



Mr. Patrice PILLET
European Commission

Directorate-General for Taxation and Customs Union
Indirect taxation and tax administration
Value added tax
SPA 3 – 5/110
B-1049 Brussels/Belgium

Berlin, May 5, 2022

Consultation „VAT in the Digital Age“

Dear Patrice,

The Institute for Digitalization in Tax Law (Institut für Digitalisierung im Steuerrecht e.V., IDSt) is a German non-profit organisation for the fostering of digitalisation in the field of tax laws. Our members are wide-spread and come from the Public Sector (including tax administration), academia, business, Tax advisors, and associations. If you want to learn more about IDSt, you will find it under the URL: <https://idst.tax/ueber-uns/>, including a list of our members. IDSt is registered in the EU Transparency Register (number 878255144626-94).

We are happy to contribute our views to the consultation “VAT in the Digital Age”, particularly to the Part 1 – Digital Reporting Requirements (following “DRRs”). In IDSt’s Technical Committee III “Transaction-based Reporting” we have thoroughly discussed DRRs as envisaged by the initiative “VAT in the Digital Age”, based on the vast experience of our members with transaction-based VAT reporting obligations in several Member States of the EU as well as third countries. In this Committee, we have a unique combination of technical experts and VAT experts.

We do believe that DRRs, if implemented in a sound way, bear a significant potential to securing VAT revenues for the European Union and the Member States. At the same time it can improve the smooth functioning of the Internal Market by providing a chance to further digitalisation of business processes, particularly e-invoicing and the integration of this process into the ERP systems

IDSt is convinced that the following issues are key elements for creating a win-win-situation for tax administrations as well as businesses in this context:

- mandatory e-invoicing for intra-EU and domestic transactions
- inter-operability of the e-invoicing ensured by implementing e-invoicing based on the European invoicing standard EN 16931-1:2017



- decentralized systems for e-invoicing, particularly with a view to secure data-protection and ensure 24/7-availability of the systems
- including small and medium enterprises (SMEs) in the mandatory e-invoicing, while at the same time supporting SMEs effectively to cope with the e-invoicing standards
- using the data gained from e-invoicing for the fulfilment of other reporting obligations, particularly the Intrastat reporting.

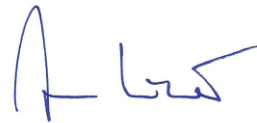
You will find those key elements described in more detail in our attachment to this letter.

We from IDSt will be happy to support you further in the EU-Commission´s initiative “VAT in the Digital Age” with our practical experiences from many Member States and our technological knowledge. Please do not hesitate to contact us for further discussions!

Best regards,



Georg Geberth
Chairman of IDSt



Jan Koerner
Chairman Technical Committee III

Consultation „VAT in the Digital Age“

Part 1 – Digital Reporting Requirements

Attachment to our letter May 5, 2022

The Digital Reporting Requirements (DRRs), when introduced, will impose cost not just on European Member States but mostly on European VAT payers. In order to reduce those cost for implementing and running the DRRs at a minimum cost for European VAT payers while at the same time providing Europe’s economy and public sector with a digital boost, we are convinced that electronic invoicing is the best choice compared to other ways of digital reporting. While any form of DRRs other than **mandatory e-invoicing** creates merely additional bureaucratic cost for European VAT payers – particularly in countries which have currently not implemented real-time reporting for VAT – without providing any benefits, only mandatory e-invoicing gives European VAT payers a chance to make their invoicing processes much more cost efficient and thus providing at least a measurable economic advantage. This is particularly true on the purchasing side of business, the so-called “purchase-to-pay” process, where structured data provided via mandatory e-invoicing will significantly foster the automatisisation of accounting processes. In this context it must be noted that e-invoicing refers to invoices with structured data only. Invoice documents which do not contain structured data (like scanned paper invoices), though being electronically submitted, must not covered by the term “electronic invoicing”.

Electronic invoicing will be most beneficial if it is widely harmonized within the European Union. It is highly important that European VAT payers will not face a situation where there is one DRR to report **intra-EU transactions** and other DRRs to report **domestic transactions** and where the EU and the national systems are so differently that complete separate implementations of the DRRs are needed. Only by using binding EU minimum requirements (core data model) for cross-border as well as domestic business transactions, unnecessary additional efforts due to different national and European digital reporting requirements can be prevented.

The keyword to avoid a detrimental multitude of DRRs within the EU is **inter-operability**. It is obvious that data required for intra-EU transactions might differ from data required for national transactions. As an example, unlike national DRRs there is no need to report VAT rates (standard versus reduced VAT rates) under the current system of taxation of intra-EU transactions, which is basically a reverse charge system. Inter-operability can be achieved by EU-wide technical standards for the reporting.

