EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
Value added tax

Group on the Future of VAT
37th meeting – 9 February 2022

taxud.c.1(2022)1573509

Brussels, 24 February 2022

GROUP ON THE FUTURE OF VAT

GFV NO 117

MINUTES

37TH MEETING
– 9 FEBRUARY 2022 –

1. WELCOME AND INTRODUCTION

After welcoming the delegates, the Commission services recalled that the meeting was exclusively dedicated to VAT in the Digital Age providing a brief update on the state of play of the initiative. In particular, delegates were informed that the final Report on VAT in the Digital Age had been submitted by the Contractor on 10 January 2022 and that it is currently under review by the Commission services. The Commission services also reported that the Public Consultation and Call for Evidence were launched on 21 January 2022 and that both are open for feedback until 15 April 2022. In addition, delegates were informed that the Impact Assessment was under preparation and should be submitted to the Regulatory Scrutiny Board by 25 May 2022.

2. APPROVAL OF THE AGENDA

The agenda (document taxud.c.1(2021)1196184) was not contested or discussed.

3. NATURE OF THE MEETING

The meeting took place in the form of videoconference and was not open to the public.

4. GFV N° 115: DOUBLE TAXATION IN IOSS – PROPOSED SOLUTION

First, the Commission services provided a short state of play on the implementation of the VAT e-commerce package.

The Commission services informed the delegates that the implementation of the e-commerce package went smoothly without major operational problems. The first results on taxes collected, covering only the Import One Stop Shop (IOSS), are promising and exceeded expectations. It was underlined that although the first experience with IOSS has been largely positive, a few problems remain to be solved (double taxation, possible abuse of IOSS numbers).

Then, the Commission services summarised the outcome of the Council meeting (Working Party on Tax Questions (Indirect Taxation – VAT) organised on 31 January 2022 by the French presidency with the objectives for the Member States to share their experience concerning the implementation of the new rules and to gather the first views on a possible future extension of the One Stop Shop (OSS) and IOSS, in the framework of the Single VAT Registration part of the VAT in the Digital Age initiative.

The outcome was summarised as follows:

- The Member States confirmed the success of the new rules and the OSS. The majority of the Member States underlined the importance of ensuring that first, the implementation should be fully carried out and that, only after a comprehensive evaluation, conclusions on implementation can be drawn.

- Some technical details were mentioned where improvements could be made, for example harmonisation of the rules concerning tax representatives, differences in the legislation concerning exchange rate to be used, analysis of drop shipping business models.

- Member States then shared their preferred options concerning the Singe VAT Registration in the EU. The extension of the OSS to cover the remaining B2C transactions as well as the mandatory application of the Reverse Charge Mechanism for B2B transactions were widely supported. The option to include transfer of own goods in the OSS received less support, Member States felt that further analysis is required.

- Concerning the IOSS, a certain number of Member States were supporting the idea of a mandatory IOSS, with conditions, taking into consideration the issue on enforcement and the impacts on SMEs. All Member States agreed that the removal of the EUR 150 threshold can only happen in alignment with the evolutions in the customs area (e-commerce study, the Wise Person Group, UCC evaluation).

The Commission services announced a comprehensive evaluation of the e-commerce package, which will cover the first 6 months of implementation for the three schemes. This evaluation is partially integrated in the public consultation on the VAT in the Digital Age proposal that was launched on 21 January 2022 and for which the members of the GFV were invited to participate. To complement this consultation, an EU survey addressed specifically to tax and customs administrations was launched as well on 21 February 2022. The results of these surveys will feed into the evaluation of the VAT e-commerce package, which will be annexed to the Impact Assessment of the VAT in the Digital Age initiative and will support the Single VAT Registration pillar of the proposal.

Secondly, the Commission services presented their paper on the proposed solution to double taxation, which arises in certain circumstances, and has been identified as a critical issue that requires the urgent application of a workable solution.

The Commission services emphasised that the implementation of this temporary solution is without prejudice to solving the core and fundamental causes of double taxation, which arises as a result of:

1. the non-communication of the supplier’s IOSS number because the postal operator is unable to transmit the IOSS number,

2. some Member States not being in a position to validate the IOSS number in a full customs declaration (H1 or transitional data set).

