Council of the European Union

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) 2018/593 authorising the Italian Republic to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax

COUNCIL IMPLEMENTING DECISION (EU) 2024/…

of …

amending Implementing Decision (EU) 2018/593 authorising the Italian Republic to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of valued added tax[1], and in particular Article 395(1), first subparagraph, thereof,

Having regard to the proposal from the European Commission,

[1] OJ L 347, 11.12.2006, p. 1.

Whereas:

(1) Council Implementing Decision (EU) 2018/593[2] authorised Italy was authorised until 31 December 2021 to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC (the 'special measure') in order to implement mandatory electronic invoicing for all taxable persons established in the territory of Italy, except for taxable persons benefiting from the exemption for small enterprises referred to in Article 282 of that Directive.

(2) Council Implementing Decision (EU) 2021/2251[3] authorised Italy to continue to apply that special measure until 31 December 2024, and broadened the scope of the special measure to include taxable persons benefitting from the exemption for small enterprises referred to in Article 282 of Directive 2006/112/EC.

(3) By letter registered with the Commission on 11 April 2024, Italy requested an authorisation, in accordance with Article 395(2), first subparagraph, of Directive 2006/112/EC, to continue to apply the special measure (the 'request').

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[2] Council Implementing Decision (EU) 2018/593 of 16 April 2018 authorising the Italian Republic to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax (OJ L 99, 19.4.2018, p. 14).

[3] Council Implementing Decision (EU) 2021/2251 of 13 December 2021 amending Implementing Decision (EU) 2018/593 authorising the Italian Republic to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax (OJ L 454, 17.12.2021, p. 1).

(4) In accordance with Article 395(2), second subparagraph, of Directive 2006/112/EC, the Commission transmitted the request to the other Member States by letter dated 12 September 2024. By letter dated 13 September 2024, the Commission notified Italy that it had all the information necessary for the appraisal of the request.

(5) According to Italy, the implemented mandatory electronic invoicing system, which channels all issued invoices through the system 'Sistema di Interscambio' managed by the Italian Revenue Agency, has fully achieved its objectives, namely to combat tax fraud and evasion, to simplify tax compliance and to make tax collection more efficient, thereby reducing administrative costs for businesses.

(6) Italy should therefore be authorised to continue to apply the special measure until 31 December 2027. In the event that Italy considers an extension of the special measure beyond 2027 to be necessary, it should submit a request for an extension to the Commission. That request should be accompanied by a report on the application of the special measure, including an assessment of the special measure concerning its effectiveness in fighting VAT fraud and evasion and simplifying tax collection. In addition, that report should evaluate the impact of the measure on taxable persons, in particular those benefiting from the exemption for small enterprises referred to in Article 282 of Directive 2006/112/EC.

(7) However, the special measure should cease to apply from the date of application of any modified general system for electronic invoicing adopted by the Council on the basis of Article 113 of the Treaty on the Functioning of the European Union or on the basis of any other relevant provision of that Treaty, should such a modified general system become applicable prior to 31 December 2027.

(8) The special measure should not affect the right of customers to receive paper invoices in the event of intra-Community transactions.

(9) According to information provided by Italy, the special measure will have only a negligable effect on the overall amount of tax revenue Italy collects at the stage of final consumption, and it will have no adverse impact on the Union's own resources accruing from VAT.

(10) Implementing Decision (EU) 2018/593 should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Article 4 of Implementing Decision (EU) 2018/593 is replaced by the following:

'*Article 4*

This Decision shall expire on 31 December 2027.

Any request for the extension of the authorisation provided for in this Decision shall be submitted to the Commission by 31 March 2027, and shall be accompanied by a report which includes an assessment of the extent to which the national measures referred to in Article 3 have been effective in combatting VAT fraud and evasion and in simplifying tax collection. In addition, that report shall include an evaluation of the impact of those measures on taxable persons, in particular those benefiting from the exemption for small enterprises referred to in Article 282 of Directive 2006/112/EC, and shall in particular evaluate whether those measures increase the administrative burden and costs on those taxable persons.

However, in the event that the Council, acting on the basis of Article 113 of the Treaty on the Functioning of the European Union or on the basis of any other relevant provision of that Treaty, introduces a modified general system for electronic invoicing, this Decision shall cease to apply on the day on which that general system becomes applicable.'.

Article 2

This Decision shall take effect on the date of its notification.

Article 3

This Decision is addressed to the Italian Republic.

Done at …, …

For the Council
The President