



Brussels, 17 March 2023
taxud.c.1(2023)

MEETING REPORT

- 1. Meeting** Conference on EU VAT in the digital age
- 2. Subject** VAT in the digital age
- 3. Date and Place** 27-28 April 2023, Tegernsee (Germany)
- 4. Participants** [REDACTED]

5. Details

The Conference gathered more than 100 participants from business, academics and tax administrations. It started with an update on EU VAT files in the context of the last tax action plan (by the Commission), including on the experience on the EU ecommerce package.

Then the Commission made a detailed presentation on the 3 volets of VAT in the digital age, with each time a panel discussion and a questions / answers session.

Main comments received :

(i) SVR

Most of the time was devoted to this topic.

A first presentation was made by Germany ([REDACTED], head of division for VAT, Ministry of finance), presenting the domestic plans on e-invoicing and digital reporting. The timeframe is still a bit uncertain but the development should be in phases between 2025-2028. [REDACTED] also explained the German's strong support to the Commission proposal and indicated they are in favour of an open system, with third party validation and no State clearance.

A second presentation was made by Poland ([REDACTED], Director for VAT, Ministry of finance), who stressed the Polish success in tackling the VAT gap (from 25 to 5 %). He also indicated that Poland is currently implementing an e-invoicing system based on clearance and on a domestic Polish standard. He was however not critical towards the

Commission proposal, only stressing the need to pay attention to avoiding too high adaptation costs.

A third presentation (from [REDACTED], University of Copenhagen) was devoted to data protection (GDPR and Charter of fundamental rights) and to recent ECJ case Law calling for great care on digital reporting. And finally a business perspective (representative from Shell) stressing the costs of fragmentation today and the need for harmonisation of domestic systems.

The debate which followed was extremely supportive to the Commission proposal, with the following comments made :

- Need for an open system, not only involving State administrations,
- The need for flexibility of the timing of the report (the 2 days period),
- The need to fully respect data protection,
- The need for avoiding further derogations / fragmentation of the Internal Market,
- The need to avoid too high costs in MSs where investments have already been made.

(ii) Platforms

A first presentation was made by Poland ([REDACTED]) expressing some doubts about the Commission proposal, notably referring to the difficulty in controlling non EU platforms and the need for a tax representative, as well as on the need not to move the place of taxation to the MS where the building or transport service is / takes place.

Another presentation was made by a representative of booking.com, strongly criticising the Commission proposal as it would generate a distortion of competition against platforms (e.g. because the absence of a right of deduction on the costs incurred by the hosts, including on platform fees). Finally, there was also a presentation from [REDACTED] (University of Rotterdam), notably stressing the complexity of the deemed supply provision for cross border passenger transport

The debate which followed was much more balanced, with a number of participants supporting the aim of the Commission proposal.

(iii) Single VAT registration

This part was shorter, with presentations of a more technical nature from [REDACTED] (University of Rotterdam) and from [REDACTED] (German Ministry of finance), who has been very supportive of the Commission proposal, indicating that it is in MS.

The debate generated some discussion over the following topics :

- absolute need to cover transfers in the OSS,
- Need not to exclude capital goods,
- Need in the longer term to include the right of deduction in the OSS,
- Need to better secure the use of IOSS numbers.

7. Report by [REDACTED]

Circulation

Mr Thomas, [REDACTED], Ms Scoppio, [REDACTED], HOU & DHOU A2, B4, C1,
C4, HOS C1