



2022/0407(CNS)

13.12.2024

DRAFT REPORT

on the draft Council directive amending Directive 2006/112/EC as regards
VAT rules for the digital age
(15159/2024 – C10-0170/2024 – 2022/0407(CNS))

Committee on Economic and Monetary Affairs

Rapporteur: Ludovít Ódor

(Renewed consultation – Rule 86 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 draft Council directive amending Directive 2006/112/EC as regards VAT rules for the digital age
(15159/2024 – C10-0170/2024 – 2022/0407(CNS))**

(Special legislative procedure – renewed consultation)

The European Parliament,

- having regard to the Council draft (15159/2024),
 - having regard to the Commission proposal to the Council (COM(2022)0701),
 - having regard to its position of 22 November 2023¹,
 - having regard to Article 113 of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament again (C10-0170/2024),
 - having regard to Rule 84 and 86 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A10-0000/2024),
1. Approves the Council draft;
 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 amend its draft substantially;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C, C/2024/4246, 24.7.2024, ELI: <http://data.europa.eu/eli/C/2024/4246/oj>.

EXPLANATORY STATEMENT

On 8 December 2022, the Commission presented the ‘VAT in the digital age’ package (ViDA), which consists of three proposals:

- a proposal for a **Council directive** amending directive 2006/112/EC as regards VAT rules for the digital age;
- a proposal for a **Council regulation** amending regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age
- a proposal for a **Council implementing regulation** amending implementing regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes.

The package developed an action plan for fair and simple taxation that emphasized the need to reflect on how technology can be used in the fight against tax fraud and how the current VAT rules in the European Union could be adapted for doing business in the digital age. The three changes to make VAT fit for the digital age are

- i) a new real time digital reporting system based on e-invoicing,
- ii) update VAT rules for the platform economy and
- iii) a single vat registration for businesses selling to consumers across the EU.

The directive and the regulation were subject to a special legislative procedure. The European Parliament was consulted and delivered its opinion on 22 November 2023.

On 5 November 2024, the Council agreed on the ViDA package. However, given the substantial differences between the Commission’s proposal (i.e. the Directive) on which the European Parliament was initially consulted and the text of the Council, the Council decided on 7 November 2024 to re-consult the European Parliament.

The deemed supplier regime was a significant point of contention within the Council, making it particularly challenging to reach a final compromise.

The Council decided that the deemed supplier rules will be introduced first on a voluntary basis as from July 1, 2028, and then mandatory as from January 1, 2030. Member States will also be authorised to exempt SMEs from the deemed supplier regime without having to report to the VAT committee. In its first opinion, the EP highlighted the need to limit the administrative burden for SMEs.

The Council also introduced more flexibility for Member States to operate their own invoicing systems as many member states have already invested heavily in their own software. Summary invoices are also reintroduced under certain conditions despite the Commission’s proposal to prohibit them. The Parliament also favoured the reintroduction of summary invoices in order to keep flexibility and simplicity for Member States and businesses.

On the implementation deadlines, the Parliament opinion suggested longer deadlines than in the Commission proposal. The Council even further extends the deadlines beyond the Parliament’s proposals.

Therefore, the rapporteur is of the view that a simplified procedure without amendments is the relevant procedure.