

To: Taxation WG, Public Affairs & Communications Committee

## Parliament Adopts VAT in Digital Age Proposals

### Latest developments

On **22 November**, during the Plenary Session of the European parliament (EP), MEPs approved three proposals to update the EU's VAT regime. More precisely:

- Concerning the proposal for a directive amending directive 2006/112/EC as regards **VAT rules for the digital age** (ViDA directive):
  - A report on the legislation was adopted by 570 votes in favour, 17 against and 52 abstentions, with MEPs proposing a one-year delay to allow businesses to prepare. Changes were also introduced regarding online platforms and short-term accommodation (see [here](#)).
- Concerning the proposal for a regulation amending regulation (EU) No 904/2010 as regards the **VAT administrative cooperation** arrangements needed for the digital age:
  - The report was adopted with 615 votes in favour, 10 against and 15 abstentions and called for improved cooperation between all actors involved in the fight against VAT fraud. The report also states that the performance of the VAT Information Exchange System (VIES) VAT number validation functionality should be improved and that the European Commission (EC) should support national tax authorities with financial and human resources and technical advice to guarantee that national electronic systems are fully operational by 1 January 2030. (see [here](#)).
- Concerning the proposal for a directive amending directive 2006/112/EC as regards VAT rules relating to taxable persons who facilitate **distance sales of imported goods** and the application of the **special scheme for distance sales of goods** imported from third territories or third countries and **special arrangements for declaration and payment of import VAT**.
  - The report was adopted by 603 votes in favour, 23 against and 10 abstentions. The vote fully endorsed changes to VAT rules for taxable persons facilitating distance sales of imported goods (see [here](#)).

The three initiatives will follow the consultation procedure (CNS), meaning that the reports approved by the EP will just have a consultative role, and that the three proposals will need to be adopted by the Council of the EU, by unanimity.

### Next steps

- VAT in the digital age package to be discussed and eventually approved in the Council of the EU.
- Secretariat to continue monitoring the developments concerning the VAT in the digital age package.

### For more info

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