



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect Taxation and Tax administration  
Value added tax

**Group on the Future of VAT  
44<sup>th</sup> meeting – 21 March 2024**

**taxud.c.1(2024)3263816**

Brussels, 17 April 2024

**GROUP ON THE FUTURE OF VAT**

**GFV N° 136**

**MINUTES**

**44<sup>TH</sup> MEETING  
– 21 MARCH 2024 –**

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**1. WELCOME AND INTRODUCTION**

The Chair welcomed the delegates.

**2. APPROVAL OF THE AGENDA**

The agenda ([Document taxud.c.1\(2024\)2817967 – EN](#)) was not contested or discussed and was approved by the Chair.

**3. NATURE OF THE MEETING**

The meeting was held in person in Brussels and was not open to the public.

**4. IMPLEMENTATION OF THE NEW SPECIAL SCHEME FOR SMALL ENTERPRISES (SMEs)**

**4.1. GFV N° 133: Updated SME Explanatory Notes (CONFIDENTIAL)**

The Commission services presented the second iteration of the Explanatory Notes on the special scheme for small enterprises, ‘SME scheme’. This second draft has been completed and enriched with practical examples and figures compared to the first draft. The objective is to provide practical guidance on the functioning of the SME scheme that is easy for small enterprises who are not experts in the field of VAT to understand.

This draft is still a work in progress and the Commission services are working on a final version of the Explanatory Notes.

GFV delegates made various comments aiming at enriching the Explanatory Notes with more detailed explanations and clarifications on some specific sections of the document and requested further examples. Some more substantial comments will be discussed further during the next meeting of the VAT Committee.

The deadline for GFV delegates to provide last written comments on the draft is 22 April 2024.

**4.2. GFV N° 134: SME Guide (CONFIDENTIAL)**

The Commission services presented the first draft of the guide to the SME scheme, which is a mirror version of the OSS guide. The objective of the Guide is to set out the key elements of the SME scheme and to explain its functioning from a practical point of view, as it is addressed to small enterprises, which might not be experts in the field of VAT.

The deadline for providing written comments on the first draft of the guide is 22 April 2024.

**4.3. Next steps in the Implementation of the new rules on the SME scheme**

To support Member States in the implementation process, the Commission services informed that an SME web portal mirroring the existing portal for OSS is under

construction. The SME web portal will host an ‘SME VAT simulator’ enabling small enterprises to check their potential eligibility to apply the cross-border SME scheme. This portal will also link up to an ‘SME-on-the-web’ database, similar to the existing VIES-on-the-web, enabling businesses to check the validity of the EX number of a small enterprise.

Member States are required to provide the contact details related to SME topics to display in the SME web portal. In the coming weeks, Member States will also be required to provide information on some national VAT rules, like for example the national annual threshold or sectoral thresholds, the quarantine periods applicable, etc. Some of this information will have to be completed directly in the Taxes in Europe Database (TEDB).

The Commission services also informed that a press campaign will be launched in autumn to promote the SME web portal and the new rules applicable as from 1 January 2025.

Finally, exchanges will continue during the next VAT Committee meeting on the implementation of the SME scheme with a view to arrive at guidelines.

**5. GFV N° 135: VAT IN THE DIGITAL AGE (ViDA) - SINGLE VAT REGISTRATION – IMPLEMENTATION - FIRST ANALYSIS (CONFIDENTIAL)**

A first analysis on the implementation of the Single VAT Registration (SVR) elements of the VAT in the Digital Age (ViDA) package was provided. This analysis included the possible IT changes that will be necessary, and listed the areas where updates of the Implementing Acts, Explanatory Notes and Guides are needed.

This presentation was the precursor to a workshop that has been announced for the end of June in Helsinki. The accompanying document intended to provide a comprehensive overview of the required changes and will serve as basis for exchange of views during the workshop.

The presentation was followed by a short Q&A session in order to provide some clarifications on certain elements included in the document. Delegates were invited to provide their views as regards the completeness and accuracy of the foreseen actions by 22 April 2024.

**6. INFORMATION POINTS**

**i. ViDA package – state of play of negotiations in Council**

The Commission services provided a brief update on the state of play of the negotiations in Council of the ViDA legislative package. Negotiations resumed in January 2024 under the Belgian Presidency, with three meetings held so far, 18 January and 8 March 2024 on Digital Reporting Requirements (DRR); and 9 February 2024 (joint VAT and customs Council meeting) on the SVR part of the package.

The ViDA package still requires some technical work although considerable progress has been made so far. The Spanish Presidency issued a progress report for the 8 December 2023 ECOFIN, which showed that an agreement had been reached for the SVR volet of the package (to the exception of the IOSS elements that are related to the ongoing Customs Union Reform), while the remaining challenges are related to DRR and the

Platform Economy. ViDA is one of the priorities of the Belgian Presidency, which expects that the package will be agreed during their Presidency (either at the May or June ECOFIN). The next meeting in Council will take place on 25 March 2024 (on the Platform Economy and SVR).

**ii. Customs reform, including the VAT proposal (COM(2023)262 final) and IOSS related changes**

The Commission services explained that what has been agreed so far is a three step reform based on:

- securing IOSS numbers by linking it with a unique identifier of the goods concerned;
- making IOSS compulsory in ViDA, or a system that incentivise its use;
- removing the EUR 150 threshold for customs.

**iii. Adoption of Commission Decision (EU) 2024/775 of 4 March 2024 on relief from import duties and VAT exemption on importation granted for goods to be distributed or made available free of charge to persons fleeing Russia's military aggression against Ukraine and to persons in need in Ukraine.**

After the expiration of Commission Decision (EU) 2023/829, 5 Member States had requested the extension of the measure and Commission Decision (EU) 2024/775 was adopted on 4 March 2024. The current Decision is applicable from 1 January 2024 until 31 December 2024.

**7. AOB**

The Commission services thanked the delegates for their participation and the fruitful discussions and informed that the next meeting of the group is not yet confirmed but will probably be online and is tentatively scheduled for 28 May 2024.

**8. LIST OF PARTICIPANTS**

Commission officials from DG TAXUD Unit C1, and the members of the Group on the Future of VAT as published in the Register of Commission Expert Groups and other similar entities<sup>1</sup>.

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<sup>1</sup> [Register of Commission expert groups and other similar entities \(europa.eu\)](https://european-council.europa.eu/media/en/press-operations/press-releases/2024/03/04/12024030401_en.pdf)