During the presentation, the Commission services proposed that the correction of VAT should take place in the IOSS VAT return for the following reasons:

- The VAT Directive already provides the legal basis for allowing the correction of VAT in the IOSS VAT return;

- This solution is practical and less complicated than the alternative option involving the reimbursement of import VAT as the supplier is typically not entitled to the refund of import VAT;

- This solution is administratively less burdensome from a customs perspective as the VAT on importation is upheld so the customs declaration will not need to be invalidated;

- From an audit perspective, the solution also protects the integrity of the data in the Surveillance system;

- This solution still guarantees that the VAT ultimately to be paid by the customer is the one of the Member State of final destination of the goods; and

- Customer satisfaction levels and the overall customer experience is less likely to be negatively impacted if the customer has recourse to a speedy refund from the supplier.

Following the presentation of the paper, the Chair opened the floor for the delegates to express their views on the proposed solution to double taxation.

Following an exchange of views, delegates of the Member States reached a unanimous agreement on the proposed short-term solution to the issue of double taxation in the IOSS. Where double taxation occurs, the VAT charged on importation will stand and the IOSS supplier/deemed supplier will be able to correct the VAT in the IOSS VAT return, provided that the pre-conditions for making the correction are met.

This agreement was reinforced by a concluding remark that was read aloud to reflect the outcome of the discussion.

> *"Following the implementation of the e-commerce package on 1 July 2021, cases of double taxation were identified as an issue, capable of arising in certain circumstances, that requires the design and urgent application of a pragmatic and workable solution to address the problem in the short-term. Double taxation is especially hindering the proper functioning of the IOSS system when it is the result of the non-communication of the supplier's IOSS number due to the fact that the postal operator of the country of dispatch is unable to transmit the IOSS number and also because some Member States are not currently in a position to validate the IOSS number in a full customs declaration.*
>
> *During the Group on the Future of VAT's meeting of 9 February 2022, delegates of the Member States agreed that, on a temporary basis, that is until all Universal Postal Services are in a position to electronically communicate the IOSS number in the appropriate postal format (i.e. ITMATT message) to the postal operators in the EU and until all Member States have updated their national import systems so that they can validate the IOSS numbers in a full customs declaration, the correction of VAT can take place in the IOSS VAT return provided that the pre-conditions for the correction of the IOSS VAT return are met. This solution allows for the regularisation of double taxation through the IOSS VAT return while the*

VAT charged on importation is upheld. It also enables the supplier to reimburse the VAT collected at the time of sale upon the request of the buyer when substantiated by proof of payment of import VAT to avoid having to run through the burdensome customs procedure for recovering the import VAT. The application of this temporary solution is without prejudice to solving the core and fundamental causes of double taxation as swiftly as possible."

It was agreed that the Commission services will finalise the concluding remark and take the necessary steps for the VAT Committee to translate this agreement into guidelines as soon as possible.

5. PRESENTATION BY THE HUNGARIAN DELEGATION ON THEIR EXPERIENCE ON THE USE OF VAT REAL TIME REPORTING AND THE ADVANTAGES OF THIS OPTION AS COMPARED TO VAT REPORTING ON A MONTHLY BASIS

The Hungarian delegate started her presentation recalling the evolution of the Hungarian transaction-based reporting system. In this regard, it was mentioned that in 2013 an aggregated domestic reporting modality was launched, which included issued and received invoices; in 2016 a software was introduced to store invoice data in a predefined format and, finally, in 2018 a real-time reporting (RTR) obligation was implemented which covers issued invoices.

The reasons underlying the introduction of the (RTR) were the following: to improve the fight against fraud, to reduce administrative burden, to enhance digitalisation and to reinforce compliance.

The scope of the Hungarian system was outlined as follows:

- Invoices: only issued invoices are covered (B2B and B2C), excluding transactions where the place of supply is outside of Hungary, including where the OSS/IOSS is used. As for received invoices, the periodical report is still in force;

- Data: the system gathers some obligatory information (Article 226 of the VAT Directive), VAT ID number of the customer (not in the case of B2C) and some additional data to make pre-filled VAT returns available to taxpayers;

- Taxable persons: all taxable persons are covered, including exempted SMEs. To alleviate the costs, a free of charge invoicing software is available.

Following this, the presentation focused on some characteristics of this reporting mechanism: data must be sent as soon as the invoice is generated; an invoice report XML is created; the software is connected via internet to the tax administration; pre-defined XML structure; no human intervention; some exceptions have been made with respect to the general rule (technical issues, self-billing or manual invoices); a two-step validation process is needed to submit the data. The Hungarian delegate also underlined that the data obtained is used for real-time checks of data quality, real-time risk analysis and more targeted audits.