The most prominent and well-established standard is the **European invoicing standard EN 16931-1:2017**. Reference is made to the Commission Implementing Decision (EU) 2017/1870 as of October 16, 2017, where the Commission states that EN 16931 meets the criteria especially of practicality, user-friendliness and possible implementation costs (URL: [https://eur-](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D1870)

lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017D1870&from=EN). Using invoicing standard EN 16931 will also allow to meet both, the requirements of DRR for VAT purposes and the requirements of Directive 2014/55/EU regarding B2G invoicing.

Apart from the perspective of inter-operability it is most important that business processes are not interrupted by DRRs. Whenever it has been cost-efficient, European economic operators have already implemented systems of structured data exchange using electronic data interchange (EDI) as foreseen in Article 233 para. 2 b) Common VAT System Directive (CVSD). Such significant investments must not be made redundant by the introduction of DRRs. Another point is that invoicing must work 24 hours and 7 days a week. Interruptions of invoicing processes can have significant impacts on the operating capital of European business. A **decentralized** mandatory e-invoicing **system** will much better cope with those requirements than a government operated centralized e-invoicing system. The same is true regarding better data-protection and long-term innovation. A decentralized systems avoids "lock-in-effects": future developments or changes in the underlying soft- and hardware can still be made gradually in a decentralized system, whereas a centralized system can only be changed with significant efforts and project risks and thus are bound to stay unchanged for a longer time. Furthermore, in a decentralized system, the reportable invoice components should be reduced to the essential components (following the principle of data minimisation) that are necessary to achieve the goal of reducing VAT fraud. To combat fraud, it is sufficient to report part of the information contained in an electronic invoice (e.g. contractor, invoice number, total net amount, tax amount). Further invoice items for order and payment processing are not required for those purposes of fighting VAT fraud.

The above-mentioned pieces of information suffice for the national tax administrations to reconcile the reporting amounts contained in the advance VAT returns (especially in the input tax area). Implausibilities due to the unjustified/excessive claiming of input tax amounts can thus be recognised promptly and fraud scenarios can be reduced.

Small and medium enterprises (SMEs) need support to implement electronic invoicing. On one hand it is not advisable to exclude SMEs from the electronic invoicing except for small economic operators which fall under the exemption scheme for small enterprises as set forth in articles 282 et following Common VAT System Directive (CVSD). Otherwise, SMEs might face competitive disadvantages with regard to their invoicing as electronic invoicing with structured data provides a cost advantage in processing on the side of the customers and such customers might choose then suppliers which fall under the electronic invoicing requirements (e.g. they will book large hotel chains instead of booking small stand-alone hotels). On the other hand, particularly SMEs need support for the implementation and ongoing reporting. Options for supporting SMEs can be:

- only B2B – a business customer (e.g. in retail business) need to identify himself as business customer, e.g. via 3D-code-card identifying his e-invoicing-address,

- only once-a-week submission (upload) of invoice data from SME to an invoice portal run by tax authorities,
- provision of free-of-charge admission to invoicing portal of tax authorities, free of charge in this context needs to include cost-take-over of the connection (e.g. electronic interface) from SME to portal,
- provision of free-of-charge software to SME to create, send and receive electronic invoices,
- 500 free-of-charge submissions of electronic invoices via service suppliers per year.

It is important that there is only one invoicing portal per Member State for intra-EU transactions and national transactions.

Any European DRR should take into account that the data reported are data which are also required by other European reporting obligations, most prominent the statistics on the trade of goods between countries of the EU – **Intrastat**. Economic operators reporting their intra-EU trade in goods in the European DRR shall be released from the requirement to report those transactions in the monthly filing of the Intrastat returns. If a full release is not achievable on EU level, it can be reflected to provide pre-filed Intrastat returns to economic operators.

VAT in the Digital Age

Fields marked with * are mandatory.

VAT in the Digital Age

Introduction

Value added tax (VAT) has become an increasingly important source of revenues for EU Member States and is also an important EU own resource. The current EU VAT system, however, has become increasingly complex and burdensome for businesses and is subject to fraud. This partly stems from the fact that it needs to be improved in order to keep pace with the challenges and opportunities of new technologies.

For this reason, the VAT system is at the centre of an ongoing reflection to understand how to:

1. make it easier for business to comply with;
2. make it more fraud-proof; and
3. adapt its structure in order to benefit from the latest digital and technological developments.

Against this background, the European Commission has committed itself to adapting the EU VAT framework to the digital sphere. Specific initiatives include:

1. modernising VAT reporting obligations and considering the possibility of further extending e-invoicing;
2. adapting the VAT treatment of the “platform economy” so that it fits the new developments in this area; and
3. facilitating VAT registration and compliance, including a revision of the existing rules requiring the registration of non-established taxpayers, the [One-Stop-Shop](#) (OSS) and the [Import One-Stop-Shop](#) (IOSS). The single VAT registration in the EU is an ongoing process linked to the [changes introduced on 1 July 2021](#) for e-commerce, thus needing an evaluation.

