



Digital VAT enables a better functioning of the Single Market

When moving to transactional reporting and the digital age, the new Commission should ensure that harmonization is at the center. A unified regulatory framework and boundary conditions for the requirements of the Member States' own systems are important. Ensuring compatibility with the EU system creates the conditions for growth and innovation.

The Commission's tax projects must ensure operation based on market economy principles. The future Commission must ensure that the costs and benefits of the new tax legislation for companies and Member States are balanced. The amount of costs and administrative burden must not be so high that it hinders the competitiveness of companies.

When drafting tax legislation, it is important to adhere to the unanimity requirement. Ensuring the compatibility of national reporting requirements with the EU system creates the conditions for growth and innovation.

In the digital VAT project, the focus must be on ensuring that legislation does not create obstacles to the usability of the Single Market. In a market economy, companies must be able to send an invoice to their customer first, and only after this can a possible report to the authorities follow.

The acceptability of an invoice according to the EU's uniform standard in all Member States is likely to strengthen the functioning of the Single Market and facilitate internationalization. The compatibility of the Member States' own systems with the EU's uniform model must be ensured.

EK'S MAIN MESSAGES TO DECISION MAKERS

- EK supports the VAT in the Digital Age proposal, which significantly reforms and changes value added taxation, invoicing and reporting in internal trade. The digital VAT project should be completed without delay.
- The compatibility of domestic systems with the EU reporting framework must be ensured.
- From the point of view of companies, deadlines that are foreign to practice and overly strict invoicing regulations tend to weaken the functionality of the system. According to EK's point of view, the 2-day time limits should be extended, consolidated invoices should be allowed, and unnecessary new invoice labeling requirements should be waived, even from the point of view of tax supervision.

CONTACT DETAILS

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