Comparing the Hungarian reporting system with the periodic ones, several advantages of the former were highlighted: fully automated reporting system; no room for manipulation;

psychological effect due to the monitoring in real-time; improvements on compliance and digitalisation. From the business point of view, other advantages were mentioned: the possibility to download the reported invoice data, the reported invoice XML and the online cash register; partner check, which enables the supplier to obtain certain information about the counterpart; check statistics and warnings concerning the submission of data. In addition, it was pointed out that from January 2021 it is possible to issue an electronic invoice through the tax administration server.

The Commission services thanked the Hungarian delegate for the interesting presentation and comprehensive explanations, and invited the group to express views or ask questions:

When asked about how cross-checks can properly work since the received invoices are subject to periodic reporting, the Hungarian delegate replied that given that the received invoices have to be reported partner-by-partner (aggregate data), the tax administration can easily monitor in respect of how many invoices the recipient may deduct. In addition, the Hungarian delegate downplayed the importance of manual invoices, which barely represent 1.5% of the issued invoices in Hungary.

As for pre-filled VAT returns from the invoicing data, it was pointed out that, once the data is loaded in the tax administration database, it is available to both the supplier and the customer with a view to obtain a pre-filled VAT return. Also, it was mentioned that, although a free software is available, it is common that small businesses engage book-keeping companies which issue the invoices on behalf of their clients.

Concerning the software, the Hungarian delegation underlined that a one-year pilot system was introduced before the obligation to use this system was established. In addition, the tax administration involved developers to make contributions to improve the format used to submit the data.

Regarding some specifics of the system, the user has to be registered (even if it is not established in Hungary) and has to go through an authentication process before being able to upload data.

In relation to the measures adopted by the Hungarian administration to protect the supplied data and on how the private sector reacted to the adoption of this initiative, it was underlined by the Hungarian delegate that the highest level of protection is applied to the database. On the other hand, the businesses did not contest its adoption as they immediately understood the benefits of the initiative (additional services at their disposal, ease of management of data, etc.).

The Commission services noted that a really interesting characteristic of the system was the possibility of downloading the data by the suppliers to comply with their record-keeping obligation.

Concerning the way forward, the Commission services pointed out that an increasing number of Member States are introducing different modalities of reporting obligations which is aggravating fragmentation of the internal market. Therefore, this situation requires a coordinated response to harmonise or streamline such systems without generating disproportioned costs to Member States which have already invested in them. For this reason, there may be a need to be more ambitious on intra-Community supplies - where there is a clear EU dimension - than on domestic ones.

The Commission services also mentioned that an IT feasibility study is ongoing to evaluate the timeline and costs derived from building an intra-Community infrastructure for real time reporting and exchange of information between the Member States (one option is decentralised and others more centralised as CESOP, for example).

6. PRESENTATION BY THE DUTCH DELEGATION ON THE USE OF BLOCKCHAIN TECHNOLOGY FOR THE RECORDING OF TRANSACTIONS BETWEEN TAXPAYERS

The Dutch delegate started her presentation "Using smart technology in Digital Reporting Requirements (DRR)" underlining that it was aimed to highlight the usefulness of the block chain technology to tackle domestic fraud, prevent VAT loss at an earlier stage and save human resources.

The presentation identified three different types of fraud: (i) the missing trader intra-Community (MTIC fraud), (ii) paying less VAT than invoiced and (iii) claiming more VAT deduction than invoiced. In all of these cases, *invoices play a key role*. It was also underlined that in the Netherlands the criteria for establishing anti-fraud measures focus on: tackling only the fraudsters (not all the businesses); avoiding any extra burden for businesses and tax administrations; preventive effect of the measures adopted; security of the data and the purpose of its collection; and if possible, avoiding legislation changes.

According to the presentation, the block chain technology meets all the criteria mentioned above and offers the following advantages: the VAT in the tax return matches the VAT on genuine invoices; there is an automatic cross check between the supplier's and the buyer's VAT return; it eases the detection of MTIC fraud due to a warning signal of unusually high amounts invoiced; it provides information on missing traders; it allows the possibility of abolishing VAT listings; all the data is encrypted; it offers the possibility to focus only on the fraudsters; it has only a minor interference in regular business practice; it entails less IT and human resources for the tax authority; it is integrated in accounting software; it is suitable for small and big companies; and it does not require clearance or storing of invoice data.