All three elements will reduce the administrative burdens for businesses in complying with their VAT obligations and help Member States fight fraud. The time needed for Member States and businesses to implement any IT system will be carefully assessed, notably in relation to digital reporting requirements which might require a longer implementation period. The full implementation of digital reporting requirements might therefore run until 2030 but will depend on the level of centralisation of the IT infrastructure to be built.

This Public Consultation aims at reaching out to citizens, companies, self-employed persons, business federations, VAT experts, providers of IT and tax compliance services, academic institutions and public entities to collect views and information on the current situation and possible policy changes. Your contribution will thus contribute to the economic and legal analysis underpinning possible changes to the EU VAT framework.

Fields marked with an asterisk (*) are mandatory.

About you

* Language of my contribution

English

* You are replying

in your professional capacity or on behalf of an organisation

* I am giving my contribution as

Other

* If other, please specify

Non-profit organisation

* Organisation name

255 character(s) maximum

Institut für Digitalisierung im Steuerrecht (IDSt)

Transparency register number

255 character(s) maximum

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making

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* Where is your organisation located (main headquarters in the case of organisations carrying out activities in several countries)?

Germany

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default are based on the type of respondent selected

* Contribution publication privacy settings

Note that, whatever the option chosen, your answers may be subject to a request for public access to documents under Regulation (EC) N° 1049/2001

Anonymous

The type of respondent that you responded to this consultation as, your country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published

I agree with the [personal data protection provisions](#)

Part 1 – Digital Reporting Requirements

“Digital Reporting Requirements” (DRRs) represent any obligation for VAT traders to report transactional data (transaction-by-transaction) other than the obligation to submit a VAT return. DRRs include:

- various types of **reporting requirements** (e.g. VAT listing, Standard Audit File/SAF-T, real-time reporting); and
- the obligation for taxable persons to issue e-invoices in transactions with other businesses and/or consumers, i.e. **mandatory e-invoicing requirements**.

The EU Member States, pressed by the magnitude and importance of losing revenue when they need it the most to support the economy and to recover after the COVID-pandemic, are introducing different DRRs. The **recapitulative statements**, also known as ‘EC sales listing’ or ‘VIES listing’, are statements that must be submitted by VAT traders engaging in intra-EU transactions.

Please express your agreement or disagreement with the following statements concerning the current situation

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Don't know |
|--|----------------------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| * The wide discretion left to Member States and the lack of EU guidance result in a fragmented regulatory framework for DRRs | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The fragmentation of the regulatory framework for DRRs generates unnecessary costs for EU companies operating cross-border | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| | | | | | | | |
|--|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <p>* The fact that DRRs are optional for Member States has a negative impact on the fight against intra-EU VAT fraud*</p> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| <p>* The fact that DRRs are optional for Member States has a negative impact on the fight against domestic VAT fraud</p> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

* intra-EU VAT fraud, including missing trader intra community (MTIC) or carousel fraud abuses the VAT rules applicable to intracommunity trade which allow for purchases in another Member State to be made VAT-free. MTIC consists in the missing trader disappearing with the VAT that has been charged on a subsequent sale

Please express your agreement or disagreement with the following statements concerning the current situation. The recapitulative statements for intra-Community transactions (EC sales listing):

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Don't know |
|---|----------------------------------|-----------------------|----------------------------|-----------------------|----------------------------------|----------------------------------|
| * Are an effective tool to fight intra-EU VAT fraud | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| * Have a similar effectiveness in fighting intra-EU VAT fraud as existing reporting requirements for domestic transactions and available data collection technologies | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Would be more effective to fight intra-EU VAT fraud if the data is collected on a transaction-by-transaction basis and closer to the moment of transaction rather than per customer | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

* Is EU action necessary to ensure a more widespread adoption of digital reporting and e-invoicing requirements?

- To a large extent
- To a limited extent
- Not at all
- It would be contra productive
- Don't know

Should EU promote uniform digital reporting requirements for domestic transactions or rather leave Member States free to adapt reporting / e-invoicing requirements to their local needs?

[Please use the slider to select a value between 1 (Member States deciding individually) and 10 (promoted at EU level)]

Please rate the importance of the following objectives of a possible EU initiative in the field of DRRs

[One answer per line]

| | Very important | Important | Not so important | Not important | Don't know |
|---|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| * Foster the adoption of digital reporting requirements that optimise the use of digital technologies | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Reduce the fragmentation of digital reporting requirements to the largest extent possible | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

What do you think about the following possible interventions aimed at reducing fragmentation of domestic digital reporting and improving the reporting of intra-EU transactions?

