



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

**VAT Expert Group
37th meeting – 4 October 2024**

taxud.c.1(2024)8507277

Brussels, 21 October 2024

VAT EXPERT GROUP¹

VEG No 122

SUMMARY MINUTES

**37TH MEETING
– 4 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 Group of experts on value added tax to advise the Commission on the preparation of legislative acts and other policy initiatives in the field of VAT and to provide insight concerning the practical implementation of legislative acts and other EU policy initiatives in that field.

1. APPROVAL OF THE AGENDA

The agenda ([document taxud.c.1\(2024\)7634414](#)) was not contested or discussed.

2. NATURE OF THE MEETING

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

3. VAT AFTER ViDA: PROGRESS UPDATE BY THE VEG INFORMAL WORKING GROUP

A member of the informal working group presented a state of play on the progress of their ongoing reflection on the future of VAT. Work on the final version of the report is on track and is expected to be completed by December 2024.

The informal working group will meet shortly to finalise the report (14 and 15 October in Brussels), revisiting and improving the initial draft and also preparing an executive summary – as advised during the meeting. A draft of the final report is expected to be ready by the end of November 2024. This draft will be shared for review with the participants.

The group will also be prepared to present the key findings and aspects of the report to be discussed during the in-person VEG meeting tentatively scheduled for 13 December 2024.

4. VEG NO 120: 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.

Following this presentation, some members requested information and clarifications on different related topics. It was questioned whether the activities of few big players in the IOSS scheme remain predominant, to which the Commission services replied that, although it's not part of the statistics provided by Member States, the data from the customs system would indicate that it indeed remains as it was. Other questions were related to the control of the three schemes that Member States are putting in place. Finally, to the question of an extension of the OSS to excisable goods, the Commission services indicated that an OSS for the collection of excise duties is currently being analysed by Member States.

5. VEG NO 121: 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, over 3 days, in Helsinki.

The Commission services provided to the members a short report of this seminar gathering 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 to strengthen the 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 of 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 the SCAC. In the meantime, IT improvements are already being further analysed with Member States within the framework of a Fiscalis Project Group (FPG).

On the solution to better secure the IOSS, it was mentioned that the opinions expressed in the workshop have been further analysed and that it could lead to the set-up of an FPG with representatives from all concerned stakeholders in order to pilot potential solutions.

Some members underlined the success of the workshop and thanked the Commission services and the Finnish tax administration for the organisation. Some reiterated as well their readiness to take an active role in a future FPG to pilot solutions securing the IOSS process and asked whether there would be a general call to participate.

The Commission services mentioned that first a mandate needs to be received from the Member States, other stakeholders will be contacted afterwards.

6. INFORMATION POINTS

The Commission services presented the latest developments related to their on-going work, in particular in relation to:

6.1 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. There is unanimity as regards the SVR and DRR (Digital Reporting Requirements) volets of the package. However, one Member State is still opposing the compromise text as regards the platform economy part. The Hungarian Presidency is looking for solutions to close this file, with further discussions taking place at the High Level Working Party (HLWP) meeting on 26 September 2024. There is no intention, nor from the Commission nor from the Member States, to split the package, which reflects a delicate compromise in the positions of Member States on each of the three elements.

Next, the Commission services provided an outline of the state of play of e-invoicing and DRR and planned activities. The VEG was informed about an ongoing Fiscalis Project Group where representatives of the tax administrations of different Member States are exchanging best practices for the implementation of electronic invoicing and digital reporting. They were also informed about the ongoing revision of the CEN standard for e-invoicing to adapt it for B2B transactions and the expected publication by June 2025.

On the next steps, the Commission services will prepare an Implementing Regulation to comply with Article 263(4) of the amended VAT Directive and explanatory notes. To collect input, a Fiscalis workshop will be organised, probably in Vienna, to collect input on topics that need to be included in that work. The Fiscalis event would bring together representatives of the Group on the Future of VAT and members of the VEG.

In the ensuing discussion, it was agreed that the VEG could prepare a common document with the list of topics that need further clarifications and could be included in the explanatory notes. However, this should not prevent members of the VEG from raising any other topics they might consider necessary during the meeting. On the possibility to launch a public consultation to gather further input, this is something that could be considered, together with the involvement of other stakeholders for the collection of input.

6.2 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.

6.3 Implementation of the new SME scheme – update on the state of play

The Commission services informed members of the launch of the SME Web Portal 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 members of the VEG .

Information on thresholds applied will be provided by Member States via the Taxes-in-Europe database (TEDB) starting November. 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.

6.4 VAT part of the Customs reform – update on the state of play

The Commission services informed the members 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 put also on the need to align the dates of entry into force of these reforms. More specifically, it was requested to secure the use of IOSS first before its scope is further extended.

7. AOB

One member enquired about the availability of the revised CESOP (Central Electronic System of Payment information) Guidelines and Q&As. The Commission services informed that in November 2024, the Commission will host the next meeting of the CESOP Expert Group, where members of the payment industry as well as Member States officials are represented. Upon the outcome of this meeting, the CESOP Guidelines and Q&A will be revised and sent for translation into all official EU languages (first quarter of 2025).

The Chair closed the meeting by thanking members for their participation and announced that the next meeting of the group will most likely be physical and is tentatively scheduled on 13 December 2024, in Brussels.

8. LIST OF PARTICIPANTS

Commission services and the members of the VAT Expert Group as published in the Register of Commission Expert Groups².

*
* *

² <https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&do=groupDetail.groupDetail&groupID=2813&NewSearch=1&NewSearch=1>