



EUROPEAN COMMISSION

*Brussels, 16.5.2018
C(2018) 2884 final*

Dear President,

The Commission would like to thank the Senát for its Opinion on both the proposal for a Council Directive to amend the Directive 2006/112/EC as regards harmonising and simplifying certain rules in the value added tax system and introducing the definitive system for the taxation of trade between Member States {COM(2017) 569} and the proposal for a Council Regulation amending Council Regulation 904/2010/EU as regards the certified taxable person {COM(2017) 567}.

These proposals form part of a package of legislative initiatives adopted by the Commission on 4 October 2017. The overall objective of that package, already announced in the Value Added Tax Action Plan {COM(2016) 148 final} adopted by the Commission on 7 April 2016, is to create a robust single European Value Added Tax area for which a simpler and fraud-proof definitive Value Added Tax system for intra-Union trade will be set up.

The Commission welcomes the support of the Senát for the main objectives of the proposals and for the targeted modifications of the current European Union law contained therein.

The Commission takes note of the Senát's concern about the application of the facilitative measures only to certified taxable persons. The reason why these facilitative measures (relating to call off stock arrangements, chain transactions and proof of the intra-Union transport of goods) have been reserved, in the Commission's proposal, to certified taxable persons is that those measures, and the simplification they allow for, involve a lower level of control on the side of tax administrations. Therefore, in order to minimise the risk of fraud, those measures should be reserved only for reliable taxpayers.

*Mr Milan ŠTĚCH
President of the Senát
Valdštejnské náměstí 17/4
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The Commission would also like to explain that with the approach consisting in proposing only the principles of the definitive Value Added Tax system and leaving their detailed regulation to a later proposal, it intends to give Member States the possibility to reflect on the cornerstones of the definitive Value Added Tax system, thus allowing the discussion to focus on the essentials of that system, before going into the detailed technical work, which will entail a modification of a large number of provisions in the Value Added Tax Directive.

These proposals, including the issues you have raised, will continue to be discussed within the legislative process involving both the European Parliament and the Council. The Sénat's Opinion has been made available to the Commission's representatives in the ongoing negotiations and will inform these discussions.

The Commission hopes that these clarifications address the issues raised by the Sénat and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*