
The Senate

I.

1. **Welcomes,**
   in general, the introduction of this proposal as it can be an important tool to combat VAT fraud;

2. **Recalls, in this context,**
   the Senate Resolution no. 501 of the 26th session held on 14th July 2016 on the Communication from the Commission on the VAT Action Plan “Towards a single EU VAT area - Time to decide” (Senate Print No. K 081/10), in which the Senate supported the revision of the VAT system in the EU and recommended the Commission to consider the introduction of a general reverse charge taxation mechanism;

II.

1. **Has, however, reservations**
   to certain aspects of the proposal:
   - the proposed period of validity is too short;
   - the minimum level of VAT gap of a Member State required for an application for the reverse charge mechanism is too high;
   - the beginning and the end of the application of the reverse charge mechanism should be decided by the Council and not by the Commission;
2. **Therefore supports**
   the Government's position and its requests for a compromise wording of the proposal;

III.

1. **Requests**
   the Government to inform the Senate about the way this resolution was taken into account and about further development of negotiations once the political agreement of the required number of Member States on the main elements of the proposal is reached, or at an earlier time, should the results of negotiations in the Council begin to depart considerably from the position of the Czech Republic expressed in the General Position of the Government;

2. **Authorises**
   the President of the Senate to forward this Resolution to the European Commission.

   Miluše Horská
   sign manual on behalf of
   President of the Senate

   Jaromíra Vítková
   sign manual
   Senate Verifier