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Don't know |
|---|----------------------------------|----------------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| * The European Commission publishes a <u>non-binding</u> recommendation providing a common design for reporting obligations across the EU | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Member States no longer having to ask for an explicit derogation for introducing mandatory e-invoicing for B2B transactions | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| | | | | | | |
|---|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| * Requiring taxpayers to record data about their VAT transactions in a standard digital format, which tax authorities can access upon request | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The introduction of an EU DRR for intra-EU transactions and harmonisation of existing systems for domestic transactions | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The introduction of an EU DRR for both intra-EU and domestic transactions | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

* For the exchanges of information on intra-EU transactions between Member States, different IT systems can be envisaged: from a decentralised model (a VIES-like system), with possible additional features, to a centralised system where information is stored at a central level. What is your preference?

Decentralised with additional features

How do you rate the risks in terms of data protection?

[One answer per line]

| | Very high risk | High risk | Average risk | Low risk | Very low risk | Don't know |
|---|----------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|-----------------------|
| * Decentralised model (a VIES-like system) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Decentralised model (a VIES-like system), with possible additional features | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Centralised system where information is stored at a central level | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

How do you rate the difficulties in terms of interoperability with national systems?

[One answer per line]

| | Very difficult | Difficult | Neither difficult nor easy | Easy | Very easy | Don't know |
|---|-----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| * Decentralised model (a VIES-like system) | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Decentralised model (a VIES-like system), with possible additional features | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

| | | | | | | |
|---|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| * Centralised system where information is stored at a central level | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
|---|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|-----------------------|

* In your country, digital reporting requirements/e-invoicing are:

- In place
- Planned
- Neither in place nor planned
- Don't know

Which of the following outcomes risk materialising after the introduction of digital reporting / e-invoicing - requirements?

[One answer per line]

| | Major risk | Moderate risk | Minor risk | Not a risk | Too early to tell / don't know |
|--|----------------------------------|----------------------------------|-----------------------|-----------------------|----------------------------------|
| Significant costs of compliance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Significant costs of compliance for operators operating cross-border | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Insufficient time allowed to implement changes in IT systems | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Lack of support from tax authorities | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Too frequent changes to requirements | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Limited time to handle error and warning messages | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Risks to the confidentiality of transaction / invoice data | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

To comply with digital reporting / e-invoicing requirements is going to be:

- Very difficult
- Difficult
- Neither difficult nor easy
- Easy
- Very easy
- Too early to tell / don't know

To which extent do you expect the following outcomes to materialise after the introduction of digital reporting / e-invoicing requirements

[One answer per line]

| | Major benefit | Moderate benefit | Minor benefit | Not a benefit | Too early to tell / don't know |
|--|---------------|------------------|---------------|---------------|--------------------------------|
| | | | | | |

| | | | | | |
|---|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| Promotion of the use of structured e-invoices | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quicker invoicing process | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Business automation gains | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quicker audits | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Fewer audits | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Fewer requests for information | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| Pre-filling of VAT returns | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Removal of other VAT obligations | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quicker VAT reimbursement time | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Would you like to add any comments or suggestions on reporting / e-invoicing requirements?

To reduce those cost for implementing and running the DRRs at a minimum for European VAT payers while at the same time providing Europe's economy and public sector with a digital boost, we are convinced that electronic invoicing is the best choice compared to other ways of digital reporting. While any form of DRR other than mandatory e-invoicing creates merely additional bureaucratic cost for European VAT payers without providing any benefits, only mandatory e-invoicing gives European VAT payers a chance to make their invoicing processes much more cost efficient and thus providing at least a measurable economic advantage. This is particularly true on the purchasing side of business, so-called "purchase-to-pay" process, where structured data provided via mandatory e-invoicing will significantly foster the automatization of accounting processes.

Electronic invoicing will be most beneficial if it is widely harmonized within the European Union. It is very important that European VAT payers will not face a situation where there is one DRR to report intra-EU transactions and other DRRs to report national domestic transactions and where the EU and the national systems are so differently that complete separate implementations of the DRRs are needed. Only by using binding EU minimum requirements (core data model) for cross-border as well as national business transactions, unnecessary additional efforts due to different national and European digital reporting requirements can be prevented.

The keyword to avoid a detrimental multitude of DRRs within the EU is inter-operability. Inter-operability can be achieved by EU-wide technical standards for the reporting. The most prominent and well-established standard is the European invoicing standard EN 16931-1:2017. Reference is made to the Commission Implementing Decision (EU) 2017/1870 as of Oct. 16, 2017. Using invoicing standard EN 16931 will also allow to meet both, the requirements of DDR for VAT purposes and the requirements of Directive 2014/55 /EU regarding B2G invoicing.

