



**2023/0158(CNS)**

5.10.2023

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## **DRAFT REPORT**

on the proposal for a Council directive amending Directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT (COM(2023)0262 – C9-0174/2023 – 2023/0158(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Olivier Chastel

### ***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 directive amending Directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate distance sales of imported goods and the application of the special scheme for distance sales of goods imported from third territories or third countries and special arrangements for declaration and payment of import VAT  
(COM(2023)0262 – C9-0174/2023 – 2023/0158(CNS))**

**(Special legislative procedure – consultation)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2023)0262),
  - having regard to Article 113 of the Treaty on the Functioning of the European Union , pursuant to which the Council consulted Parliament (C9-0174/2023),
  - having regard to Rule 82 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A9-0000/2023),
1. Approves the Commission proposal;
  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.

## EXPLANATORY STATEMENT

This proposal aims to further adapt the EU VAT framework by expanding the range of supplies covered by the IOSS (Import One Stop Shop), Special Arrangements and deemed supplier regime by removing the EUR 150 threshold, which currently limits their application and effectiveness. Therefore, the IOSS could be used to declare and remit the VAT due on all distance sales of imported goods into the EU, irrespective of their value, but not including products subject to excise duties, which remain excluded from the scheme.

This proposal is positive in more ways than one. It will reduce compliance costs for businesses and create a level playing field for sellers operating online. In addition, the extended IOSS, by reducing the number of local VAT registrations, will give the authorities more time and resources to focus on fighting fraud or providing compliance assistance to honest traders. Finally, combined with the removal of the €150 duty exemption threshold, the reform would have the advantage of combating abuse of the duty exemption by preventing fraudsters from undervaluing goods, thereby avoiding a loss of customs duties and a fall in VAT revenue.

This proposal builds on the success of the VAT e-commerce package and the ambition of the VAT in Digital Age proposal (ViDA), as it envisages the further extension of the deemed supplier regime to cover all distance sales of goods imported from third territories or third countries, irrespective of their value.

As a result, the compliance effort will be even more focussed on a far smaller number of large players in the market, who will account for the majority of distance sales of imported goods into the EU.

This initiative supports the principle of a single VAT registration in the EU as it will further limit the instances in which a taxable person will need to register for VAT. The extension of the IOSS simplification to cover all distance sales of imported goods, irrespective of their value, along with the extension of the special arrangements to cover certain importations of goods in consignments above EUR 150, will further reduce the need for taxable persons to register for VAT in more than one Member State.

As a consequence of the further extension of the deemed supplier regime, taxable persons making distance sales of imported goods into the EU via marketplaces will no longer have to register for VAT in respect of those supplies where the intrinsic value of the consignment is above EUR 150. Instead, the marketplace, acting as deemed supplier, will declare and remit the VAT due on those supplies via the expanded IOSS scheme, which will now be mandatory for marketplaces under the ViDA proposal.

The European Commission's proposal envisages that the above changes, namely the removal of the €150 threshold for IOSS (article 369I), the extension of the deemed supplier rule (article 14a) to all distance sales of imported goods that are facilitated by an electronic interface and the extension of the application of the "special scheme" (article 369e), would be adopted by 1 March 2028.

In light of the nature of the proposal and the non-controversial content thereof, the rapporteur propose that Parliament approves the proposal without amendments pursuant to a simplified

procedure (Rule 52 (1)).