



**2018/0005(CNS)**

7.6.2018

# **AMENDMENTS**

## **14 - 66**

**Draft report**  
**Tibor Szanyi**  
(PE621.118v01-00)

Council directive amending Directive 2006/112/EC as regards rates of value added tax

Proposal for a directive  
(COM(2018)0020 – C8-0023/2018 – 2018/0005(CNS))



## Amendment 14

Molly Scott Cato

on behalf of the Verts/ALE Group

### Proposal for a directive

#### Recital 1

*Text proposed by the Commission*

(1) Rules on rates of value added tax (VAT) as currently set out in Council Directive 2006/112/EC<sup>27</sup> aim to preserve the functioning of the internal market and avoid distortions of competition. The rules were designed over two decades ago based on the origin principle. In its VAT Action Plan<sup>28</sup> and in the follow-up to this<sup>29</sup>, the Commission announced its intention to adjust those rules for a definitive VAT system for cross-border business-to-business (B2B) trade in goods between Member States that would be based on the taxation in the Member State of destination.

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<sup>27</sup> OJ L 347, 11.12.2006, p. 1.

<sup>28</sup> 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) 148 final of 7 April 2016)

<sup>29</sup> Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the follow-up to the Action Plan on VAT – Towards a single EU VAT area – Time to act (COM(2017) 566 final of 4 October 2017)

*Amendment*

(1) Rules on rates of value added tax (VAT) as currently set out in Council Directive 2006/112/EC<sup>27</sup> aim to preserve the functioning of the internal market and avoid distortions of competition. The rules were designed over two decades ago based on the origin principle ***and are no longer fit for purpose***. In its VAT Action Plan<sup>28</sup> and in the follow-up to this<sup>29</sup>, the Commission announced its intention to adjust those rules for a definitive VAT system for cross-border business-to-business (B2B) trade in goods between Member States that would be based on the taxation in the Member State of destination.

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<sup>29</sup> Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on the follow-up to the Action Plan on VAT – Towards a single EU VAT area – Time to act (COM(2017) 566 final of 4 October 2017)

Or. en

**Amendment 15**  
**Werner Langen**

**Proposal for a directive**  
**Recital 2**

*Text proposed by the Commission*

(2) Under a definitive system where the supply of goods and services would be taxed in the Member State of destination, suppliers derive no significant benefit from being established in a lower-rate Member State. Greater diversity in VAT rates would **not**, under such a system, **disrupt** the functioning of the single market **nor create distortions of** competition. In those circumstances, **it would be appropriate to grant** more flexibility **to Member States** in the setting of rates.

*Amendment*

(2) Under a definitive system where the supply of goods and services would be taxed in the Member State of destination, suppliers derive no significant benefit from being established in a lower-rate Member State. Greater diversity in VAT rates would, under such a system, **be less of a disruption to** the functioning of the single market **and would not distort** competition. In those circumstances, **Member States may be granted** more flexibility in the setting of rates. **However, they should not ignore the objective of ensuring greater convergence in VAT rates.**

Or. de

**Amendment 16**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Recital 2**

*Text proposed by the Commission*

(2) Under a definitive system where the supply of goods and services would be taxed in the Member State of destination, suppliers derive **no significant** benefit from being established in a lower-rate Member State. Greater diversity in VAT rates **would** not, under such a system, disrupt the functioning of the single market nor create distortions of competition. In those circumstances, it would be appropriate to grant **more** flexibility to Member States in the setting of rates.

*Amendment*

(2) Under a definitive system where the supply of goods and services would be taxed in the Member State of destination, suppliers derive **less** benefit from being established in a lower-rate Member State. Greater diversity in VAT rates **should** not, under such a system, disrupt the functioning of the single market nor create distortions of competition. In those circumstances, it would be appropriate to grant **a certain** flexibility to Member States in the setting of rates.

**Amendment 17**  
**Miguel Viegas**

**Proposal for a directive**  
**Recital 3**

*Text proposed by the Commission*

(3) The removal of restrictions in *parallegg* with the entry into force of the definitive arrangements for the taxation of trade between Member States should allow Member States to continue to apply reduced VAT rates that are currently granted as derogations under Chapter 4 of Title VIII of Directive 2006/112/EC and Annex X to Directive 2006/112/EC and which would otherwise expire with the entry into force of those arrangements.