Apart from the perspective of inter-operability it is most important that business processes are not interrupted by DRRs. Whenever it has been cost-efficient, European economic operators have already implemented systems of structured data exchange using electronic data interchange (EDI) as foreseen in Article 233 para. 2 b) CVSD. Another point is that invoicing must work 24 hours and 7 days a week. Interruptions of invoicing processes can have significant impacts on the operating capital of European business. A decentralized mandatory e-invoicing system will much better cope with those requirements than a government operated centralized e-invoicing system. The same is true with regard to better data-protection and long-term innovation.

Furthermore, in a decentralized system, the reportable invoice components can be reduced to the essential components (following the principle of data minimization) that are necessary to achieve the goal of reducing VAT fraud. To combat fraud, it is sufficient to report part of the information contained in an electronic invoice (e.g. contractor, invoice number, total net amount, tax amount). Implausibilities due to the unjustified /excessive claiming of input tax amounts can thus be recognised promptly and fraud scenarios reduced. Small and medium enterprises (SMEs) need support to implement electronic invoicing. On one hand it is not advisable to exclude SMEs from the electronic invoicing except for small economic operators which fall under the exemption scheme for small enterprises as set forth in articles 282 et following CVSD. Otherwise, SMEs might face competitive disadvantages regarding their invoicing as customers might choose then suppliers which fall under the electronic invoicing requirements. On the other hand, particularly SMEs need support for the implementation and ongoing reporting. Options for supporting SMEs can be:

- only B2B – a business customer (e.g. in retail business) need to identify himself as business customer, e.g. via 3D-code-card identifying his e-invoicing-address
- only once-a-week submission (upload) of invoice data from SME to an invoice portal run by tax authorities
- provision of free-of charge admission to invoicing portal of tax authorities, free of charge in this context needs to include cost-take-over of the connection from SME to portal
- provision of free-of-charge software to SME to create, send and receive electronic invoices
- 500 free-of-charge submission of electronic invoices via service suppliers per year.

It is important for SMEs that there is only one invoicing portal per Member State for intra-EU transactions and national transactions.

Any European DRR should take into account that the data reported are data which are also required by other European reporting obligations, most prominent Intrastat. At least it must be reflected to provide pre-filled Intrastat returns to economic operators.

Part 2 – The VAT Treatment of the Platform Economy

‘Platform economy’ is the term used in this questionnaire to describe a multi-sided model of transactions, where there are at least three parties involved. The role of the **‘online/digital platform’** * is to facilitate the connection between two distinct but interdependent sets of users (firms or individuals) who interact typically via electronic means. One of the parties to the platforms (**‘provider’**) offers access to assets, resources, time and/or skills, goods and/or services to the other party (**‘consumer’**), in return for monetary or non-monetary consideration. A platform usually charges a fee for the facilitation of the transaction. It does not possess any of the assets on offer nor usually provides the services via its own staff.

*online/digital platforms may be defined differently in other legislation.

The current VAT system is unaligned with the new realities, such as the challenges of the platform economy in tackling distortions of competition between traditional and online economic transactions. Thus, VAT equality and neutrality could be at risk if the VAT provisions are not adapted to the digital age. The VAT on e-commerce package adopted specific rules for goods sold via a platform, but no similar rules for services exist.

* How often do you buy goods or services via platforms?

- several times per month
- once or twice per year
- I don't buy goods or services via platforms

* How often do you offer goods or services via platforms?

- several times per week
- several times per month
- once or twice per year
- I don't offer goods or services via platforms

* Currently, in the EU VAT Directive, there are no specific provisions dealing with the treatment of services supplied via platforms. Does the lack of specific VAT provisions create problems for platforms and their users?

- Yes, it creates major problems
- Yes, it creates moderate problems
- Yes, it creates minor problems
- No, it does not
- Don't know

* Have you experienced specific problems concerning the VAT treatment of services supplied via platforms?

- YES
- NO

Please indicate the relevance of these issues for each of the following sectors:

[Optional question, multiple answers possible (0 to 5) per each row]

| | Transport services | Accommodation |
|---|--------------------------|--------------------------|
| Defining whether/when providers/consumers would qualify as VAT taxable persons | <input type="checkbox"/> | <input type="checkbox"/> |
| Assessment of the consumer's VAT status which could define the place of supply in cross-border transactions | <input type="checkbox"/> | <input type="checkbox"/> |
| Defining whether the platform's services should be classified as intermediation or electronically supplied services | <input type="checkbox"/> | <input type="checkbox"/> |
| Problem in determining the status of the service - whether it is taxable or exempt and if taxed, at what rate | <input type="checkbox"/> | <input type="checkbox"/> |

* Do you experience distortions to cross-border competition with other firms offering the same services, due to differences in VAT treatment between EU Member States?

