



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

**Group on the Future of VAT  
46<sup>th</sup> meeting – 9 October 2024**

**taxud.c.1(2024)8580756**

Brussels, 23 October 2024

**GROUP ON THE FUTURE OF VAT**

**GFV No 140**

**MINUTES**

**46<sup>TH</sup> MEETING  
– 9 OCTOBER 2024 –**

**DISCLAIMER:** This document has been prepared by the Commission services and cannot be understood as representing the European Commission's position and does not bind the Commission in any way. Neither the European Commission nor any person acting on its behalf may be held responsible for the use, which may be made of the information contained therein.

**1. WELCOME AND INTRODUCTION**

The Chair welcomed the delegates.

**2. APPROVAL OF THE AGENDA**

The agenda ([document taxud.c.1\(2024\)7926020](#)) was not contested or discussed and was approved by the participants.

**3. NATURE OF THE MEETING**

The meeting took place in the form of videoconference and was not open to the public.

**4. FISCALIS PROJECT GROUP (FPG/043) ON E-INVOICING AND DIGITAL REPORTING – SHARING OF KNOWLEDGE AND EXCHANGE OF BEST PRACTICES ON IMPLEMENTATION**

The Project Manager of the Fiscalis Project Group FPG/043, organised and led by the Danish Tax Administration, presented the objectives, scope and timeline of the FPG. The project was set up to establish common knowledge and understanding on the different digital reporting solutions currently in place at domestic level in some Member States. The project started in May 2024 and has a duration of one year. The next physical meeting will take place on 31 October 2024, in Greece. Member States who have not yet join the project, were invited to follow the findings of the FPG by joining the list on PICS.

**5. GFV No 138 EVALUATION OF THE E-COMMERCE PACKAGE - RESULTS FROM THE OSS/IOSS STATISTICS FOR 2023**

The e-commerce statistics for 2023 were presented to the group, based on data that was provided by Member States in accordance with Annex IV of Commission Implementing Regulation 79/2012.

In 2023, over EUR 26 billion of VAT was declared via the three OSS schemes (EUR 20 billion in the Union scheme, EUR 2.4 billion in the non-Union scheme and EUR 3.9 billion in the Import scheme). In terms of registration numbers, the upward trend in overall registration figures continued in 2023. As of 31 December 2023, there were over 150 000 traders registered in the three OSS schemes.

It was pointed out how these figures validate the popularity of the e-commerce simplifications among traders in the e-commerce market and demonstrate how the e-commerce package has enabled the Commission to achieve its aim to modernise and simplify the collection of VAT on e-commerce transactions.

Although the success of the VAT e-commerce package was mentioned, the Commission services recognised the need for improvements. These improvements have been included in the VAT in the Digital Age (ViDA) package in order to further improve the system and make it more robust.

Some clarifications on those statistics were requested. The Commission services mentioned that the data provided by the Member States need to be further analysed in order to provide more granular statistics.

**6. GFV NO 138 ViDA PACKAGE – SVR/IOSS IMPLEMENTATION - FOLLOW UP OF THE HELSINKI WORKSHOP (CONFIDENTIAL)**

In order to prepare the implementation of the Single VAT Registration (SVR) volet of the ViDA proposal and to discuss options to secure the IOSS verification process at import, a seminar was organised at the end of June 2024, over 3 days, in Helsinki.

The Commission services gave a brief overview on the results of the seminar, which gathered representatives from the tax and customs authorities from almost all Member States, representatives from the Commission, and business representatives of the VEG and of marketplaces directly impacted by the reform (+/- 90 participants in total).

The success of the workshop was underlined by the Commission services, as constructive suggestions and guidance for the upcoming implementation were provided. It also enabled the strengthening of collaboration between tax, customs and business experts.

On the SVR elements, the call for simplification, the need to rely on the data already provided and suggestions for improvements to the current schemes were mentioned as the main outcome of the seminar. The next steps were presented as follows: once an agreement on the ViDA package is reached, a draft Commission Implementing Regulation will be discussed within SCAC (Standing Committee on Administrative Cooperation). In the meantime, IT improvements are already being further analysed with Member States within the framework of a Fiscalis Project Group (FPG).

On the solutions to better secure the IOSS, it was mentioned that the opinions expressed in the workshop had been further analysed and two possible scenarios had been identified (use of verifiable credentials and/or real time reporting of transaction data to customs authorities).

The Commission services mentioned the intention to carry out first an assessment before any binding rule would be proposed in a Commission Implementing Regulation. Therefore, the Commission services proposed setting up a project group in order to assess the feasibility of both options, on a small scale, in a pilot. This pilot could involve a couple of Member States, along with one or two stakeholders from each stage of the supply chain.

Delegates were invited to express their views on the way forward and were asked to consider participating in, and/or leading, the project group.

All the nine delegates who took the floor supported the setting-up of the project group. The Commission services asked the delegates to send in writing, within a week, their intention to participate/lead this project group.

## **7. INFORMATION POINTS**

### **7.1 ViDA Package – Update on the state of play**

The Commission services highlighted the remarkable progress made under the Belgian Presidency, with an agreement closed to be reached at the last ECOFIN in June 2024. The Hungarian Presidency is looking for compromise solutions to close this file as one Member State is still opposing the platform economy volet of the package.