Following this, an example of missing trader intra-Community (MTIC) fraud was used to depict the benefits that block chain technology might have for the tax administration in order to detect this kind of fraud at an earlier stage (signal of an unexpected high invoiced amount). The longer it takes to detect the fraud and find the fraudster, the higher the loss of VAT will be.

The Commission services thanked the Dutch delegation for the clear and very good presentation and opened the floor for comments and questions.

One delegate found that the aim to implement blockchain technology in the Netherlands was different to the objectives conceived by introducing a real-time reporting mechanism. At this point, the Dutch delegate acknowledged that it might be a proper system to use in the Netherlands since their VAT Gap is minor and it would help to address the three above-mentioned types of fraud. However, Member States which might find themselves in a different situation (high VAT Gap and low compliance) would surely need to a different system.

Concerning the role played by tax administrations, the Dutch delegate clarified that it is not itself part of the blockchain. This technology enables the tax authority to verify whether the VAT return corresponds with the invoices which are included in the blockchain (if a mismatch is notified an audit would be conducted). The issued invoices would also be compared to the average turnover/activity of the company triggering a warning signal if that difference is noticeable.

Regarding some specifics of the system, the suppliers can decide not to include their issued invoices in the blockchain but, in that case, the buyer cannot deduct the input VAT. This technology cannot prevent a black market from happening. Every invoice has a fingerprint and each issued invoice is crosschecked with that received by the buyer (one by one) but the result provided is aggregated.

As for the integrity of the data, one delegate asked how to conduct blockchain verification of the taxpayers' data. In this regard, the Commission services questioned whether the blockchain encryption is really more secure than the encryption for sensitive data guaranteed by the tax administrations.

Concerning the experience with this system in the Netherlands, the Dutch delegate indicated that it has not been implemented yet. The developer is still working on the system and even though it has been already tested by a couple of businesses, it is still being studied and will be put to test sometime in the near future.

It was highlighted, however, that the application is already developed (open source) and everybody with IT knowledge could implement it in their accounting software. For taxable persons without IT experience another solutions would be available. Regarding its impact on human resources, blockchain would take over the performance of some types of audits (plain business fraud) which are currently being conducted by tax officials, thus making it possible to better allocate these officials to monitor more effectively MTIC fraud.

The Commission services noted that, from the business perspective, the Hungarian and Dutch systems impose similar administrative burdens on business as taxpayers need an accounting software to upload the data onto the system. However, while in the Hungarian solution tax officials have the real-time data at their disposal, the blockchain technology only sends a signal of fraud (it does not provide information about the counterpart) and, therefore, it would be difficult to trace the recipient of the invoice.

7. GFV N° 116: VAT IN THE PLATFORM ECONOMY – FOCUS ON SPECIFIC ISSUES – FOLLOW UP

The Commission services introduced Working Paper No 116 and explained that the document was prepared as a follow up of the discussions of the Fiscalis event held in October 2021, the work of the sub-group on the platform economy and in light of Volume 2 of the Study 'VAT in the Digital Age' carried out by the contractor. The aim of the Working Paper was to further highlight and analyse questions arising from any application of the options outlined in the study. The analysis carried out by the Commission services led to the conclusion that there is one solution that can realistically tackle all the identified issues, that is a clarification of the current rules contained in the VAT Directive combined with the introduction of a deemed supplier provision.

The group was very appreciative of the work carried out by the Commission services in this matter and welcomed the clarity and comprehensiveness of the Working Paper. Most of the delegates generally agreed with the analysis carried out by the Commission services on the different points outlined in the Working Paper. A few delegations, however, indicated that they were still analysing this matter and were not yet in a position to convey their final opinion.

After explaining the main points and conclusions of the Working Paper, the Commission services asked delegates to express their views on the issues for discussion, which were grouped in three set of questions.

1st group

- ✓ Necessity of a definition for platforms;
- ✓ Definition of the status of the taxable person making the supply;
- ✓ Whether the platform service is electronically supplied or an intermediary service.

As to the **necessity of setting up a definition for platforms** in the VAT Directive, the vast majority of the delegates agreed with the analysis carried out by the Commission services and saw no need for a legal definition of platforms. Some delegations pointed out that, in view of the rapidly changing business models and characteristics of platforms, setting up a legal definition for platforms could be risky as it could result in the creation of new types of platforms that would not be covered by it. Only one delegate mentioned the necessity of having a definition.