*Amendment*

(3) The removal of restrictions in *parallel* with the entry into force of the definitive arrangements for the taxation of trade between Member States should allow Member States to continue to apply reduced VAT rates that are currently granted as derogations under Chapter 4 of Title VIII of Directive 2006/112/EC and Annex X to Directive 2006/112/EC and which would otherwise expire with the entry into force of those arrangements. ***The ‘negative list’ must therefore take account of the express derogations laid down in Directive 2006/112/EC.***

Or. pt

**Amendment 18**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Recital 3**

*Text proposed by the Commission*

(3) The removal of restrictions in *parallegg* with the entry into force of the definitive arrangements for the taxation of trade between Member States should allow Member States to continue to apply reduced VAT rates ***that are currently granted as*** derogations under Chapter 4 of Title VIII of Directive 2006/112/EC and Annex X to Directive 2006/112/EC and

*Amendment*

(3) The removal of restrictions in *parallel* with the entry into force of the definitive arrangements for the taxation of trade between Member States should allow Member States to continue to apply reduced VAT rates ***replacing*** derogations ***granted*** under Chapter 4 of Title VIII of Directive 2006/112/EC and Annex X to Directive 2006/112/EC and which would

which would otherwise expire with the entry into force of those arrangements.

otherwise expire with the entry into force of those arrangements.

Or. en

**Amendment 19**  
**Sander Loones**

**Proposal for a directive**  
**Recital 4**

*Text proposed by the Commission*

(4) In a definitive VAT system all Member States should be treated equally and should therefore have the same restrictions in applying reduced VAT rates, which should remain an exception to the standard rate. Such equal treatment without restricting Member States current flexibility in setting VAT can be achieved by enabling all of them to apply a reduced rate for which the minimum requirement does not apply, as well as an exemption with the right to deduct input VAT, in addition to a maximum of two reduced rates of a minimum of 5%.

*Amendment*

(4) In a definitive VAT system all Member States should be treated equally and should therefore have the same restrictions in applying reduced VAT rates, which should remain an exception to the standard rate. Such equal treatment without restricting Member States current flexibility in setting VAT can be achieved by enabling all of them to apply a reduced rate for which the minimum requirement does not apply, *with the purpose of making the consumption of certain goods and services more affordable in view of goals of general interest such as public health care, public housing policy, spatial planning, job preservation, cultural, social or environmental goals*, as well as an exemption with the right to deduct input VAT, in addition to a maximum of two reduced rates of a minimum of 5%. *This directive will increase subsidiarity in the VAT system, making it possible for Member States to accommodate local conditions, preferences and traditions or choose a simple and uniform tax rate.*

Or. en

**Amendment 20**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Recital 4**

*Text proposed by the Commission*

(4) In a definitive VAT system all Member States should be treated equally and should therefore have the same restrictions in applying reduced VAT rates, which should remain an exception to the standard rate. Such equal treatment without restricting Member States current flexibility in setting VAT can be achieved by enabling all of them to apply a **reduced** rate for which the minimum requirement does not apply, as well as an exemption with the right to deduct input VAT, in addition to a maximum of two reduced rates of **a minimum of 5%**.

*Amendment*

(4) In a definitive VAT system all Member States should be treated equally and should therefore have the same restrictions in applying reduced VAT rates, which should remain an exception to the standard rate. Such equal treatment without restricting Member States current flexibility in setting VAT can be achieved by enabling all of them to apply a **super-reduced** rate for which the minimum requirement does not apply, as well as an exemption with the right to deduct input VAT, in addition to a maximum of two reduced rates of **respectively 10 % and 5 %**.

Or. en

**Amendment 21**  
**Arndt Kohn, Peter Simon**

**Proposal for a directive**  
**Recital 4**

*Text proposed by the Commission*

(4) In a definitive VAT system all Member States should be treated equally and should therefore have the same restrictions in applying reduced VAT rates, which should remain an exception to the standard rate. Such equal treatment without restricting Member States current flexibility in setting VAT can be achieved by enabling **all of them** to apply **a reduced rate for which the minimum requirement does not apply, as well as** an exemption with the right to deduct input VAT, in addition to a maximum of **two** reduced **rates** of a minimum of **5%**.

*Amendment*

(4) In a definitive VAT system, all Member States should be treated equally and should therefore have the same restrictions in applying reduced VAT rates, which should remain an exception to the standard rate. Such equal treatment without restricting Member States current flexibility in setting VAT **and avoiding a disproportionate fragmentation of the VAT system within the internal market** can be achieved by enabling **Member States** to apply an exemption with the right to deduct input VAT, in addition to a maximum of **one** reduced **rate** of a

minimum of 5 %.