Next, the Commission services provided an outline of the state of play of e-invoicing and planned activities relating to DRR (Digital Reporting Requirements). The GFV was informed about the ongoing activities, such as the Fiscalis Project Group explained under Point 4 of the agenda, and the inception phase of the central VIES project. In addition, the Commission services reported on the ongoing revision of the CEN standard for e-invoicing to adapt it for B2B transactions, whose publication is foreseen for June 2025.

As for the next steps, the Commission services will prepare an Implementing Regulation to comply with Article 263(4) of the amended VAT Directive as well as explanatory notes. A Fiscalis workshop will be organised, probably in Vienna, to collect input on topics that need to be included in that work. This Fiscalis workshop is expected to put together members of the GFV and of the VAT Expert Group (VEG). Further, the Commission services will continue working on the IT developments necessary for the central VIES.

During the ensuing discussion, several delegates asked about the profile of the participants in the upcoming workshop. While this is an aspect which has not been decided yet, it will depend on the number of participants allowed for each Member State. If there is only one participant allowed, given that the discussion will be focused on legal aspects, it would be advisable to have a VAT expert. However, given the strong link that this matter has with IT, if a second participant is allowed per Member State, this second participant could have a more IT oriented profile. Several delegates strongly advised that IT experts should be involved in the works.

### **7.2 Travel and Tourism Package - Update on the state of play**

Work on a travel and tourism package was prompted by the 2020 Tax Action Plan. It involved a study which has been finalised and delivered. To give priority to other initiatives such as the ViDA package, this is a workstream which is currently paused.

The Commission services made clear that it will be for the new Commission to decide whether and when this workstream will be resumed as one of the future priorities for its mandate.

According to the delegates taking the floor, this is a matter of urgency that would need to be dealt with as a matter of priority.

### **7.3 Implementation of the new SME scheme – Update on the state of play**

The Commission services informed delegates of the launch of the SME Web Portal, which is scheduled by the end of October. Modelled on the OSS Web Portal, this Web Portal will feature information about national VAT rules for SMEs and a simulator for them to check their possible eligibility for the cross-border exemption scheme. It will also include the

SME Explanatory Notes and the SME Guide as finalised. Those have been enriched by input received from GFV delegates.

Delegates were informed that starting November 2024, Member States will be asked to provide information on the thresholds applied through the Taxes-in-Europe database (TEDB).

The SME-on-the-Web, an application through which business customers can verify the validity of the EX number of their supplier, will be ready by the end of the year.

#### **7.4 VAT part of the Customs reform – State of play**

The Commission services informed the delegates about the state of play of the VAT proposal amending the VAT Directive as regards the removal of the EUR 150 threshold for the use of the IOSS and for the application of the deemed supplier provision and special arrangements. The mandatory IOSS element of the ViDA package was deferred to the Customs reform and now forms part of this proposal.

The Hungarian Council Presidency has already organised three Council meetings in order to further discuss a potential solution presented by previous Council presidencies for an alternative approach to a mandatory IOSS. This Presidency proposal is in line with the customs reform, which shifts the liability from the customer to the supplier and incentivises the use of the IOSS.

Member States are broadly supportive as for the general direction, however the meetings demonstrated the interlinkage with the customs reform, and the need to coordinate and discuss any IOSS related changes with the customs Council working group. Emphasis was also put on the need to align the dates of entry into force of these reforms. More specifically, it was requested to first secure the use of IOSS before its scope is further extended.

### **8 AOB**

The Commission services provided information on the state of play and the ongoing study launched by DG TAXUD on taxation of the financial sector. The GFV had been involved in previous discussions on the VAT on financial services; work on this file had been delayed for political and technical reasons. Yet, taking into account the new technological and economic context, DG TAXUD launched a new study on taxation of the financial sector in June 2024 that is expected to be finalised at the end of 2025. DG TAXUD aims to launch a policy reflection towards a more coherent tax framework applicable to the financial sector; this includes not only VAT but also sectoral taxes such as Insurance Premium Taxes, windfall taxes. The study will provide: (i) a further analysis of the potential problems arising from the current tax framework and (ii) insights supporting the potential development of policy options.

Delegates were informed that Member States will receive a letter informing them about the study and the need to provide data to the questionnaire prepared by the contractor. It is crucial to provide input for the study as it is a critical element for its success. This file has also received political attention: the mission letter of Commissioner Hoekstra for Climate, Net Zero and Growth mentions as a priority that the Commission will identify innovative

solutions for a coherent tax framework for the EU’s financial sector that further integrates the sector, facilitates cross-border operations and fosters digitalisation and innovation.

On delegate requested confirmation that the study will not include only VAT but also other taxes; another delegate expressed their support to this work and their interest in addressing issues linked to VAT grouping; a third delegate stressed their support for a ‘quick fixes’ approach that should not exclude the reintroduction of cost-sharing arrangements for the sector.

Lastly, on another note, one delegate brought to the attention of the group a request they had received from Australia with regard to how risks analysis are carried out at CESOP (Central Electronic System of Payment information). The Commission services pointed out that they will reflect on which information can be shared with third countries, as there are security requirements and data protection issues involved.

The Commission services thanked the delegates for their participation and the fruitful discussions, and informed that the next meeting of the group will probably be online and is tentatively scheduled for 2 December 2024.

## **9 LIST OF PARTICIPANTS**

Commission officials from DG TAXUD 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>.

\*\*\*

---

<sup>1</sup> [Register of Commission expert groups and other similar entities \(europa.eu\)](#)