



Council of the  
European Union

**Brussels, 15 March 2022  
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### **OUTCOME OF PROCEEDINGS**

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From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	6534/22 FISC 52 ECOFIN 164
Subject:	Council conclusions on the implementation of the VAT e-commerce package

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Delegations will find in the annex the Council conclusions on the implementation of the VAT e-commerce package, as approved by the Council at its meeting held on 15 March 2022.

**Council conclusions**

**on the implementation of the VAT e-commerce package**

The Council of the European Union,

1. RECALLING the Council conclusions of 27 November 2020 on fair and effective taxation in times of recovery, on tax challenges linked to digitalisation and on tax good governance in the EU and beyond, which supported the Commission's suggestion to clarify, simplify and modernise the EU value-added tax (VAT) rules;
2. RECALLING the entry into application of the VAT e-commerce package on 1 July 2021, which provided for a number of changes in the VAT legislation to overcome the barriers to cross-border online sales and to address challenges arising from the VAT regimes for distance sales of goods and business-to-consumer supplies of services, and for the importation of low-value consignments;
3. WELCOMES the preliminary results, as presented by the Commission at technical level, of the successful application of the new EU VAT rules for e-commerce, indicating that the package contributes to the digital transition, the economic recovery and to sustainable public finances across the EU;
4. CONSIDERS that further clarifying and simplifying the VAT rules for businesses would strengthen the European single market and contribute to a level playing field – thereby helping European businesses to compete in domestic and global markets – as well as enhance compliance and reinforce the fight against tax fraud;

5. EMPHASISES, in this respect, the key role of the VAT one-stop shop for businesses to comply with their VAT obligations on e-commerce sales and the VAT import one-stop shop (IOSS) to simplify the declaration and payment of VAT on distance sales of imported goods;
6. NOTES that the necessary IT systems at both EU and national level for the implementation of the EU VAT rules are broadly up-and-running, with Member States finalising their implementation and solving remaining issues; WELCOMES the practical solution already agreed between the Commission and the Member States concerned to solve the temporary technical problem triggering possible double taxation which may arise in certain circumstances in the framework of the IOSS, and EMPHASISES the high priority of finalising the implementation of the e-commerce rules;
7. WELCOMES the Commission's intentions to propose further simplification in the EU cross-border trade, reduction of administrative burdens for businesses as well as tax authorities and a more efficient fight against VAT fraud, in particular through the reduction of the need for multiple registrations in different Member States;
8. CONSIDERS that extensions of the scope of the Union one-stop shop to all business-to-consumer supplies of goods and services and of the harmonisation of the use of the reverse charge mechanism for business-to-business supplies of goods and services by a non-established taxable person, could contribute to achieving this objective and to simplifying the functioning of the EU VAT system;
9. INVITES the Commission, with a view to simplifying and securing the collection of VAT, to study further the impact of the possibility to make the use of the IOSS mandatory and to investigate more in depth, in close cooperation with the customs authorities and after an evaluation of the current system, the possible removal of the EUR 150 threshold for the use of the IOSS, while retaining an effective and manageable system and carefully considering the implications on customs authorities and the related administrative costs and burden;

10. INVITES the Commission to present the findings of the ex-post evaluation on implementation of the VAT e-commerce package since 1 July 2021 and thus enable Member States to have a better informed discussion with the Commission services and, as appropriate, in the Council with regard to possible changes; CONSIDERS, in particular, that the obligations in the different one-stop shop schemes to appoint an intermediary or a tax representative could benefit from a certain degree of harmonisation;
11. LOOKS FORWARD, in this context, to the Commission's 'VAT in the Digital Age' initiative announced in the 2020 Commission action plan for fair and simple taxation supporting the recovery strategy, which is to cover VAT reporting obligations and e-invoicing, the VAT treatment of the platform economy and a single VAT registration in the EU;
12. CALLS ON the Commission, in this context, to ensure that all proposals it intends to put forward to the Council are fully assessed in terms of their economic, administrative and social costs and benefits for taxpayers and tax authorities, including their impact on EU and Member States' IT capacities and their corresponding required implementation periods, as well as on fundamental rights, such as the protection of personal data.

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