



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
VAT and other turnover taxes

TAXUD/2417/08 – FINAL – EN

Brussels, 15 July 2008

VALUE ADDED TAX COMMITTEE
(ARTICLE 398 OF COUNCIL DIRECTIVE 2006/112/EC)
WORKING DOCUMENT NO 568

MINUTES
83RD MEETING
– 28 AND 29 FEBRUARY 2008 –

The Chairman opened the meeting with a number of short points:

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- I [REDACTED] [REDACTED] [REDACTED])
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[REDACTED]

1. ADOPTION OF THE AGENDA

[REDACTED]

[REDACTED]

2. APPROVAL OF THE MINUTES OF THE 82ND MEETING OF THE VAT COMMITTEE

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [REDACTED] [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. CONSULTATIONS PROVIDED FOR UNDER DIRECTIVE 2006/112/EC

- 3.1** Origin: [REDACTED]
3.2 Origin: [REDACTED]
3.3 Origin: [REDACTED]
3.4 Origin: United Kingdom
3.5 Origin: [REDACTED]
3.6 Origin: Czech Republic
Reference: Article 11
Subject: VAT grouping – (points 3.1 and 3.2 were deferred from the 81st and 82nd meetings)
(Document TAXUD/2161/07 – Working paper No 556)
3.7 Origin: Hungary
(Document TAXUD/2161/07 ADD1 – Working paper No 556 Addendum 1)
3.8 Origin: United Kingdom
(Document TAXUD/2161/07 ADD2 – Working paper No 556 Addendum 2)

The Chairman drew Delegations' attention to the two additional consultations which had been made available and which would be discussed together with the six consultations on VAT grouping which were carried over from the agenda of the last meeting. He thanked the [REDACTED] Delegation for the additional information document they had submitted and which had been uploaded on CIRCA.

Recalling the discussions on VAT grouping of the last meeting he conceded that the Commission had perhaps been overly optimistic to hope for the adoption of guidelines.

He further mentioned that stakeholders had informed him that the working paper had been released outside of the VAT Committee. He underlined that the apparent disclosure of the working paper before a conclusive discussion in the committee was to be considered a breach of the transparency rules.

Before commencing on the discussion of the specific consultations, the Commission outlined again the 10 key points as summarised in 2.1 of the working paper.

3.1 Consultation [REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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3.2 Consultation by [REDACTED]

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The Chairman thanked the UK delegation for the clear explanations and took note of the consultation.

3.5 Consultation by [REDACTED]

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3.8 Addendum to the Consultation by the United Kingdom

The Chairman introduced the point by remarking that the UK had submitted an additional document some days before the meeting in which it voiced fundamental concerns about the discussions on grouping.

One major concern raised by the UK related to the timing of these discussions. In answer to this it had to be said that the discussions followed on from the various consultations submitted by Member States and thus followed their legislative processes.

Other concerns evoked by the UK related to the adoption of guidelines and to the lack of an impact assessment on EU businesses. The draft guideline was, in the Commission's view, not unusual given that several Member States had consulted the VAT Committee regarding this issue. Moreover, at the 82nd VAT Committee meeting the Commission said there would not be a guideline. Regarding an impact assessment, the Commission recalled that impact assessments were normally carried out for legislative proposals. A further concern was voiced about the nature of the exercise. The Commission answered that if this was to insinuate that the Commission Services put forward documents that were not properly elaborated this was to be rejected.

The Chairman also referred to the matter raised at the beginning of the meeting concerning the leaking of the working paper to consultants.

Finally, he invited the UK delegation to explain how VAT groups helped to reduce levels of irrecoverable VAT as stated in their paper.

The UK replied that it had particular concerns about the guidelines and that they were happy that guidelines were not being discussed in the ongoing meeting. Their primary concern was that these would focus on one particular view only and discussions had shown that the issue was not clear. That was the point the UK had wished to make and that which the Commission had interpreted as an insinuation of lack of analysis.

As to the release of the paper they underlined that it was not the UK who had given it to third parties.

The Chairman found the last reply unconvincing and stressed that the Commission wanted to achieve harmonisation in the financial service sector. The issue of groups had not been included in the Commission's proposal on financial services. On an intervention from ■■■, he explained that the question of grouping versus cost sharing arrangements would be taken up in the Council working group.

The Chairman concluded the discussions on grouping and suggested to terminate the meeting for the day.

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5. CASE LAW – ISSUES ARISING FROM RECENT JUDGMENTS OF THE EUROPEAN COURT OF JUSTICE

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6. ANY OTHER BUSINESS

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[REDACTED]

ANNEX I

LIST OF PARTICIPANTS - LISTE DES PARTICIPANTS - TEILNEHMERLISTE

BELGIQUE/BELGIË

[REDACTED]	Ministère des Finances
[REDACTED]	Ministère des Finances
[REDACTED].	Ministère des Finances
[REDACTED].	Ministère des Finances

BULGARIA

[REDACTED] E.	Ministry of Finance
[REDACTED]	National Revenue Agency

ČESKÁ REPUBLIKA

[REDACTED]	Ministry of Finance
[REDACTED]	Ministry of Finance
[REDACTED]	Ministry of Finance

DANMARK

[REDACTED]	Skat
[REDACTED]	Skatteministeriet

DEUTSCHLAND

[REDACTED]	Bundesministerium der Finanzen
[REDACTED]	Bundesministerium der Finanzen

EESTI/ESTONIA

[REDACTED]	Ministry of Finance
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ELLAS/GREECE

[REDACTED].	Ministry of Finance
[REDACTED]	Ministry of Finance

ESPAÑA

[REDACTED]	Ministry of Finance
[REDACTED]	Ministry of Finance
[REDACTED]	Permanent Representation

FRANCE


























[REDACTED]	Ministère de l'économie et des finances
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IRELAND

[REDACTED].	Revenue Commissioners
[REDACTED]	Revenue Commissioners

ITALIA

[REDACTED]	Agenzia delle Entrate
[REDACTED]	Dipartimento Politiche Fiscali

		Agenzia delle Entrate
KYIΠOΣ/CYPRUS	 	Ministry of Finance, VAT Permanent Representation
LATVIJA	 	Ministry of Finance State Revenue Service
LIETUVA/LITHUANIA	 	Ministry of Finance Permanent Representation
LUXEMBOURG	 	Administration de l'Enregistrement Administration de l'Enregistrement
MAGYARORSZÁG/HUNGARY	 	Ministry of Finance Ministry of Finance
MALTA		Ministry of Finance, VAT
NEDERLAND	 	Ministry of Finance Ministry of Finance
ÖSTERREICH	 	Ministry of Finance Ministry of Finance
POLSKA	 	Ministry of Finance Ministry of Finance
PORTUGAL	 	Ministry of Finance Permanent Representation
ROMANIA	 	Ministry of Economy and Finance Ministry of Economy and Finance
SLOVENIJA	  	Ministry of Finance Ministry of Finance Permanent Representation

SLOVENSKA REPUBLIKA/SLOVAKIA

[REDACTED]

Ministry of Finance

SUOMI/FINLAND

[REDACTED]

Ministry of Finance

[REDACTED]

Permanent Representation

SVERIGE/SWEDEN

[REDACTED]

Ministry of Finance

[REDACTED].

Permanent Representation

UNITED KINGDOM

[REDACTED]

HM Revenue & Customs

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HM Revenue & Customs

COMMISSION

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DG TAXUD/D/1

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DG TAXUD/D/3

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SJ