



EUROPEAN COMMISSION

*Brussels, 11.6.2018
C(2018) 3537 final*

Dear President,

The Commission would like to thank the Senat for its Opinions on the proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards rates of value added tax {COM(2018) 20 final} and 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} .

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 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 would like to reassure the Romanian Senate that the weighted average of value added tax rates is currently higher than 12% in all Member States and higher than 20% in Romania.

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 as well as monitoring for tax administrations. It should be noted that the proposed simplification measures and their obligatory or optional character for the Member States, which aim at striking the right balance between the need to provide meaningful simplification for the taxpayers and the need to ensure the possibility of effective fiscal control by tax authorities, are subject to discussions within the legislative process. The implementation of the proposal will indeed require certain developments in administrative cooperation between Member States, which is addressed in a separate Commission proposal {COM(2017) 706 final}.

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

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*