



EUROPEAN COMMISSION

*Brussels, 20.2.2018  
C(2018) 878 final*

*Dear President,*

*The Commission would like to thank the Bundesrat for its Opinion on the proposals aimed at improving and modernising the current Value Added Tax (VAT) system {COM(2017) 566, COM(2017) 567, COM(2017) 568, COM(2017) 569}.*

*These proposals form 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 VAT area for which a simpler and fraud-proof definitive Value Added Tax system for intra-Union trade will be set up.*

*The Commission takes note of the view of the Bundesrat that the concept of Certified Taxable Person and the final Value Added Tax arrangements, based on the destination principle, need further analysis and discussion. In addition, the Commission has duly taken note of the Bundesrat's support for a rapid implementation of the "quick fixes" to provide greater legal certainty for traders.*

*These proposals are being discussed within the legislative process involving both the European Parliament and the Council. The Bundesrat's Opinion has been made available to the Commission's representatives in the ongoing negotiations and will inform these discussions.*

*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*

*Mr Michael MÜLLER  
President of the Bundesrat  
Leipziger Straße 3 - 4  
D – 10117 BERLIN*