

To: Taxation WG  
From: Personal & general insurance department  
cc:  
Date: 15-12-2022  
Reference: ECO-TAX-22-067  
  
Subject: Report from VAT Expert Group 6 December

## Summary

The VAT Expert Group is a body created to advise and provide insights to the European Commission (EC) on the preparation of new legislative acts and other policy initiatives and on the practical implementation of legislative acts in the field of VAT. Since 1 October 2022, Insurance Europe is represented for three years by Andreas Kessler, who has been nominated as Insurance Europe's main representative in the group, and by Patrick Stapleton, as alternate (see [ECO-TAX-22-042](#)).

The latest VAT Expert Group meeting took place on 6 December. Members can find the agenda of the meeting, together with supporting documents, in the online folder that the EC dedicates to the Expert Group's meetings (see [here](#)). The minutes of the meeting will be uploaded soon on the same folder.

## VAT Expert Group meeting on 6 December, main points:

Andreas Kessler, who participated in the meeting on behalf of Insurance Europe, reported the following key take-aways:

- E-commerce:  
According to DG TAXUD, the deemed supplier model is obtaining good results in reducing VAT frauds. DG TAXUD will continue to monitor the outcomes of this model and include the VAT Expert Group in the future discussions around the topic.
- 2020 Tax Action plan:
  - Concerning VAT in the Digital Age, DG TAXUD informed the Expert Group about the three pillars of the proposal:
    - Real Time Reporting to be made mandatory for intracommunity transactions.
    - Deemed supplier model to be applied to platforms for short term accommodation as well as transport.
    - Single VAT registration to be introduced for merchants selling goods to EU consumer.
  - During the next VAT Expert Group Meeting there will be a detailed discussion about the following steps of VAT in the Digital Age. The intended sequence will be:
    - Discussions with Member States.
    - Adoption.
    - Creation of implementation papers, with the VAT Expert Group to be particularly involved during this final stage.
  - Regarding the Travel and Tourism Package, DG TAXUD gave insights about several ideas of special schemes for travel agents.
  - Unfortunately, there is no news about Financial Services. Patrice Pillet (DG TAXUD) informed the Expert Group that the reform is lacking the political will necessary for its development. At the moment, there is no plan about how and when to proceed.

- One of the issues is the high complexity of the reform. In fact, it would comprise several elements (VAT Grouping, VAT Exemptions, Insurance Premium Tax, Tax base, etc).
  - The second reason for the lack of progress is the budget constraint imposed by the member states. The motivation behind this blockage is that member states are concerned that the reform will reduce their revenues.
- Fuel cards:  
DG TAXUD is unhappy with ECJ ruling on the case of Vega International (C-235/18) because it creates complexity for companies. However, DG TAXUD can't overrule the ECJ. Therefore, a discussion on how to proceed is taking place within the DG.
  - Next VAT Expert Group meeting is planned on 23 March 2023.