

European Commission requests feedback on proposed directive to transform EU's VAT Committee into a "Comitology Committee"

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Background

European Union (EU) value-added tax (VAT) rules are harmonized under the VAT Directive. Therefore, it is important that these rules are implemented in every EU Member State in a fully consistent manner (e.g., by means of implementing acts). Currently, the European Commission (the Commission) has no implementing powers in respect of the VAT Directive.

The only existing tool for the Commission to promote a consistent implementation of VAT rules is an advisory committee set up by the VAT Directive (Article 398) - the "VAT Committee," which agrees on non-binding guidance. The VAT Committee is made up of representatives of the Member States and of the Commission and has no competence in the procedure of adoption of the implementing measures. As the Member States are not legally obliged to implement the guidelines of the VAT Committee, the common interpretation of EU VAT law, set forth in these guidelines, is often not put into practice.

Comitology Committee

A change to the VAT Directive is proposed that would allow the Commission to adopt, within a precise scope, implementing acts. This could be done by turning the VAT Committee into a "Comitology Committee"¹ that would oversee the adoption of implementing acts by the Commission. Outside the defined empowerment of the Commission, the Council would retain its competence to adopt implementing rules in the field of VAT.

It is suggested that conferring certain implementing powers on the Commission, subject to the control of that Committee, should contribute to a more uniform application of the EU VAT legislation to the benefit of taxable persons with economic activities in several Member States. In the area of indirect taxation, comitology procedures are already used for administrative cooperation and excise duties.

Calls for feedback

The Commission is now inviting feedback through a "[roadmap](#)"² procedure which is open until 29 October 2020. Feedback received through this procedure will be taken into consideration in the further development of the initiative. The Commission will summarize the input received in a synopsis report explaining how the input will be incorporated and, if applicable, why certain suggestions will not be included.

Endnotes

1. Comitology in the European Union refers to a process by which EU law is modified or adjusted and takes place within "comitology committees" chaired by the European Commission.
2. EU Commission roadmaps aim to inform citizens and stakeholders about the Commission's work in order to allow them to provide feedback and to participate effectively in future consultation activities.

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