Concerning the question related to the **definition of the status of the taxable person making the supply**, most delegations supported the views of the Commission services outlined in the Working Paper that there is no need to define the status of the provider. One delegation pointed out that it could be useful to introduce an *ad hoc* presumption, which could take into account elements such as the frequency with which the platform is being used by the supplier or the conclusion of a minimum number of transactions. Another delegate mentioned that it would be desirable to have a clear harmonised solution in this area. Finally, one delegate added that the requirement to provide a VAT number would not be proportionate and could lead to fraud. Therefore, the use of more objective criteria to define the status of the provider would probably be more appropriate. The Commission services pointed out that these types of fraud where taxable businesses hide as non-taxable persons to avoid charging VAT also arise in the e-commerce area, and reassured that they will look into ways to minimise these fraudulent situations.

As to **whether the service facilitated by the platform is electronically supplied or an intermediary service**, most of the delegations expressed a general preference to treat the service provided by the platform as an intermediary service, since it ensures neutrality and equal treatment of taxable persons - as compared with traditional business models - and respects the place of consumption rule. Three delegations expressed support for the electronically supplied service option, as in their view it corresponds more closely with the nature of the services provided by platforms. With regard to the concerns expressed as to the possible shift in VAT revenues for touristic Member States, a few delegates indicated that this should be avoided. In this regard, the Commission services clarified that, even though the study carried out by the contractor showed that most Member States treated these services as electronically supplied, the Commission is not bound by the

results of the study. The Commission services further underlined that the debate on this matter was duly noted and the input provided by the group will also be taken into account for the proposal.

2nd group

- ✓ Streamlining of record keeping obligations of platforms;
- ✓ Deemed supplier and its interaction with the "Group of Four" (including SMEs);
- ✓ Scope of deemed supplier model.

With regard to the **streamlining of record keeping obligations of platforms**, the majority of delegates agreed with the analysis of the Commission services concerning the difficulties to align the reporting obligations for platforms laid down under DAC7 and the obligations that Article 242a of the VAT Directive imposes on electronic interfaces. The Commission services recalled that the record keeping obligations for platforms will also have to be in line with the DRR part of the initiative. In addition, the links with the OSS and the IOSS should also be taken into account. A few delegates expressed concerns with regard to the increase of administrative burdens that this obligation might entail for platforms - especially for small platforms -, but also for tax administrations. The Commission services were asked to further study this matter and explore ways to use technology to help platforms with their reporting obligations. Some ideas were suggested, like the use of a single format to streamline reporting obligations or a reduction in the frequency to provide the information (limited, for example, to once a year, like in DAC7).

As regards the **deemed supplier and its interaction with the "Group of Four" (including SMEs) and the right of deduction**, the Commission services explained that the aim of the deemed supplier model is to ensure that all supplies facilitated by the platform are subject to VAT, including, e.g., services supplied by natural persons, non-established/non-registered taxable persons and the "Group of Four". These services are currently not being charged with VAT, which causes an unfair advantage over traditional business. In addition, the inclusion of these services in the deemed supplier model should not give rise to the right of deduction where the provider belongs to the "Group of Four" category.

The group welcomed the explanations provided by the Commission services on this point. Some delegations supported the deemed supplier regime and were in favour of exploring the inclusion of the Group of Four in the model. However, a large number of delegations indicated that this was a complex issue and more time was needed to analyse it more in depth. Two delegations expressed their reservations to the deemed supplier regime and its rationality, but underlined that they did not have a final position yet. A few delegations shared their concerns regarding the increase of administrative burdens that the deemed supplier model could cause on small platforms. Concerns were also expressed towards the increase in number of VAT registrations by platform users that this model could imply and the difficulties for tax administrations to handle them. Some delegations did not understand the exclusion of the right of deduction for the Group of Four, but most agreed with the logic of the Commission services' analysis. Finally, some delegations underlined the need to look into the link between the deemed supplier regime and the SME scheme, especially in light of the new rules on SMEs that will apply from 2025.

The Commission services clarified that in the deemed supplier regime, any person would still have the possibility to opt out and to register for VAT in order to have the right of deduction. The purpose of the model is to alleviate the burdens of VAT for small business as well as to facilitate the work for tax administrations, who will only have to control the platform rather than all of its underlying suppliers.

