



Mr. Vincent Van Peteghem,
Deputy Prime Minister and Minister of Finance of Belgium
and
President of the Economic and Financial Affairs Council,
Rue de la Loi 12
1000 Brussels

Re: Swift adoption of VAT in the Digital Age in the current mandate

Dear Minister,

In view of the **continuing negotiations on the EU's VAT in the Digital Age** ('ViDA') proposal, Ecommerce Europe and EuroCommerce would like to encourage a **swift adoption of the package during the Belgian Presidency of the Council of the EU**. Particularly important for EU business is the Single VAT Registration ('SVR') element of ViDA. In this respect, **we strongly support an ambitious timeline for the implementation of SVR**. We urge against any delays beyond the initially proposed 2025 implementation. We respectfully request that any delay, if needed, is no longer than 1 year. Timely implementation of this reform is crucial for SMEs, who require streamlined VAT compliance processes to foster their cross-border growth. SVR also presents an invaluable opportunity for EU governments to enhance VAT revenue collection.

As we have been advocating in the context of our [Joint Campaign on Single VAT](#), the SVR workstream proposes expansion of the Union One Stop Shop to all B2C sales made by non-established businesses and the introduction of a 'Transfer Module' to report transfers of own inventory to locations across the EU, plus the introduction of an EU-harmonised domestic reverse charge mechanism for B2B sales. **These features will mean businesses can use a single VAT registration to trade across the EU, strengthening the European Single Market**. Centralising and standardising VAT registration and reporting requirements in this manner is a win-win approach which will unlock major benefits for governments, tax authorities, businesses and consumers, namely:

- Member States will benefit from a more competitive EU market and increased trade, leading to additional tax revenues to fund public services.
- Tax administrations will benefit from increased compliance, facilitated by new reporting and auditing of cross-border goods movements and increased on-shoring of goods and services trade.
- National customs authorities will have a reduced workload as bulk shipments from third countries for onward distribution within the EU will be encouraged. This will reduce the current influx of individual packet shipments from third countries.
- Businesses, particularly SMEs, will gain greater access to intra-EU trade and be more competitive. They will also incur lower tax compliance fees, estimated by the EU at €4.500 for each VAT registration application plus a further €6.000 per country per year in compliance costs for an SME.
- Consumers will be able to access more competitive prices, faster delivery and a greater choice of goods.



Given the multiplicity of benefits, we understand the EU Countries have already broadly agreed on a compromise text for the Single VAT Registration, apart from some minor technical points¹. We understand one of these points may be the proposal as part of the ViDA package to make **mandatory the special scheme for distance sales of goods imported from third territories or countries**, *i.e.* the Import One Stop Shop (IOSS). **While we support the proposal, we recognise that Member States will want to discuss it alongside the much wider IOSS changes proposed in the Union Customs Code Revision proposal.** We therefore suggest it may make sense to **move this from ViDA into the customs proposal**, so that similar provisions are legislated together and the **crucial ViDA package is not delayed**.

Given the Single VAT Registration workstream is mostly agreed, we understand 2024 negotiations will focus on the digital reporting requirement and the platform economy pillars of ViDA. We therefore **encourage the Belgium Presidency to work towards a solution ensuring SVR's adoption in the current EU Commission mandate**. An agreement is key to ensuring a fundamental and concrete simplification of what businesses have always found a complex VAT system that requires multiple costly, time-consuming VAT registrations. Finally, our support for an ambitious timeline for the implementation of the SVR remains steadfast. **We emphasise the critical need to adhere to the initially proposed 2025 implementation date or at least allow implementation no later than 2026.**

Thank you for your consideration.
Sincerely,

Luca Cassetti
Secretary General
Ecommerce Europe

Christel Delberghe
Director General
EuroCommerce

¹ Spanish Presidency Progress Report on VAT in the Digital Age – 24 November 2023 (15877/23, FISC 269, ECOFIN 1266). [LINK](#)



About Ecommerce Europe

Ecommerce Europe is the united voice of the European Digital Commerce sector, representing the interests of companies selling goods and services online to consumers in Europe. Our mission is to act at EU level by engaging with policymakers to create a better regulatory framework for all e-merchants. Ecommerce Europe is a platform where our members can stay informed, exchange best practices, and define common positions on EU legislation impacting the sector.

Website: www.ecommerce-europe.eu

About EuroCommerce

EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries, sector associations and international companies. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 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.

Website: <https://www.eurocommerce.eu>