



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect Taxation and Tax administration  
**Value added tax**

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Brussels, 17 February 2016

**VALUE ADDED TAX COMMITTEE**  
**(ARTICLE 398 OF DIRECTIVE 2006/112/EC)**  
**WORKING PAPER NO 898**

**QUESTION**  
**CONCERNING THE APPLICATION OF EU VAT PROVISIONS**

**ORIGIN:** Commission

**REFERENCES:** Articles 131, 138 and 273

**SUBJECT:** Proof of evidence of intra-Community supplies – the point of view of the VAT Expert Group

## **1. INTRODUCTION**

The issue of documentary evidence for granting exemption for the intra-Community supply of goods pursuant to Article 138 of the VAT Directive has already been the subject of many rulings by the Court of Justice of the European Union (CJEU) but it continues to create difficulties.

The VAT Expert Group (VEG), a body set up to assist and to advise the Commission on VAT matters<sup>1</sup>, has undertaken work on this subject and the Commission services now wish to hold an exchange of views within the VAT Committee, on the basis of the report adopted by the VEG.

## **2. SUBJECT MATTER**

In the Single Market, it should not be more onerous for economic operators to make intra-Community supplies of goods than to supply goods within their own Member State. However, given the features of the transitional VAT arrangements where the supply is exempted on account of the acquisition being taxed, it is essential to determine how to address the issue of proof in relation to the right to exemption for the supplier so that fraud can be tackled.

Member States need to find a balance between facilitating the flows of goods cross-border in order to stimulate the economy and create a business-friendly environment on the one hand and, on the other hand, their legitimate interest in preventing any possible tax evasion, avoidance or abuse of the tax provisions and ensuring that the VAT due is actually paid and that the goods do not reach final consumption free of VAT.

The paper, which can be found as a separate Annex<sup>2</sup>, reflects the point of view of the experts appointed as members of the VEG and should not be taken as the position of the Commission services.

## **3. DELEGATIONS' OPINION**

Delegations are invited to express their views on the matters as outlined in the paper prepared by the VEG.

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<sup>1</sup> [http://ec.europa.eu/taxation\\_customs/taxation/vat/key\\_documents/expert\\_group/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/key_documents/expert_group/index_en.htm)

<sup>2</sup> VEG No 053 - ref: taxud.c.1(2016)933710 (*available in English only*).