- Yes, there are major distortions to competition
- Yes, there are moderate distortions to competition
- Yes, there are minor distortions to competition
- No, it does not
- Don't know

* Do you experience distortions of competition with other domestic firms offering the same services via 'non-platform' means due to the uneven treatment of similar services/providers in your Member State?

- Yes, it creates very uneven treatment
- Yes, it creates uneven treatment
- No, it does not
- Don't know

* To what extent is the current VAT treatment an important driver of or obstacle to the digital platform business model?

- Strong driver
- Moderate driver
- None
- Moderate obstacle
- Significant obstacle
- Do not know

* Do you think that VAT evasion and avoidance represent a specific problem for the platform economy?

- Yes, for platforms offering both goods and services
- Yes, mostly for platforms offering goods
- Yes, mostly for platforms offering services
- No
- Do not know

* To what extent do you perceive that changes to the VAT Directive and Implementing Regulation are necessary to ensure the proper VAT treatment of the platform economy?

- To a very large extent
- To a large extent
- To some extent
- To a limited extent
- Not at all
- Do not know

Please rate the importance of the following objectives for potential EU initiatives on:

| | Very important | Important | Not so important | Not important | Do not know |
|--|----------------|-----------|------------------|---------------|-------------|
| | | | | | |

| | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| * Reducing costs for economic operators | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Ensuring a level-playing field between traditional and platform economy (uniform treatment) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Ensuring the harmonized treatment of the platform economy across Member States | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Ensuring a broad tax base | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Ensuring tax compliance | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Simplicity of application | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

To what extent would you agree with the necessity of the following possible interventions at EU level in the area of VAT treatment of the platform economy?

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Do not know |
|---|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|----------------------------------|
| * Clarification of the nature of the services provided by the platform | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Rebuttable presumption on the status of platform providers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Streamlining of record-keeping obligations | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Deemed supplier regime for digital platforms for supply of <u>certain accommodation and transport services</u> (residence renting, ride on demand and home delivery services) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Deemed supplier regime for digital platforms for supply of <u>all accommodation and transport services</u> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Deemed supplier regime for digital platforms for <u>all services</u> for monetary consideration | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

Note. Under a deemed supplier regime, the platform would be liable to charge and collect the VAT where the provider is a private person, or they are otherwise not required to account for the VAT themselves

Do you see any practical difficulties (for businesses or the public budget) due to the following legislative interventions at the EU level?

| | Difficulties (please describe): [leave blank if "none" or "don't know"] |
|---|--|
| Clarification of the nature of the services provided by the platform | |
| Rebuttable presumption on the status of the service provider using a platform | |
| Streamlining of record-keeping obligations | |
| Deemed supplier role for digital platforms | |

In your opinion, how significant would the impact of the deemed supplier model be on the equal treatment of the traditional and platform economies in the following cases:

| | Major positive impacts | Moderate positive impacts | Small or no impacts | Moderate negative impacts | Major negative impacts | Do not know |
|---|------------------------|---------------------------|-----------------------|---------------------------|------------------------|----------------------------------|
| * Supply of certain accommodation and transport services (residence renting, ride on demand and home delivery services) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * Supply of all accommodation and transport services | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * All services for monetary consideration | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

Would you like to add any comments or suggestions on the VAT treatment of the platform economy?

Part 3 – Single VAT Registration in the EU and IOSS

There are situations in which businesses engaged in certain transactions may have to declare (and sometimes pay) VAT in another Member State. In such situations, they have to **register and declare VAT in a Member State in which they are not established**, which can be a lengthy and burdensome process. The concept of a single place of VAT registration aims to minimise the occurrence of such situations.

This issue was partly addressed with the introduction of two new mechanisms on 1 July 2021. For taxable persons supplying cross-border business-to-consumer (B2C) goods or services where VAT is due in the Member State of the customer, the [One-Stop Shop](#) (OSS) allows suppliers to complete a single OSS declaration for all pan-EU supplies. This avoids the need for these suppliers to register in the Member State(s) of their customers.

A further innovation was the introduction of the [Import One-Stop Shop](#) (IOSS). Simply, this allows suppliers selling goods of a low value from a third country or territory to a consumer in a Member State, to collect VAT on those sales of imported goods from the customer when the goods are ordered and to declare and pay that VAT via the IOSS. This avoids the potential VAT registration obligation of the supplier /deemed supplier in each Member State of destination of the goods.

Both mechanisms thereby aim to reduce administrative burdens and compliance costs for taxable persons. They also aim to improve VAT compliance (by making it easier and less expensive) and to improve the functioning of the EU Single Market (by making it less likely that taxable persons will avoid certain transactions or markets due to VAT registration obligations). However, despite the recent changes, there remain several types of transaction that oblige taxable persons to obtain and hold more than one VAT registration (such as when a business transfers its own goods across borders).