Or. en

**Amendment 22**  
**Luigi Morgano**

**Proposal for a directive**  
**Recital 4 a (new)**

*Text proposed by the Commission*

*Amendment*

***(4a) In line with the Commission's Digital Single Market Strategy<sup>1a</sup> and in order to keep abreast of technological progress in a digital economy, in order to stimulate innovation, creation, investment and the production of new content, and in order to facilitate digital learning, knowledge transfer and the access to, and promotion of, culture in the digital environment, Member States should be enabled to align the VAT rates for electronically supplied publications with lower VAT rates for publications on any means of physical support.***

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<sup>1a</sup> COM(2015) 0192 final

Or. it

**Amendment 23**  
**Luigi Morgano**

**Proposal for a directive**  
**Recital 4 b (new)**

*Text proposed by the Commission*

*Amendment*

***(4b) Allowing Member States to apply reduced rates, including reduced rates without minimum threshold, to printed publications and electronic publications***



*should ensure the transfer of economic benefits to consumers, thus promoting reading, and also to publishers, thus encouraging investment in new content and, in the case of newspapers and magazines, reducing reliance on advertising.*

Or. it

**Amendment 24**  
**Luigi Morgano**

**Proposal for a directive**  
**Recital 4 c (new)**

*Text proposed by the Commission*

*Amendment*

*(4c) Taking into account the importance of facilitating access to books, newspapers and periodicals for persons who are blind, visually impaired or otherwise print-disabled, adapted and audio electronic books, newspapers and periodicals are to be understood as not wholly or predominantly consisting of music or video content. Therefore, reduced VAT rates can also be applied to those formats.*

Or. it

**Amendment 25**  
**Werner Langen**

**Proposal for a directive**  
**Recital 5**

*Text proposed by the Commission*

*Amendment*

(5) Distortions of competition could arise where the mechanism used for taxation would not be based on the destination principle. That is notably so with travel facilities supplied as a single service under the margin scheme for travel

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agents and goods supplied under the special arrangements for second-hand goods, works of art, collectors' items and antiques but also in certain cases involving goods or services, such as financial services, that are exempted without right of deduction but for which a right of taxation may be granted. In order to mitigate any such distortions, a list of supplies of goods and services subject to the standard VAT rate ('negative list') should be established based on the statistical classification of products by activity. The list should be reviewed every *five* years.

agents and goods supplied under the special arrangements for second-hand goods, works of art, collectors' items and antiques but also in certain cases involving goods or services, such as financial services, that are exempted without right of deduction but for which a right of taxation may be granted. In order to mitigate any such distortions, a list of supplies of goods and services subject to the standard VAT rate ('negative list') should be established based on the statistical classification of products by activity. ***This list should serve to reduce the amount of derogations allowed so far.*** The list should be reviewed every *two* years. ***The list should be without prejudice to national policy priorities in areas such as social policy, health and environmental protection.***

Or. de

## **Amendment 26**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

## **Proposal for a directive**

### **Recital 5**

#### *Text proposed by the Commission*

(5) Distortions of competition could arise where the mechanism used for taxation would not be based on the destination principle. That is notably so with travel facilities supplied as a single service under the margin scheme for travel agents and goods supplied under the special arrangements for second-hand goods, works of art, collectors' items and antiques but also in certain cases involving goods or services, such as financial services, that are exempted without right of deduction but for which a right of taxation may be granted. In order to mitigate any such distortions, a list of supplies of goods

#### *Amendment*

(5) Distortions of competition could arise where the mechanism used for taxation would not be based on the destination principle. That is notably so with travel facilities supplied as a single service under the margin scheme for travel agents and goods supplied under the special arrangements for second-hand goods, works of art, collectors' items and antiques but also in certain cases involving goods or services, such as financial services, that are exempted without right of deduction but for which a right of taxation may be granted. In order to mitigate any such distortions, a list of supplies of goods

and services subject to the standard VAT rate ('negative list') should be established based on the statistical classification of products by activity. The list should be reviewed *every five years*.

and services subject to the standard VAT rate ('negative list') should be established based on the statistical classification of products by activity. The list should be reviewed *by means of an implementing act as often as necessary, based on evidence provided by the Commission. Any change to that list should be widely communicated across the Union to inform taxpayers.*

