

Greener, Fairer and Simpler VAT and Excise duties - and zero VAT and customs duties for protective equipment during COVID-19 crisis

Speaking today on the publication of the [EuroCommerce paper](#) on VAT and excise duties, EuroCommerce Director-General commented:

“Twenty-seven years after the Single Market was meant to have been completed, very different VAT rules in Member States remain some of the most significant barriers for companies to trade cross-border. We acknowledge the improvements which have been made, such as the VAT One-Stop-Shop and the abolition of the VAT threshold on imports from third countries, which we expect to see implemented thoroughly next January. But further progress is both possible and urgently needed in making VAT and excise duties work for the economy. We need to make taxation greener, fairer and simpler, and transform customs procedures to help lift Europe out of the economic recession after the COVID-19 crisis.”

In its paper, EuroCommerce calls for VAT and environment policies to be aligned through, for example, harmonised VAT relief on reducing food waste through donations to food banks. An automated fast-track import process for certified operators and a mandatory VAT Import One-Stop-Shop for third-country imports would also help, while, at the same time, reducing VAT evasion. EuroCommerce proposes simplifying present excise duty registration and compliance regulations which make online cross-border sale of excisable goods to consumers almost impossible. We also call for a more effective coordination within and between European institutions to avoid clashes between customs facilitation initiatives and VAT/excise duty rules.

Verschueren added that there are also a number of measures which would ease the tax and customs burden during and after this COVID-19 crisis:

“Many retailers and wholesalers have been hit hard by the present situation and have welcomed the measures taken by governments to lessen their tax burden in these difficult times. In the short term, we would ask the Commission and governments to waive import duties and allow zero-rating for VAT and duties on essential protective equipment for employees and customers. We would also ask them to postpone reporting obligations on cross-border tax arrangements until the crisis has passed. To avoid a wave of bankruptcies this and next year, measures to lessen the tax burden will need to continue for some time after the crisis has passed. Now and in the long term, simplified and harmonised taxation can play a major role in making the single market a tool for economic recovery and growth.

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4 million companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500 million European consumers over a billion times a day. It generates 1 in 7 jobs, providing a varied career for 29 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.