The following questions focus on your views and experiences of the OSS and IOSS, as well as on the remaining problems and several policy options that could improve the situation in the future.

How important are the following objectives for you / your organisation?

[One answer per line]

| | Very important | Important | Not so important | Not important | Do not know |
|--|----------------------------------|----------------------------------|-----------------------|-----------------------|-----------------------|
| * Minimising the need for taxable persons to hold multiple VAT registrations | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Simplifying and facilitating VAT compliance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Reducing fraud and maximising VAT revenue | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Modernising the VAT rules linked to VAT registration obligations for distance sales of goods | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

In your view, has the launch of the **OSS** led to progress towards the following objectives?

[One answer per line]

| | Significant progress | Moderate progress | Minor progress | No progress | Do not know |
|--|----------------------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|
| * Minimising the need for taxable persons to hold multiple VAT registrations | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Modernising the VAT rules linked to VAT registration obligations for distance sales of goods | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Simplifying and facilitating VAT compliance | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Reducing fraud and maximising VAT revenue | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

In your view, has the launch of the **IOSS** led to progress towards the following objectives?

[One answer per line]

| | Significant progress | Moderate progress | Minor progress | No progress | Do not know |
|--|-----------------------|----------------------------------|-----------------------|-----------------------|-----------------------|
| * Minimising the need for taxable persons to hold multiple VAT registrations | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

| | | | | | |
|--|-----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| * Modernising the VAT rules linked to VAT registration obligations for distance sales of goods | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Simplifying and facilitating VAT compliance | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Reducing fraud and maximising VAT revenue | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

In your view, how consistent is the **OSS** with EU policies, requirements and regulations in the following fields?

[One answer per line]

| | Very consistent | Mostly consistent | Partly consistent | Not very consistent | Do not know |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| * The SME Strategy for a sustainable Europe | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * The European digital single market | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * EU Administrative cooperation in the field of indirect taxation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * The Union Customs Code | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

In your view, how consistent is the **IOSS** with EU policies, requirements and regulations in the following fields?

[One answer per line]

| | Very consistent | Mostly consistent | Partly consistent | Not very consistent | Do not know |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| * The SME Strategy for a sustainable Europe | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * The European digital single market | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * EU Administrative cooperation in the field of indirect taxation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * The Union Customs Code | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

* Do you have direct experience with either of these mechanisms?

- OSS
- IOSS
- Both
- Neither

Please express your agreement or disagreement with the following statements concerning the **OSS**?

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Do not know |
|--|----------------------------------|----------------------------------|----------------------------|----------------------------------|-----------------------|-----------------------|
| * The OSS has been implemented smoothly | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Because of the OSS, many businesses no longer need to maintain VAT registrations that they previously had in other Member States | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The OSS is allowing businesses to pursue new customers and / or markets | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The OSS is improving VAT compliance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The OSS is particularly helpful for SMEs | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * It is easy to use the OSS | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The OSS helps to reduce discrepancies in the application of VAT rules in the EU | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

In your view, how important are the following factors in determining whether businesses use the **OSS** or not (taking into account that it is optional)?

[One answer per line]

| | Very important | Important | Not so important | Not important | Do not know |
|--|----------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| * The size of the business | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The sector/market where the business operates | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The type of transactions in which it engages (i.e. the extent to which these are covered by the OSS) | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Whether the business is a deemed supplier | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The Member State(s) in which the business is already established | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| | | | | | |

| | | | | | |
|---|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| * The Member State(s) in which they would otherwise face VAT registration obligations | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
|---|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|

Please express your agreement or disagreement with the following statements concerning the **IOSS**?

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Do not know |
|--|----------------------------------|-----------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------|
| The IOSS has been implemented smoothly | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * For businesses that distance sell imported goods from outside the EU to EU customers, the IOSS is reducing administrative burdens (by removing the need to VAT register in the Member States of customers) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The IOSS is making it easier for businesses to engage in new transactions which currently require them to register in other Member States | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The IOSS is improving VAT compliance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The IOSS is simplifying the process of importation of low value consignments | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The IOSS is particularly helpful for SMEs | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The IOSS helps to reduce discrepancies in the application of VAT rules in the EU | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * It is easy to use the IOSS | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| * The IOSS helps to reduce discrepancies in the application of Customs and VAT rules in the EU | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

In your view, what was the impact of the removal of the VAT exemption for very low value goods (not exceeding EUR 22)?

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Do not know |
|--|-------|--------------|----------------------------|-----------------|----------|-------------|
| | | | | | | |

| | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|
| * To level the playing field between EU and non-EU businesses | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * To minimize the risk of undervaluation | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * To stop relocating businesses outside the EU to benefit from VAT savings | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |
| * To increase the revenues of Member States | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

In your view, how important are the following factors in determining whether businesses use the **IOSS** or not (taking into account that it is optional)?