Or. en

**Amendment 27**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Recital 5 a (new)**

*Text proposed by the Commission*

*Amendment*

*(5a) In addition, in order to meet international commitments related to social and environmental sectors, such as the Paris Agreement on climate, the Commission should establish – by means of a delegated act – a list of supplies of goods and services that shall be subject to reduced rates or to an exemption with the right to deduct input VAT (“positive list”). That list should be reviewed at least once a year to include newly commercialised goods, such as electric bikes for example, which meet the Union’s commitment to social and environmental standards.*

Or. en

**Amendment 28**  
**Othmar Karas**

**Proposal for a directive**  
**Recital 6**

*Text proposed by the Commission*

(6) To avoid unnecessary complexity and subsequent rise in business costs, in particular for intra-Community trade, goods and services that can be used only as intermediate input to an economic activity should not be eligible for reduced rates in a definitive VAT system. Such rates should be applied **only** for the benefit of final consumers and the setting of such rates should ensure equal treatment of similar goods or services supplied by different taxable persons. They should therefore be applied to pursue, in a consistent manner, an objective of general interest.

*Amendment*

(6) ***The current fragmentation of the VAT system within the internal market places obstacles in the way of the development of small and medium-sized enterprises (SMEs).*** To avoid **further** unnecessary complexity and subsequent rise in business costs, in particular for intra-Community trade, goods and services that can be used only as intermediate input to an economic activity should not be eligible for reduced rates in a definitive VAT system. Such rates should be applied for the benefit of final consumers and the setting of such rates should ensure equal treatment of similar goods or services supplied by different taxable persons. They should therefore be applied to pursue, in a consistent manner, an objective of general interest.

Or. en

*Justification*

*Reduced rates and exemptions shall benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest. The deletion of the word “only” takes into account that there are entrepreneurs that are not entitled to a tax deduction or only on a flat-rate basis such as small business owners or farmers, for whom the cost would disproportionately increase, if, for example, reduced rates for the services they receive would no longer be applicable.*

**Amendment 29**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Recital 6**

*Text proposed by the Commission*

(6) To avoid unnecessary complexity and subsequent rise in business costs, in particular for intra-Community trade, goods and services that can be used only as

*Amendment*

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intermediate input to an economic activity should not be eligible for reduced rates in a definitive VAT system. Such rates should be applied only for the benefit of final consumers and the setting of such rates should ensure equal treatment of similar goods or services supplied by different taxable persons. They should therefore be applied to pursue, in a consistent manner, an objective of general interest.

intermediate input to an economic activity should not be eligible for reduced rates in a definitive VAT system. Such rates should be applied only for the *ultimate* benefit of final consumers and the setting of such rates should ensure equal treatment of similar goods or services supplied by different taxable persons. They should therefore be applied to pursue, in a consistent manner, an objective of general interest.

Or. en

**Amendment 30**  
**Thierry Cornillet, Jean Arthuis**

**Proposal for a directive**  
**Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

***(6a) A number of economic activities within the Union have focused on sustainable development based on a greener economy on the one hand and inclusive growth on the other. These areas are of key importance in the sustainable development of rural and outlying areas, contributing to the economic and social revitalisation of rural areas. Given their close attachment to social, health, environmental, nutritional, cultural and gender equality issues, their specific activities are fully in line with ‘Strategy 2020’ ambitions and Commission objectives. In this connection, Member States should therefore seize the opportunities offered by Article 98 (1) and (2) of this Directive, provided that they respect its principles, taking particular account of the budgetary implications for their public finances and for the Union.***

Or. fr

**Amendment 31**  
**Sander Loones**

**Proposal for a directive**  
**Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

**(6a)** *With particular focus on the needs of SMEs and in order to facilitate trade and increase legal certainty in the single market, the Commission, in cooperation with Member States, should establish a Union VAT Web information portal for businesses. That multilingual portal should provide quick, up-to-date and accurate access to relevant information about the implementation of the VAT system in the different Member States and in particular on the correct VAT-rates for different goods and services in the different Member States, as well as the conditions for zero-rate. Such a portal may also help to address the current VAT-gap.*

Or. en

**Amendment 32**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

**(6a)** *With a particular focus on the needs of small enterprises engaging in intra-Community cross-border businesses and in order to facilitate trade in the single market, the Commission, in cooperation with Member States, should establish a Union VAT Web information*

*portal for enterprises. That portal should provide accurate information about the implementation of the VAT system in the different Member States, including which goods or services benefit from reduced rates, super-reduced rates or exemptions.*

