



**The Parliament of Romania
Senate**

Bucharest, 18th December 2017

Courtesy translation

OPINION of the ROMANIAN SENATE

to the Proposal for a COUNCIL DIRECTIVE amending Directive 2006/112 / EC as regards the harmonization and simplification of certain rules in the field of value added tax and the introduction of a definitive system of taxation of trade between Member States COM (2017) 569 final

The Romanian Senate, pursuant to art. 67, art. 148 (2) and (3) of the Romanian Constitution and the Protocol no.2 annexed to the Treaty of Lisbon amending the Treaty on European Union and the Treaty on the Functioning of the European Union, signed in Lisbon in 13rd December 2007, has examined **the Proposal for a COUNCIL DIRECTIVE amending Directive 2006/112 / EC as regards the harmonization and simplification of certain rules in the field of value added tax and the introduction of a definitive system of taxation of trade between Member States - COM (2017) 569 final.**

Having in view the report of the Committee for European Affairs from 7th December 2017, **the Romanian Senate**, issued on 18th December 2017 an OPINION, as follows:

(1) **considers that the proposal for a Directive respects the principle of subsidiarity** because, by their very nature, VAT rules for cross-border trade within the Union involve several member states and VAT, being a harmonized EU-wide tax, any initiative to introduce the VAT final system on cross-border supplies of goods requires a proposal to amend the VAT Directive by the Commission.

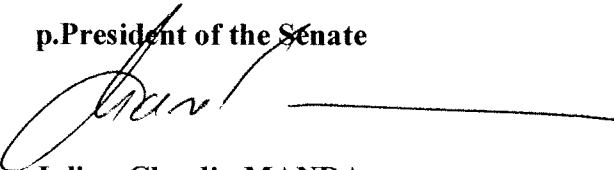
Also, **the proposal for a Directive respects the principle of proportionality** because the proposed improvements to the current system are directed at and limited to a small number of VAT rules that have proved to be difficult to apply in a systematic and uniform manner and have created problems for taxable persons.

(2) **appreciates** the Commission's measures to modernize and revise the current VAT system in the context of efforts to create a single European solid space for VAT.

(3) **supports** the fast improvement solutions to the current VAT system proposed by the Commission, which concern the simplification of the provisions on customer stocks and on the chain transactions, as well as the introduction of additional substantive conditions for applying the VAT exemption for intra-Community supply of goods, given the need to make progress in areas currently facing difficulties of application, the need for a unitary approach at European level in areas where member states apply differently VAT provisions, as well as the problems currently existing, due to the need to comply with the principles stemming from European case law from this field.

(4) **draws attention** to the need for a cautious approach in the negotiations on the proposed provisions in the light of effects on budget revenues, in view of the increase in compliance costs and the administrative burdens that such changes would entail for economic operators, as well as the conditions under which the administrative capacity of tax administrations is different and the implementation of such a system would require more cooperation between tax administrations.

p. President of the Senate

A handwritten signature in black ink, appearing to read 'Iulian-Claudiu MANDA', is written over a horizontal line. The signature is stylized and cursive.

Iulian-Claudiu MANDA