



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
TAX POLICY
VAT and other turnover taxes

TAXUD/C3

22 July 2004

Poetry: TAXUD/2004/1415

Summary Report
on the outcome of the TAXUD Consultation
[July – September 2003]

VAT – Recast of the Sixth VAT Directive

1. PROCEEDINGS OF THE CONSULTATION

On 17 July 2003 the Directorate General Taxation and Customs Union launched a public consultation on its web-site. The consultation was entitled Recast of the Sixth VAT Directive. The consultation period officially ended on 26 September 2003 but responses were received and accepted until the middle of October.

The services of the European Commission had prepared a provisional draft recast of the Sixth VAT Directive which should serve to provide a clear overview of existing VAT legislation without introducing any substantive changes to the text. The goal of this consultation was to allow all interested parties to comment on a provisional draft of the recast text. In response, the Commission was looking for input which could contribute to improve this draft text. It welcomed observations seeking to rectify possible inaccuracies or clarify the wording insofar as these did not involve substantial changes.

The consultation would have been of particular interest to people dealing with VAT issues, both in the academic world, the business sector and in the tax and accounting professions.

2. KEY RESULTS

A total of 25 external contributions were received in response to the consultation. Of that total, 13 were from national and/or European federations or associations, 8 were from business and 4 were from individuals and others. Annex 1 provides more details regarding the respondents.

The overwhelming majority of respondents were supportive of this exercise which they found replied to the need for Community VAT legislation to be more clear and simple. Some respondents found that the identification of all the modifications by track changes hampered the easy reading of the text while other appreciated this presentation which ensured the highest degree of transparency. Several respondents pointed out that they would have liked to have had more time to study the text in more detail.

3. OUTCOME OF THE CONSULTATION

All respondents agreed that there was a genuine need for a consolidation of the Sixth VAT Directive. Most of them welcomed this being achieved by a recast of the existing text.

The consultation paper offered an opportunity to comment upon a draft of the recast of the Sixth Directive. The comments touched on the structure and the contents of the text, mostly raising specific technical issues. Focus was on one or more language versions, with particular attention being given to the Danish, Dutch, English, French and German text.

All comments resulting from the consultation were examined by the group responsible for drafting the recast text. Comments specific to one or more language versions were also scrutinised by those services of the Commission whose task it is to revise legal texts so that consistency in wording and between language versions is ensured.

To the extent possible, these comments were taken into account when finalising the recast text. Comments which implied substantial changes to be made to the text were not taken on board.

After having made the necessary changes to the recast text, the draft proposal was adopted by the European Commission on 15 April 2004. This proposal (COM(2004 246) can be found on our website at the following address:

http://europa.eu.int/comm/taxation_customs/proposals/taxation/tax_prop.htm

4. CONCLUSION

The consultation on the recast of the Sixth VAT Directive was successful and the European Commission is grateful to all those who took the time to examine the draft text. It is clear from the responses received that there is a genuine need to codify and rationalise the Sixth VAT Directive.

While it was not possible to follow all suggestions, some of which would have led to substantial changes, many remarks have resulted in the text being adapted.

Annex 1 – Respondent Data

Respondents

| | |
|---|----|
| Total Number of Respondents: | 27 |
| | |
| Total Number of Association/Organisation Respondents: | 15 |
| Total Number of Business Respondents: | 9 |
| Total Number of Individual Respondents: | 3 |

Organisations

| | |
|--|----|
| Number of Responses from EU Organisations: | 5 |
| Number of responses from National Organisations: | 10 |
| Origin of Submissions from National Organisations: | |
| • UK | 4 |
| • France | 2 |
| • Belgium | 1 |
| • Denmark | 1 |
| • Germany | 1 |
| • Austria | 1 |

Business

| | |
|--|---|
| Origin of Submissions from Businesses: | |
| • Netherlands | 4 |
| • United Kingdom | 3 |
| • Germany | 1 |
| • Denmark | 1 |