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NEWSLETTER

## EU Finance Ministers reach agreement on package of VAT measures

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On 02.10.2018 ECOFIN reached a far-reaching agreement on the VAT package proposed by the EU Commission last year. The agreed measures are as follows:

### Quick Fixes

Until the definitive VAT regime comes into force, new regulations shall apply concerning call-off stocks, chain transactions, intra-EU supplies of goods (VAT-ID-No.) and proof of intra-EU supplies. The fifth quick fix regarding cost sharing groups, as demanded by a couple of member states, was rejected. The Council also chose not to adopt the widely criticised concept of a certified taxable person. The new regulations will apply as of 01.01.2020.

### Generalised Reverse Charge Scheme

Member states, which are particularly heavily affected by VAT fraud, will be permitted to temporarily apply a generalised reverse charge scheme. This applies until 30.06.2022 under strict conditions.

### Measures to Strengthen Administrative Cooperation

After consulting the EU Parliament, the Council adopted the regulation to strengthen administrative cooperation. The regulation will apply as of 01.01.2020.

### VAT rates

In the future, member states will be permitted to apply the reduced VAT rate or zero rate (VAT exemption with the right to deduct input VAT) to electronic publications. The amendments will allow member states to align VAT rules between physical and electronic forms of publications.



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