Or. en

**Amendment 33**  
**Werner Langen**

**Proposal for a directive**  
**Recital 6 a (new)**

*Text proposed by the Commission*

*Amendment*

*(6a) The Commission, in cooperation with the Member States, should establish a comprehensive and publicly accessible Internet portal providing businesses and consumers with straightforward and clear information on VAT rates and all relevant information on the implementation of the definitive VAT system in all Member States.*

Or. de

**Amendment 34**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Recital 7**

*Text proposed by the Commission*

*Amendment*

(7) For the public finances of Member States to remain sound and in order to prevent excessive macroeconomic imbalances, an appropriate level of revenue should be ensured. Given that VAT is an important source of revenue, it is therefore

(7) For the public finances of Member States to remain sound and in order to prevent excessive macroeconomic imbalances, an appropriate level of revenue should be ensured. Given that VAT is an important source of revenue, it is therefore

vital, as a safeguard for national budgets, to set a minimum for the weighted average rate to be respected at any time by the Member States.

vital, as a safeguard for national budgets **and the Union budget**, to set a minimum for the weighted average rate to be respected at any time by the Member States.

Or. en

**Amendment 35**  
**Ramon Tremosa i Balcells**

**Proposal for a directive**  
**Recital 8 a (new)**

*Text proposed by the Commission*

*Amendment*

**(8a) Member States should try to ensure that all the current reduced rates and derogations be maintained and made available to charities and other public benefit organisations across Europe.**

Or. en

*Justification*

*The Commission's proposal would not only allow the continuation of the existing reduced rates and zero-rates that exist in various Member States on which many charities depend for their economic viability but would also enable organisations in other Member States to benefit from such measures [pages 3 and 4 of the Commission's proposal]. Nevertheless, there are concerns to ensure that the current derogations and reduced rates are protected. Fundraising charities that do not charge for their services and grant-making charities have no ultimate consumer to whom the irrecoverable VAT that they currently pay can be passed on. The benefit that such organisations currently get from certain reduced or zero rates on their input side is vital to their ability to continue to provide services. It is essential that all such reduced rates and derogations are maintained and are made available to charities across Europe.*

*The European Economic and Social Committee's ECO Section is of the view that the negative list should not restrict application of reduced rates for certain general-interest goods (point 1.3 and 3.7 of ECO's opinion). In addition, safeguards should be put in place to protect current derogations and reduced rates*

**Amendment 36**



**Anne Sander, Michel Dantin**

**Proposal for a directive  
Recital 9 a (new)**

*Text proposed by the Commission*

*Amendment*

**(9a) Member States should be free to apply reduced rates, particularly for services provided on their territory that have no cross-border dimension. They are responsible for fixing rates for these services, although the destination principle means that this has no effect on the internal market.**

Or. fr

*Justification*

*Member States are free to apply reduced VAT rates in their territory. There is no reason to object to reduced VAT if the service in question has no cross-border dimension and does not distort competition.*

**Amendment 37  
Werner Langen**

**Proposal for a directive  
Article 1 – paragraph 1 – point 1 a (new)**  
Directive 2006/112/EC  
Article 97 – paragraph 1

*Present text*

*Amendment*

***From 1 January 2016 until 31 December 2017, the standard rate may not be lower than 15 %.***

***1a. Article 97(1) is replaced by the following:***

***'The standard rate shall permanently remain at least 15 %.'***

Or. de

*(<https://eur-lex.europa.eu/eli/dir/2006/112/oj>)*

**Amendment 38  
Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

Member States may apply a maximum of two reduced rates.

*Amendment*

Member States may apply a maximum of two reduced rates ***of 10 % and 5 % respectively.***

Or. en

**Amendment 39**

**Arndt Kohn, Peter Simon**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

Member States may apply a maximum of ***two*** reduced ***rates***.

*Amendment*

Member States may apply a maximum of ***one*** reduced ***rate***.

Or. en

**Amendment 40**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

***The reduced rates shall be fixed as a percentage of the taxable amount, which shall not be less than 5%.***

*Amendment*

***deleted***

**Amendment 41**  
**Arndt Kohn, Peter Simon**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2006/112/EC  
Article 98 – paragraph 2

*Text proposed by the Commission*

2. By way of derogation from paragraph 1, Member States may in addition to the *two reduced rates apply a reduced rate lower than the minimum of 5% and* an exemption with deductibility of the VAT paid at the preceding stage.

*Amendment*

2. By way of derogation from paragraph 1, Member States may in addition to the reduced rate *apply* an exemption with deductibility of the VAT paid at the preceding stage.

