



Rolf Diemer
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Chairperson VAT Committee
DG TAXUD

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Implementation of the VAT Package

Mr Diemer, dear Rolf,

The business community continues to be highly concerned about national transposition of the VAT Package. Most Member States have not issued any clarification at this stage and certain Member States might not be ready in time (see attached survey).

Late implementation will have a negative impact on the quality of reporting by taxable persons and could lead to assessments and penalties. We believe the only way around to be a "light touch" application of the new reporting obligations by Member States for the year 2010. No penalties should be imposed and tax authorities should only issue written warnings upon non-compliance with the new rules by reporting businesses.

Besides this, the new legislation gives significant room for interpretation with the risk of different rules across 27 Member States. BUSINESSEUROPE is pleased that the VAT Committee is working on an Implementation Regulation and urges swift adoption after consultation with business.

In future revisions of the VAT Directive, the Commission should encourage Member States to publish legislation at least 6 months ahead and to consult with businesses federations.

A pragmatic approach now involves the following concrete steps from the Commission:

1. Request of a progress report from Member States;
2. Publication on the TAXUD website of available draft proposals in English;
3. Encourage Member States to consult with business federations;
4. Agree upon a code of conduct in VAT Committee on a soft handling of reporting mistakes for twelve months after entry into force of the VAT Package.

Finally, national IT systems for the refund of foreign VAT must be up, running and linked together as from 1 January 2010. This is of key importance for companies to reap the full benefits of the VAT Package and could become a question of survival in this unprecedented financial and economic crisis.

With kind regards,

Henk Wildeboer
Chairman of the VAT Group

State of National Transposition VAT Package (May 2009)

Country	Legislation published (yes-date/no)	Rep. obligation published (yes-date/no)	Legislation adopted (yes-date/no)	Rep. obligation adopted (yes-date/no)	Adoption foreseen for (appr. date)	Filing deadline EC Sales List	New boxes in VAT return	Additional comments
Belgium	No	No (a press release summarized the way in which Belgium will implement the reporting obligation rules)	No	No	Probably November 2009	20 th of the month following the end of the reporting period (monthly or quarterly)	Yes (to clearly identify inbound and outbound intra-community services → cross check with EC listings)	
Czech Rep.	No	No	No	No	No	electronic only <u>rule</u> : for monthly period (until 25 th of month after month in which tax obligation occurred) <u>exception</u> : for the quarterly period (available only in case of services - until 25 th of month after quarter in which tax obligation occurred)	No	Draft of new law has already been prepared by Ministry of Finance. It will be sent to the Parliament, but due to current political situation it is unlikely to be discussed and adopted in 2009.
Denmark	No	No	No	No	Autumn		Yes	
Finland	No	No	No	No	Autumn		Yes	



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France	Draft only but well amended following our meetings with the tax Authorities	No	No	No	Summer 2009 (not sure)	Probably 10 th working day following month	Yes	Electronic filling mandatory under an annual treshold of 80K€
Germany	Yes - 25/11/08	Yes - 25/11/08	Yes- 24/12/08	Yes- 24/12/08	adopted	currently quarterly (in principle), draft legislation for transposition of Directive 2008/117/EC, then monthly (in principle) EC sales listing with a shorter time frame for service listings than for sales listings	Yes	Art. 44 as set forth in Directive 2008/8/EC wrongly disposed into national law, "clarifying" guidance by Federal Ministry of Finance expected
Italy	No	No	No	No	After July 2009	rule: for the monthly period (until 20 th of the month following the one to which the obligation refers to, for paper filing.	NA	



Deadline is 5 days later for electronic filing)
exceptions: a) for **quarterly** period (available in case of EU supplies between 40.000 and 250.000 euros per year- until the end of the month following the one to which the obligation refers to, for paper filing);
b) for the **annual** period (available in case of supplies below the threshold of 40.000 euros - until the end of January following the year to which the obligation refers to, for paper filing.)



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Netherlands	Yes – 30.3.2009	Yes – 30.3.2009	No	No	Summer/Autumn	Services: quarterly, with optional monthly Goods: monthly unless below threshold	No	VAT package and rep. obligation are implemented in the same legislative proposal.
Poland	No	No	No	No	1/12/2009	rule: for the monthly period (until 15th of the month after the month in which the tax obligation occurred) exception: for the quarterly period (available in a case of (i)services and (ii) intra EU supplies below a threshold - until 15th of the month after three months in which the tax obligation occurred)	NO	Draft of the new law has already been prepared by the Minister of Finance. This is expected that it will be sent to and discussed by the Parliament before the summer holidays.



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Spain	No	No	No	Yes-April/09	End-May/09	30 th of the following month	Yes	
Sweden	No*	No*	No*	No*	Autumn	In the first memo the proposal is the 20th in the month after	No (the VAT return was already prepared for this reporting)	*First memo dated March 6, our response should be sent to ministry of Finance May 6
UK	Yes-30.4.09*	Yes-30.4.09*	No	No	30.7.09*	14 days paper, 21 days electronic	No	*primary legislation only (draft secondary legislation expected in summer)