



## EUROPEAN COMMISSION

*Brussels, 5.7.2018  
C(2018) 4118 final*

*Dear President,*

*The Commission would like to thank the Senát for its Opinion on the proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises {COM(2018) 21 final} and on the proposal for a Council Directive amending Directive 2006/112/EC as regards rates of value added tax {COM(2018) 20 final}.*

*These proposals are part of a reform package, announced in the Action Plan on value added tax {COM(2016) 148 final}, adopted by the Commission on 7 April 2016. The aim of this plan 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 main objectives of the proposal on the special scheme for small enterprises are to reduce the compliance costs of small enterprises, to provide a more level playing field for them and to facilitate value added tax compliance for these enterprises and monitoring for tax administrations. The main objectives of the proposal on value added tax rates are to grant Member States more flexibility in setting value added tax rates and to establish equal treatment between Member States.*

*The Commission welcomes the Senát's broad support for the aims of both proposals and takes note of its reservations relating to the definition of a small enterprise as set out in the proposal regarding the special scheme for small enterprises. In this context, the Commission would like to point out that only a small proportion of small enterprises in the sense of the proposal will be eligible for the exemption from value added tax and that the exemption will be optional for the Member States to apply. The introduction of the definition of a small enterprise in the proposal is linked to the need to provide for some simplification measures relating to value added tax obligations for both exempt and non-exempt small enterprises.*

*Mr Milan ŠTĚCH  
President of the Senát  
Valdštejnské náměstí 17/4  
CZ – 118 01 PRAGUE 1*

*The Commission looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Pierre Moscovici  
Member of the Commission*