**Amendment 42**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2006/112/EC  
Article 98 – paragraph 2

*Text proposed by the Commission*

2. By way of derogation from paragraph 1, Member States may in addition to the two reduced rates apply a *reduced* rate lower than the minimum of 5% and an exemption with deductibility of the VAT paid at the preceding stage.

*Amendment*

2. By way of derogation from paragraph 1, Member States may in addition to the two reduced rates apply a *super-reduced* rate lower than the minimum of 5% and an exemption with deductibility of the VAT paid at the preceding stage.

**Amendment 43**

**Arndt Kohn, Peter Simon, Tibor Szanyi**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 3 – subparagraph 1

*Text proposed by the Commission*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

*Amendment*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest. ***Priority shall be given to goods or services having positive social and / or environmental effects, including cases where the production and retail of such goods or services has positive social and / or environmental effects.***

Or. en

**Amendment 44**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 3 – subparagraph 1

*Text proposed by the Commission*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

*Amendment*

Reduced ***rates, super-reduced*** rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest. ***Priority shall be given to goods or services which have positive social and / or environmental effects, in order to meet the Union's international commitments in these sectors.***

Or. en

## **Amendment 45**

**Ramon Tremosa i Balcells**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 3 – subparagraph 1

#### *Text proposed by the Commission*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

#### *Amendment*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest. ***To that end, deduction of input VAT of non-taxable services and deliveries provided by charities and other public benefit organisations shall be allowed.***

Or. en

#### *Justification*

*Article 98 of the Commission's proposal will allow Member States the option to allow an exemption with the right to deduct VAT which is strongly welcomed. There is a belief that this right should be extended to deduct input VAT to outside the scope of non-business activities of charities.*

## **Amendment 46**

**Werner Langen**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 3 – subparagraph 1

#### *Text proposed by the Commission*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

#### *Amendment*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall only benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest. ***Priority concerning reduced rates shall be***

*afforded to goods or services with social, health or environmental benefits.*

Or. de

**Amendment 47**  
**Sander Loones**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2006/112/EC  
Article 98 – paragraph 3 – subparagraph 1

*Text proposed by the Commission*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall **only** benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

*Amendment*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

Or. en

*Justification*

*A reduction of the VAT rate should indeed benefit the final consumer but indirect benefits to a sector cannot be excluded*

**Amendment 48**  
**Othmar Karas**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2006/112/EC  
Article 98 – paragraph 3 – subparagraph 1

*Text proposed by the Commission*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall **only** benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

*Amendment*

Reduced rates and exemptions applied pursuant to paragraphs 1 and 2 shall benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest.

*Justification*

*Reduced rates and exemptions shall benefit the final consumer and shall be applied to pursue, in a consistent manner, an objective of general interest. The deletion of the word “only” takes into account that there are entrepreneurs that are not entitled to a tax deduction or only on a flat-rate basis such as small business owners or farmers, for whom the cost would disproportionately increase, if, for example, reduced rates for the services they receive would no longer be applicable.*

**Amendment 49**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 3 – subparagraph 1 a (new)

*Text proposed by the Commission*

*Amendment*

***Reduced rates, super-reduced rates and exemptions shall apply to supplies of goods or services in the categories set out in the revised Annex III.***

**Amendment 50**

**Miguel Viegas**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 2**

Directive 2006/112/EC

Article 98 – paragraph 3 – subparagraph 2

*Text proposed by the Commission*

*Amendment*

The reduced rates and exemptions referred to in paragraphs 1 and 2 shall not be applied to goods or services in the categories set out in Annex IIIa.;

The reduced rates and exemptions referred to in paragraphs 1 and 2 shall not be applied to goods or services in the categories set out in Annex IIIa, ***unless they are covered by a derogation.***

**Amendment 51**  
**Othmar Karas**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2006/112/EC  
Article 98 – paragraph 3 – subparagraph 2

*Text proposed by the Commission*

The reduced rates and exemptions referred to in paragraphs 1 and 2 shall not be applied to goods or services in the categories set out in Annex IIIa.;

*Amendment*

The reduced rates and exemptions referred to in paragraphs 1 and 2 shall not be applied to goods or services in the categories set out in Annex IIIa, ***unless a derogation is granted;***

Or. en

*Justification*

*This amendment is in line with Article 395 of this Directive, according to which the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce special measures for derogation from the provisions of this Directive as well as with the conclusions and recommendations 1.3 and 3.6 of the Opinion by the European Economic and Social Committee on the proposal for this Council Directive [ECO/445, VAT reform package (II)].*

