Council of the European Union

Brussels, 28 February 2025
(OR. en)

6304/25

Interinstitutional Files:
2022/0407(CNS)
2022/0410(NLE)
2022/0409(CNS)

FISC 27
ECOFIN 163

'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	VAT in the Digital Age package: - Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age - Council Regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age - Council Implementing Regulation amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes = Adoption

I. BACKGROUND

1. On 8 December 2022, the Commission submitted a package entitled 'VAT in the Digital Age', containing three proposals:

- a proposal for a Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age (the amending Directive)[1];

- a proposal for a Council Regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age (the amending Regulation)[2]; and

[1] Doc. 15841/22.
[2] Doc. 15842/22.

- a proposal for a Council Implementing Regulation amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes (the amending Implementing Regulation)[3].

2. The three proposals have the following objectives:

(a) they set out to modernise the process of invoicing by moving to generalised e-invoicing, and updating the reporting obligations for VAT purposes by standardising the information that needs to be submitted by taxable persons on each transaction, which would contribute to the fight against tax fraud (the 'digital reporting requirements' or 'DRR' part);

(b) they seek to address the challenges that the platform economy poses to traditional sectors in terms of level playing field by enhancing the role of platforms in the collection of VAT, when they facilitate the supply of short-term accommodation rental or passenger transport services (the 'platform economy' part); and

(c) they support the aim of reducing the need to register for VAT purposes in multiple EU Member States, by improving the functioning of and expanding the existing one-stop shop systems and reverse charge mechanisms (the 'single VAT registration' or 'SVR' part).

3. The European Data Protection Supervisor has issued its opinion on the package on 3 March 2023[4]. The European Economic and Social Committee has issued its opinion on the package on 27 April 2023[5]. The European Parliament adopted its opinion at its plenary session on 22 November 2023[6].

[3] Doc. 15843/22.
[4] Doc. 7071/23.
[5] Opinion of the European Economic and Social Committee, "VAT in the Digital Age", doc. ECO/606, https://webapi2016.eesc.europa.eu/v1/documents/EESC-2022-06315-00-00-AC-TRA-EN.docx/content
[6] European Parliament legislative resolution of 22 November 2023 on the proposal for a Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age, https://www.europarl.europa.eu/doceo/document/TA-9-2023-0421_EN.pdf; European Parliament legislative resolution of 22 November 2023 on the proposal for a Council regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age, https://www.europarl.europa.eu/doceo/document/TA-9-2023-0422_EN.pdf.

4. The package was discussed in the Council under the Czech, the Swedish, the Spanish, the Belgian and the Hungarian Presidency, and at its meeting on 5 November 2024, the Council reached a general approach on the amending Directive, a political agreement on the amending Regulation, and a political agreement on the amending Implementing Regulation, subject to the legal-linguistic revision of the texts[7].

5. Following the agreement in the Council on a general approach on the draft amending Directive, a new opinion was requested from the European Parliament. The European Parliament adopted its second opinion at its plenary session on 12 February 2025[8].

III. NEXT STEPS

6. Against this background, the Committee of Permanent Representatives is invited to suggest to the Council to adopt, at one of its forthcoming meetings:

   a) the Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age in doc. 15342/24 as finalised by the lawyer-linguists;

   b) the Council Regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age in doc. 15343/24 as finalised by the lawyer-linguists; and

   c) the Council Implementing Regulation amending Implementing Regulation (EU) No 282/2011 as regards information requirements for certain VAT schemes in doc. 15344/24 as finalised by the lawyer-linguists.

---

[7] Doc. 14964/25 + ADD 1.
[8] European Parliament legislative resolution of 12 February 2025 on the draft Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age, https://www.europarl.europa.eu/doceo/document/TA-10-2025-0012_EN.html .