[One answer per line]

| | Very important | Important | Not so important | Not important | Do not know |
|--|-----------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|
| * The size of the business | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The sector/market where the business operates | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The types of transactions in which it engages (i.e. the extent to which these are covered by the IOSS) | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Whether the business is a deemed supplier | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Whether the business has an EU place of establishment | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The desire of the business to be compliant | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * The customer experience | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> |

Do you have other observations in relation to your OSS/IOSS experience?

Despite the introduction of the OSS and IOSS, several types of transaction still require taxable persons to obtain and maintain multiple VAT registrations. In your view, how important is each of these?

| | | | | |
|--|---|---|--|------------|
| | 3 –widespread among businesses and representing a significant share | 2 – only prevalent in specific market segments and / or affect many business but only | 1 – marginal in terms of both prevalence | Don't know |
|--|---|---|--|------------|

| | of turnover for the businesses concerned | a small proportion of their turnover | and turnover significance | |
|---|--|--------------------------------------|----------------------------------|-----------------------|
| * Transfer of own goods cross-border | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Chain transactions | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * B2B2C transactions; namely an intra-community acquisition followed by a domestic sale to the final consumer | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Domestic B2B supply of goods where the reverse charge does not apply | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Domestic supplies of B2C goods made by non-established suppliers; such as the sale to consumers after goods have been transferred cross-border to be stored in fulfilment centres, or electric vehicle charging | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * B2C distance sales of goods imported by the supplier from a third country/territory with an intrinsic value exceeding EUR 150 or products subject to excise duties | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Export from a Member State where the exporter is not established, not under transit | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Domestic supply of B2B services where the reverse charge does not apply | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

Taking into account your experience of the OSS and IOSS do you think that the requirement for taxable persons to obtain and maintain multiple VAT registrations continues to be a problem?

- To a very large extent
- To a large extent
- To some extent
- To a limited extent
- Not at all
- Don't know

How big a priority do you think it should be for the European Commission to take further action to reduce the need for taxable persons to hold multiple VAT registrations?

- High priority

- Medium priority
- Low priority
- Don't know

Please express your agreement or disagreement with the following statements concerning the current situation?

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Do not know |
|---|----------------------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| * VAT registration requirements lead to high administrative and compliance costs for businesses | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * By making it difficult for taxable persons to be compliant, VAT registration requirements contribute to high levels of fraud and non-compliance | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Because they want to avoid VAT registration in multiple Member States, many taxable persons do not pursue certain markets or transactions | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

The European Commission is currently considering some policy options to further reduce the scope of situations where non-established businesses have to register for VAT. Please express your agreement or disagreement with these?

[One answer per line]

| | Agree | Partly agree | Neither agree nor disagree | Partly disagree | Disagree | Do not know |
|---|----------------------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| * Extension of the OSS so that it covers all B2C supplies of goods and services by non-established suppliers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Extension of the OSS to enable intra-Community supplies and acquisitions of goods, thereby avoiding VAT registration when transferring own goods cross border | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Extension of the OSS to B2B supplies of goods and services, while leaving in place the current | | | | | | |

| | | | | | | |
|--|----------------------------------|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
| VAT refund mechanism for any deductible input VAT incurred outside a taxable person's Member State of establishment | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| * Extension of the OSS to B2B supplies of goods and services, while also introducing a deduction mechanism into the OSS | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Reverse charge* made available for all B2B supplies carried out by non-established suppliers | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Removing the €150 threshold for the IOSS, so that it can be used to declare VAT for distance sales of goods of any value | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| * Making the IOSS mandatory for all distance sales of imported goods | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| * Making the IOSS mandatory for all distance sales of imported goods above an EU turnover threshold (e.g: €10,000) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| * Making the IOSS mandatory for the marketplaces (deemed supplier) only | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

* The reverse charge mechanism transfers the responsibility to apply VAT to a transaction from the supplier to the buyer of a good or service, thereby removing the obligation for suppliers to VAT register in the Member State where the supply is made. Suppliers that incur local VAT on costs related to the service or goods supplied under the reverse charge may recover these amounts through an EU VAT reclaim

Do you have suggestions to make the IOSS more fraud-proof

Would you like to add any comments or suggestions on the single place of VAT registration or IOSS?

Additional views (optional)

Please upload your file(s)

[You may upload here an additional document on the subject of this consultation. All additional documents provided will be published on the Commission website]

472b0146-01c0-48c8-abcc-8524c5bed8bd/Attachment_Letter_GD_TAXUD_VAT_in_the_Digital_Age_final.pdf

5c41b7a0-423a-442b-b331-481949e4fd48/Letter_GD_TAXUD_VAT_in_the_Digital_Age_final.pdf

Contact

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