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Dear Ms Hansen,

The European Commission welcomes the interest of the Folketing in the European Green Paper adopted on 1 December 2010 on the evaluation of the current VAT system and the possible ways forward to improve it {COM(2010)695}, and is grateful for the Folketing's favourable opinion on this initiative.

The Commission would like to thank the members of the Folketing for having examined and discussed this issue. The Commission appreciates their support on the debate on the future of VAT and their recognition of the need to modernise and simplify the current system of VAT. The Commission takes note of the importance of VAT continuing to play its role as a stable source of revenue and of the need to focus on combating VAT fraud. The comments expressed in the Folketing's contribution to the Green Paper will provide valuable input to the Commission in its valuation of the responses to the consultation.

The Commission has started the analysis of the numerous contributions which have been received. The huge interest from stakeholders (more than 1700 contributions) confirms the necessity of launching this exercise. This analysis will help the Commission to schedule and prepare the next steps of this exercise. At this stage, it is too early to draw conclusions from the outcome of the replies. However, it is the intention of the Commission to present a Communication setting out the priorities for future work on VAT before the end of this year. The Commission will keep national Parliaments informed about any further development in this field.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

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