**Amendment 52**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 2**  
Directive 2006/112/EC  
Article 98 – paragraph 3 – subparagraph 2

*Text proposed by the Commission*

The reduced rates and exemptions referred to in paragraphs 1 and 2 shall not be applied to goods or services in the categories set out in Annex IIIa.;

*Amendment*

The reduced ***rates, super-reduced*** rates and exemptions referred to in paragraphs 1 and 2 shall not be applied to goods or services in the categories set out in Annex IIIa.;



**Amendment 53**  
**Miguel Viegas**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 4**  
Directive 2006/112/EC  
Article 99 a – paragraph 1

*Text proposed by the Commission*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No 1553/89 (\*), exceeds 12% at any given time.

*Amendment*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No 1553/89 (\*), exceeds 12% at any given time. ***However, within three years, this rule must be evaluated and, if necessary, altered accordingly.***

*(This amendment applies throughout the text. adopting it will necessitate corresponding technical changes throughout.)*

Or. pt

**Amendment 54**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 4**  
Directive 2006/112/EC  
Article 99a – paragraph 1

*Text proposed by the Commission*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No

*Amendment*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No

1553/89 (\*), exceeds **12%** at any given time.

1553/89 (\*), exceeds **15 %** at any given time.

Or. en

## **Amendment 55**

**Jonás Fernández, Ramón Jáuregui Atondo**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 4**

Directive 2006/112/EC

Article 99 a – paragraph 1

#### *Text proposed by the Commission*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No 1553/89 (\*), exceeds **12%** at any given time.

#### *Amendment*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No 1553/89 (\*), exceeds **14%** at any given time.

Or. es

## **Amendment 56**

**Sander Loones**

### **Proposal for a directive**

#### **Article 1 – paragraph 1 – point 4**

Directive 2006/112/EC

Article 99a – paragraph 1

#### *Text proposed by the Commission*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No 1553/89 (\*), exceeds **12%** at any given time.

#### *Amendment*

While setting the rates referred to in Articles 97 and 98, Member States shall ensure that the weighted average rate, calculated in accordance with Article 4 of Council Regulation (EEC, Euratom) No 1553/89 (\*), exceeds **10 %** at any given time.

Or. en

**Amendment 57**  
**Molly Scott Cato**  
on behalf of the Verts/ALE Group

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 5**  
Directive 2006/112/EC  
Article 100 – paragraph –1 (new)

*Text proposed by the Commission*

*Amendment*

**-1. The Commission is empowered to amend the scope of Annex IIIa by means of an implementing act, when necessary and provided there is evidence related to distortion of competition justifying the update of the list of supplies of goods and services.**

Or. en

**Amendment 58**  
**Werner Langen**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 5**  
Directive 2006/112/EC  
Article 100 – paragraph 1

*Text proposed by the Commission*

*Amendment*

By 31 December **2026** and every *five* years thereafter, the Commission shall submit to the Council a report on the scope of Annex IIIa, accompanied by any proposals to amend that Annex, where necessary.;

By 31 December **2021** and every *two* years thereafter, the Commission shall submit to the Council a report on the scope of Annex IIIa, accompanied by any proposals to amend that Annex, where necessary.;

Or. de

**Amendment 59**  
**Ramon Tremosa i Balcells**

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

Directive 2006/112/EC  
Article 100 – paragraph 1

*Text proposed by the Commission*

By 31 December 2026 and every **five** years thereafter, the Commission shall submit to the Council a report on the scope of Annex IIIa, accompanied by any proposals to amend that Annex, where necessary.;

*Amendment*

By 31 December 2026 and every **three** years thereafter, the Commission shall submit to the Council a report on the scope of Annex IIIa, accompanied by any proposals to amend that Annex, where necessary.;

Or. en

*Justification*

*The introduction of a negative list is welcomed but there should be more regular reviews of the list of the items in Annex IIIa than the five-yearly review currently envisaged.*

**Amendment 60**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 5**

Directive 2006/112/EC

Article 100 – paragraph 1

*Text proposed by the Commission*

By 31 December **2026** and every **five** years thereafter, the Commission shall submit to the Council a report on the scope of Annex IIIa, **accompanied by any proposals to amend that Annex, where necessary.**;

*Amendment*

**2.** By 31 December **2021** and every **three** years thereafter, the Commission shall submit to the **European Parliament and the** Council a report on the scope of Annex IIIa, ';

Or. en

**Amendment 61**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

**Proposal for a directive**

**Article 1 – paragraph 1 – point 5**

Directive 2006/112/EC

Article 100 a (new)

