

To: Taxation Working Group

## European Commission launches roadmap on its Communication to the European Parliament, Council, and European Economic and Social Committee on the VAT gap

On 03 February the European Commission [launched a roadmap](#) on a Communication that the Commission will send to the European Parliament, the Council and the European Economic and Social Committee with the objective to promote initiatives at the level of tax administrations that have proven to be significantly effective in reducing the VAT Gap.

The VAT gap (the difference between expected VAT revenues and amounts actually collected) in the EU reached around EUR 140 bn in 2018 and could rise to over EUR 160 bn due to COVID-19.

The Commission Communication will:

- describe these measures that, based on empirical observation, have led to concrete positive results to the VAT collection system of the Member States.
- identify the financing or other tools that the Commission can offer to tax administrations to implement these or similar initiatives.

In particular, the Communication will build on:

- The evidence collected through consultation with Member States' tax administrations in the framework of the [Ninth report under Article 12 of Council Regulation \(EEC, Euratom\) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of own resources accruing from value added tax \(the Article 12 report\)](#).
- The statistical figures of the latest [VAT Gap Study](#) published by the Commission.

No open public consultation on the Communication will be carried out and thus no impact assessment is envisaged, as the Communication's aim is that of providing a description of best practices and an outline of tools already available at EU level to support the reform of tax administrations.

### Next steps

- The secretariat will follow up with members on developing a possible response to the roadmap.
- 03 March: deadline to provide feedback on the roadmap.
- The indicative planning for the Commission's Communication to be sent is Q1/Q2 2021

### For more info

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