

European
Commission

VAT Rates

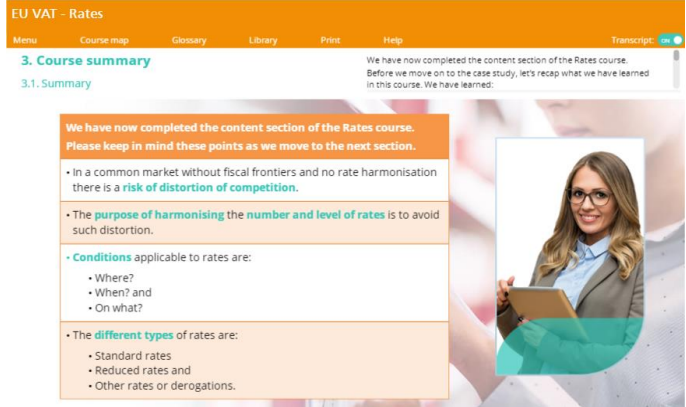
eLearning module 8

This easy-to-use eLearning module is part of VAT broader course which is one of the courses from an extensive EU eLearning portfolio on Customs and Taxation.

VAT Rates covers course the question: **“Which percentage of rate should be used?”**.

- The **minimum taxation level** has to do with the abolition of the fiscal frontiers between Member States. This requires a certain level of harmonisation.
- Differences in VAT rates can create **distortions of competition** between suppliers.
- To find out which rate to apply, you need to determine **where, when and on what to apply the rate**.

To fully benefit of the potential of this course, we recommend to integrate the course in your own training programme and to develop a full blended learning scheme.



EU VAT - Rates

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3. Course summary

3.1. Summary

We have now completed the content section of the Rates course. Before we move on to the case study, let's recap what we have learned in this course. We have learned:

- In a common market without fiscal frontiers and no rate harmonisation there is a **risk of distortion of competition**.
- The **purpose of harmonising the number and level of rates** is to avoid such distortion.
- **Conditions** applicable to rates are:
 - Where?
 - When? and
 - On what?
- The **different types** of rates are:
 - Standard rates
 - Reduced rates and
 - Other rates or derogations.

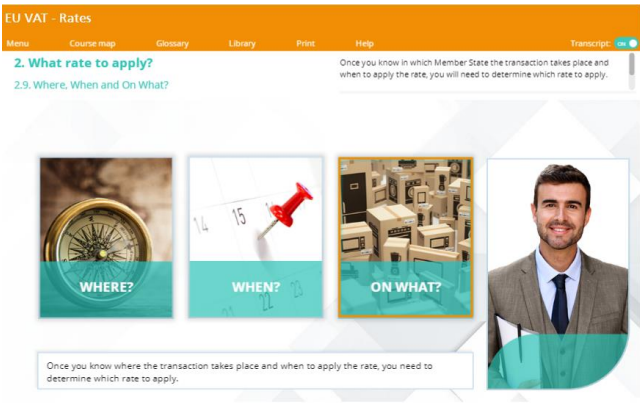
Target audience

The course is aimed at officials in EU countries, and more generally, anyone with a particular interest in VAT wanting to get basic knowledge of the VAT directive

Learning objectives

By the end of this course, you will be able to:

- Outline the need for harmonisation through **minimum taxation levels** and **option frames**.
- Identify the different **types of rates** and the conditions under which they apply.
- Identify the **reduced rates** permitted and the limitations to their application.
- In a non-harmonised market without frontiers, describe the **time and space conditions** for how to apply the rate.



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2. What rate to apply?

2.9. Where, When and On What?

Once you know in which Member State the transaction takes place and when to apply the rate, you will need to determine which rate to apply.

WHERE? WHEN? ON WHAT?

Once you know where the transaction takes place and when to apply the rate, you need to determine which rate to apply.

Course duration

Estimated duration of the module: 25 minutes.

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2. What rate to apply?

2.1. Need for harmonised rules

Differences in VAT rates can create distortions of competition between suppliers.

Member State A - bookshop A
The supplier

- has more room to set his margin.
- can set the net price higher since the VAT rate is lower than that in Member State B
- might make more profit.

VAT rate 5%

Member State B - bookshop B and final consumer
The supplier

- has less room to set his margin.
- might make less profit.

The final consumer:

- may know the VAT rate in the Member States concerned but
- does not necessarily realise that the net price can be higher even if the VAT rate is lower.

VAT rate 25%

In a non-harmonised market without frontiers, there is a risk of competition distortion.

Click **Next** to continue.

Particularities of this course

This course allows you to manage your own learning at your place: everything you need for this training is available on screen, some screens will require action from you. You can replay a screen if you need to.

You may interrupt your course. When reopening the course you can resume where you have left the course off.

Besides the menu, a course map allows you to quickly access to the sections and subsections. The course map is placed in the upper toolbar of the course.

Available languages

The course is available in Bulgarian, Dutch, English, Croatian, German, Greek, Hungarian, Lettonian, Lithuanian, Italian, Polish, Portuguese, Romanian, Slovakian, Slovenian, Spanish and Macedonian.

Consult the table on the [EUROPA](http://europa.eu) website for the availability of further EU language versions.

How to start and use this eLearning course?

The eLearning module is free to download and is easy to use.

- Freely download the eLearning module using the [download form](#).
- Select the eLearning in the drop down menu.
- You have the choice between 'non-SCORM' (iso, exe, html/html5) and 'SCORM' (for LMS systems).
- Read the Quick Start Guide available in the downloaded .zip folder. It explains how to install the courses to your system.
- Using the course does not require a high level of information technology skills from the learners.
- In case of technical issues contact first your local administrator. If the problem persists, send the description (including screenshots) to taxud-elearning@ec.europa.eu.

Contact: DG TAXUD / E3
Management of Programmes & EU training
taxud-elearning@ec.europa.eu

https://ec.europa.eu/taxation_customs/eu-training/general-overview_en