



2018/0006(CNS)

26.11.2019

DRAFT REPORT

on the draft Council directive amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises (13952/2019 – C9-0166/2019 – 2018/0006(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Inese Vaidere

(Renewed consultation – Rule 84 of the Rules of Procedure)

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 draft Council directive amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises
(13952/2019 – C9-0166/2019 – 2018/0006(CNS))**

(Special legislative procedure – renewed consultation)

The European Parliament,

- having regard to the Council draft (13952/2019),
 - having regard to the Commission proposal to the Council (COM(2018)0021),
 - having regard to its position of 11 September 2018¹,
 - having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament again (C9-0166/2019),
 - having regard to Rules 82 and 84 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0000/2019),
1. Approves the Council draft;
 2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 3. Asks the Council to consult Parliament again if it intends to substantially amend the text approved by Parliament;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C..., ..., p....

EXPLANATORY STATEMENT

The Council came to an agreement on a general approach at its ECOFIN meeting on 8 November 2019 on further simplification of the VAT rules applicable to small businesses (SMEs).

Furthermore, the Council decided to reconsult the European Parliament on its general approach, since the text indeed differs substantially from the Commission's original proposal of 18 January 2018.

Both the Commission's initial proposal and the Council general approach aim to introduce new rules to reduce administrative burden and compliance costs for SMEs and to help create a fiscal environment which will help SMEs grow and trade across borders more efficiently.

In order to achieve this goal, the Commission introduced several measures, which have been broadly maintained in the Council's general approach:

Firstly, the Council's general approach maintains the Commission proposal to extend the VAT SME exemption to non-established SMEs, in line and in the spirit of the Single Market.

Secondly, the Council's general approach extends, as foreseen in the Commission proposal, the transitional period for SMEs switching from an exemption to the regular VAT regime.

The provision for a "single window for SMEs" (One Stop Shop) which was developed in the Council's general approach, and the further detailed provisions on the administrative cooperation for exchange of information between Member States, are in line with the European Parliament's requests in its previous report on this proposal.

In conclusion, the Council is urged to formally adopt these rules swiftly, in order to allow its entry into force and implementation as soon as possible, to the benefit of EU's SMEs.