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*Plenary sitting*

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**A10-0012/2024**

22.10.2024

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## **REPORT**

on the proposal for a Council directive amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate (COM(2024)0278 – C10-0083/2024 – 2024/0152(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Aurore Lalucq

(Simplified procedure – Rule 52(1) 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 proposal for a Council directive amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate  
(COM(2024)0278 – C10-0083/2024 – 2024/0152(CNS))**

**(Special legislative procedure – consultation)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2024)0278),
  - having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C10-0083/2024),
  - having regard to Rule 84 of its Rules of Procedure,
  - having regard to the report of the Committee on Economic and Monetary Affairs (A10-0012/2024),
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

The proposal addresses the amendment of the Directive 2006/112/EC as regards the electronic value added tax exemption certificate. It aims to replace the paper version of the VAT and/or Excise Duty exemption certificate by the introduction of an electronic exemption certificate confirming that a transaction qualifies for a specific exemption under the first subparagraph of Article 151(1) of that Directive.

The transactions covered by the first subparagraph of Article 151(1) are

- i. the supply of goods or services under diplomatic and consular arrangements;
- ii. the supply of goods or services to international bodies recognised as such by the public authorities of the host Member State, and to members of such bodies, within the limits and under the conditions laid down by the international conventions establishing the bodies or by headquarters agreements;
- iii. the supply of goods or services within a Member State which is a party to the North Atlantic Treaty, intended either for the armed forces of other States party to that Treaty for the use of those forces, or of the civilian staff accompanying them, or for supplying their messes or canteens when such forces take part in the common defence effort;
- iv. the supply of goods or services to another Member State, intended for the armed forces of any State which is a party to the North Atlantic Treaty, other than the Member State of destination itself, for the use of those forces, or of the civilian staff accompanying them, or for supplying their messes or canteens when such forces take part in the common defence effort;
- v. the supply of goods or services to the armed forces of the United Kingdom stationed in the island of Cyprus pursuant to the Treaty of Establishment concerning the Republic of Cyprus, dated 16 August 1960, which are for the use of those forces, or of the civilian staff accompanying them, or for supplying their messes or canteens.

According to the Commission, the highly technical nature of this initiative and its alignment with efforts at EU level to promote digital government interactions justify no stakeholder consultation and no impact assessment. The proposed electronic conversion of the VAT exemption procedure supports the adaptation to the digital age and strengthens the rights of citizens with regard to the processing of their personal data.

The proposal will remove the administrative burden and costs associated with processing the paper version of the VAT exemption certificate. The implementation costs will be covered by the FISCALIS programme within its foreseen financial envelope in the current Multiannual Financial Framework. The costs for Member States, mainly related to providing access to the central application, are estimated to be low.

The new electronic certificate will not affect the scope of VAT exemptions applied. There will therefore be no impact on the EU budget as the own resources based on gross national income (GNI) will not be affected.

The proposal strengthens anti-abuse measures by stipulating that if the exemption conditions

outlined in paragraph 1 are not met or cease to apply, the eligible body or individual who issued and signed the certificate will be responsible for paying the VAT to the relevant Member State. In such exceptional cases, Member States are encouraged to allow the payment of VAT without requiring full VAT registration.

The rapporteur acknowledges the highly technical nature of this initiative, its non-controversial content, and the need to enhance digital government interactions, and therefore fully supports the objectives of the directive.

**ANNEX: ENTITIES OR PERSONS  
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.



## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	Amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate
<b>References</b>	COM(2024)0278 – C10-0083/2024 – 2024/0152(CNS)
<b>Date Parliament was consulted</b>	15.7.2024
<b>Committee(s) responsible</b>	ECON
<b>Rapporteurs</b> Date appointed	Aurore Lalucq 12.9.2024
<b>Simplified procedure - date of decision</b>	14.10.2024
<b>Discussed in committee</b>	14.10.2024
<b>Date adopted</b>	14.10.2024
<b>Date tabled</b>	22.10.2024