As to the **scope of the deemed supplier model**, a large majority of the delegates agreed with the Commission services' analysis that, should this regime be introduced, it would be preferable to opt for Option D, which would cover all accommodation and transport services. One delegate asked whether the more ambitious option to cover all sectors (Option E) was still being considered, to which the Commission services replied that nothing had been decided yet and the Impact Assessment will take into consideration, inter alia, the input received by the group during this meeting.

The Commission services took duly note of all the views expressed by the group and moved on to the last set of questions.

3rd group

- ✓ Deemed supplier and travel agents scheme;
- ✓ Dealing with exempt supplies;
- ✓ Anything else (including thresholds).

With regard to the interaction with the **deemed supplier model and travel agents**, most of the delegations shared the view of the Commission services on this point concerning the need to introduce a special provision to regulate this interaction. One delegate suggested that the travel agency scheme could be applied only where the services provided by the platform actually met the conditions necessary to fall within the special scheme. Overall, there was common recognition that this is a very complex matter and that further analysis was required, especially in light of the upcoming study on the travel agent scheme. The Commission services reassured delegates that the proposed solution on this matter will also take into account the work that will be conducted during the year in regard to the travel agent sector.

As for the question relating to **exempt supplies,** the Commission services explained the three proposed solutions on this matter, namely: (i) complete exclusion of these supplies; (ii) extension of the use of Article 173(2)(a) of the VAT Directive; and (iii) having a new provision in the VAT Directive which stipulates that where a platform carries out exempt supplies in its role as a deemed supplier, there is no impact on the VAT paid on their inputs and the right of deduction. According to the Commission services, the latter would appear to be the simplest and, hence, the most preferred solution. Whilst the majority of delegates agreed with the Commission services' views, they also recognised that further reflection on this matter was necessary.

Finally, as to the question relating to the **thresholds for the deemed supplier regime**, most of the delegates supported the Commission services' opinion that this kind of threshold would be quite difficult to apply and would only complicate the system. One delegate mentioned the introduction of thresholds for small platforms as a possible option which could be further explored.

The Commission services thanked the delegations for their positive comments and overall agreement with the Working Paper as well as for the input provided, which will be duly taken into consideration when preparing the Impact Assessment. The Commission services noted that further analysis is still needed, especially with regard to the interactions with the deemed supplier model and the SME and travel agent schemes, as well as with the request to explore technical ways to help platforms comply with reporting obligations. The Commission services finally announced that another Working Paper on this issue, which will reflect the input received and the results from the public consultation, will probably be presented at the next meeting of the group.

8. INFORMATION POINTS

2020 ACTION PLAN – UPDATE OF THE STATE OF PLAY

8.1. VAT Committee Proposal – Follow up

The Commission services recalled the request made at the last meeting of the group on 6 December with regard to the VAT Committee proposal, whereby delegates were invited to identify guidelines agreed by the VAT Committee that can be included in a proposal to amend the VAT Implementing Regulation. The objective is to draw up an inventory of the potential guidelines to be transformed into binding rules implementing the provisions of the VAT Directive, to be adopted by the Council.

The deadline to submit written contributions is **28 February 2022**

8.2. VAT exemption certificate (GFV N° 109) – Follow up

At the last GFV of 6 December, there was a clear support for transforming the current paper version of the exemption certificate into an electronic form in view of putting in place an electronic procedure and that, as a first step, implementation aspects such as feasibility and costs are to be studied. The Commission services confirmed that they had already started looking into these aspects together with IT colleagues.

In this regard, delegates were reminded that the deadline to send their contributions to the questionnaire is **28 February 2022**.

8.3. VAT exemptions to non-EU travellers – Follow up

The group was also reminded to provide via e-survey their written replies to the questions raised in Working Paper GFV No 110 on VAT exemptions to non-EU travellers.

Deadline to submit the answers was **28 January 2022**.

9. AOB

Extension of the optional reverse charge mechanism (Article 199a of the VAT Directive) and the Quick Reaction Mechanism (Article 199b of the VAT Directive)

Finally, the Commission services informed the delegates that a proposal would be adopted on 10 February 2022 to extend the application period of Articles 199a and 199b of the VAT Directive until 31 December 2025.

The next meeting of the group will most likely take place in the beginning of May 2022.

10. LIST OF PARTICIPANTS

Commission officials from DG TAXUD Unit C1 and the members of the Group on the Future of VAT as published in the Register of Commission Expert Groups and other similar entities[1].

***

[1] http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetail&groupID=2609&NewSearch=1&NewSearch=1