*Text proposed by the Commission*

*Amendment*

***The following Article is inserted:***

***'Article 100a***

***The Commission, in cooperation with Member States, shall establish a Union VAT Web Information Portal for enterprises. That Portal should provide accurate information about the implementation of the VAT system in the different Member States, including which goods or services benefit from reduced rates, super-reduced rates or exemptions.'***;

Or. en

**Amendment 62**  
**Sander Loones**

**Proposal for a directive**  
**Article 1 – paragraph 1 – point 5 a (new)**  
Directive 2006/112/EC  
Article 100 a (new)

*Text proposed by the Commission*

*Amendment*

***(5a) The following Article is inserted:***

***'Article 100a***

***The Commission, in cooperation with the Member States, shall establish a Union VAT Web information portal for businesses in order to provide quick and accurate access to the relevant information about the implementation of the definitive VAT system in the different Member States.'***;

Or. en

**Amendment 63**

**Werner Langen**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 5 a (new)**

*Text proposed by the Commission*

*Amendment*

**5a. The Commission, in cooperation with the Member States, shall establish a comprehensive and publicly accessible Internet portal on which businesses and consumers can quickly and effectively obtain information on VAT rates and all relevant information on the implementation of the definitive VAT system in all Member States.**

Or. de

**Amendment 64**

**Othmar Karas**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 7 a (new)**

Directive 2006/112/EC

**Article 135 – paragraph 1 – point m a (new)**

*Text proposed by the Commission*

*Amendment*

**7a. In Article 135(1), the following point (m) is added:**

**(m) services provided by groups of taxable persons for members of the group, provided the following conditions are met:**

**(i) the group itself and all its members are established or resident in the Community;**

**(ii) the group carries out an autonomous activity and acts as an independent entity towards its members;**

**(iii) the members of the group mainly carry out banking, insurance and pension fund transactions pursuant to Article 135(1)(a) to (g);**

(iv) *the other services supplied by the group are necessary to allow members to supply services which are exempt pursuant to Article 135(1)(a) to (g);*

(v) *if the other services are provided between the members, these services are also necessary to allow members to supply services which are exempt pursuant to Article 135(1)(a) to (g);*

(vi) *the group claims from its members only the exact reimbursement of their share of the joint expenses;*

Or. de

### *Justification*

*Einige Mitgliedstaaten haben im Sinne von Artikel 132 Absatz 1 dieser Richtlinie Steuerbefreiungen auch für Zusammenschlüsse bei Banken und Versicherungen vorgesehen. Dieser Abänderungsantrag sieht vor, dass diese Richtlinie nicht im Widerspruch zu derartigen bestehenden Mehrwertsteuerbefreiungen steht, damit es insbesondere für kleineren Banken und Versicherungsunternehmen zu keiner unverhältnismäßigen Erhöhung der Steuerpflicht kommt, was sich wiederum in teureren Bank- und Versicherungsleistungen für Kunden niederschlagen könnte. Zudem sind die geschaffenen Zusammenschlüsse insbesondere für eine Bündelung von Dienstleistungen im Bereich von Informationstechnologie und Reporting betriebswirtschaftlich sinnvoll.*

### **Amendment 65**

**Molly Scott Cato**

on behalf of the Verts/ALE Group

### **Proposal for a directive**

**Article 1 – paragraph 1 – point 12**

Directive 2006/112/EC

Annex III

*Text proposed by the Commission*

*Amendment*

(12) *Annex III is deleted;*

(12) *Annex III will be amended by means of a delegated act by the date corresponding to the date of entry into force of the Directive, to have a list of supplies of goods and services to which reduced rates, super-reduced rates or exemptions shall be applied, in accordance with the Union's international commitments on social and*

*environmental matters. That list shall be reviewed at least once a year;*

Or. en

**Amendment 66**  
**Miguel Viegas**

**Proposal for a directive**  
**Annex I – subheading 1 a (new)**  
Directive 2006/112/EC  
Annex III – row 16 a (new)

*Text proposed by the Commission*

*Amendment*

***Musical instruments***

*(This amendment applies throughout the text. adopting it will necessitate corresponding technical changes throughout.)*

Or. pt

*Justification*

*Musical instruments are essential for musicians' work, which is why it is unfair that they are currently taxed at the maximum rate. What is more, making instruments more readily available would be a way to encourage artistic creation and production. Such a measure would be consistent with the current policy on other cultural goods, such as books.*