
<b>Not delivering opinions</b> Date of decision	JURI 25.1.2017	
<b>Rapporteurs</b> Date appointed	Luděk Niedermayer 15.12.2016	
<b>Discussed in committee</b>	20.6.2017	30.8.2017
<b>Date adopted</b>	10.10.2017	
<b>Result of final vote</b>	+: 53 -: 1 0: 0	
<b>Members present for the final vote</b>	Burkhard Balz, Pervenche Berès, Udo Bullmann, Thierry Cornillet, Esther de Lange, Fabio De Masi, Markus Ferber, Jonás Fernández, Neena Gill, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Cătălin Sorin Ivan, Petr Ježek, Barbara Kappel, Wajid Khan, Georgios Kyrtos, Werner Langen, Sander Loones, Olle Ludvigsson, Ivana Maletić, Fulvio Martusciello, Marisa Matias, Gabriel Mato, Costas Mavrides, Bernard Monot, Luděk Niedermayer, Stanisław Ożóg, Sirpa Pietikäinen, Pirkko Ruohonen-Lerner, Anne Sander, Alfred Sant, Molly Scott Cato, Pedro Silva Pereira, Peter Simon, Theodor Dumitru Stolojan, Kay Swinburne, Marco Valli, Tom Vandenkendelaere, Miguel Viegas, Jakob von Weizsäcker, Marco Zanni	
<b>Substitutes present for the final vote</b>	Alain Cadec, David Coburn, Andrea Cozzolino, Ashley Fox, Doru-Claudian Frunzulică, Sophia in 't Veld, Thomas Mann, Luigi Morgano, Michel Reimon, Lieve Wierinck	
<b>Substitutes under Rule 200(2) present for the final vote</b>	Judith Sargentini	
<b>Date tabled</b>	16.10.2017	

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

53	+
ALDE	Thierry Cornillet, Petr Ježek, Lieve Wierinck, Sophia in 't Veld
ECR	Ashley Fox, Sander Loones, Stanisław Ożóg, Pirkko Ruohonen-Lerner, Kay Swinburne
EFDD	Marco Valli
ENF	Barbara Kappel, Bernard Monot, Marco Zanni
GUE/NGL	Fabio De Masi, Marisa Matias, Miguel Viegas
PPE	Burkhard Balz, Alain Cadec, Markus Ferber, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Georgios Kyrtos, Werner Langen, Ivana Maletić, Thomas Mann, Fulvio Martusciello, Gabriel Mato, Luděk Niedermayer, Sirpa Pietikäinen, Anne Sander, Theodor Dumitru Stolojan, Tom Vandenkendelaere,, Esther de Lange
S&D	Pervenche Berès, Udo Bullmann, Andrea Cozzolino, Jonás Fernández, Doru-Claudian Frunzuliță, Neena Gill, Roberto Gualtieri, Cătălin Sorin Ivan, Wajid Khan, Olle Ludvigsson, Costas Mavrides, Luigi Morgano, Alfred Sant, Pedro Silva Pereira, Peter Simon, Jakob von Weizsäcker
Verts/ALE	Michel Reimon, Judith Sargentini, Molly Scott Cato

1	-
EFDD	David Coburn

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention