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DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax Administration
Value Added Tax

**Group on the future of VAT
19th meeting – 22 January 2018**

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Brussels, 15 January 2018

GROUP ON THE FUTURE OF VAT

GFV N^o 060

Council Directive EU 2017/2455 of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods

Article 1 – Provisions with effect from 1 January 2019

Need for implementing provisions and IT impact

1 PURPOSE OF THE DOCUMENT

On 5 December 2017, the Council adopted Council Directive EU 2017/2455 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods.

Article 1 of this Directive provides for improvements to the existing special schemes for non-established taxable persons supplying telecommunications, broadcasting or electronic services to non-taxable persons that will take effect from 1 January 2019.

The purpose of this working document is to determine whether or not these provisions:

- require detailed measures to be laid down in implementing legislation; and
- have an IT impact.

For the purpose of this work, the following implementing rules were considered:

- Council Implementing Regulation (EU) No 282/2011 laying down implementing measures for Directive 2006/112/EC on the common system of VAT (hereafter 'VAT IR');
- Commission Implementing Regulation (EU) No 815/2012 laying down detailed rules for the application of Council Regulation (EU) No 904/2010, as regards special schemes for non-established taxable persons supplying telecommunications, broadcasting or electronic services to non-taxable persons (hereafter 'COM IR').

The table below sets out the Commission's view, for discussion with delegations at the meeting of 22 January 2018.

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	VAT Directive	Impact on VAT IR?	Impact on COM IR?	IT impact?
1	<p><i>Article 58</i></p> <p>New paragraphs 2 to 6 are added providing for a turnover threshold of EUR 10,000 up to which taxable persons supplying TBE services to other Member States can opt to apply to taxation rules of their own Member State.</p> <p><i>(Note: the paragraphs 2 to 6 will be moved to Article 59c, as of 1 January 2021.)</i></p>	No	No	<p>No</p> <p>Member States agreed to use the existing reason code 5 implementing Article 57g of the VAT IR (<i>The TP has requested to voluntarily leave the scheme</i>) for taxable persons wishing to deregister because their relevant annual turnover does not exceed EUR 10,000.</p> <p>The new provisions introduced by Article 58(2) of the VAT Directive were meant to allow small business to deregister as of the date of their application, i.e. 1 January 2019. The Commission believes that Article 58(2)(c) is sufficiently clear in this respect and that when the threshold in the previous year was not above EUR 10 000 EUR, a business can ask to be removed from MOSS and thus shift the place of supply to where that business is established.</p>
2	<p><i>Article 219a</i></p> <p>This Article is amended so as to provide that invoicing shall be subject to the rules applying in the Member State where the supplier making use of one of the special schemes referred to in Chapter 6 of Title XII is identified.</p>	No	No	No

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3	<i>Article 358a, point (1) and 361(1), point (e)</i> These provisions are modified in order to allow taxable person not established within the Community but who are identified for VAT purposes in the Community to make use of the non-Union scheme.	No	Yes In the table in Annex 1 (Identification details) the text of column B, box 16, should be amended as follows: "Electronic declaration that the taxable person is not registered for VAT established within the Union."	Yes (minimal) The text of the electronic declaration in column B, box 16 of the registration information will have to be replaced in the national MOSS applications as set out in the previous column.
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