



## VAT alert Belgium

### European Council agrees on four 'quick fixes' to EU VAT system

*On 2 October 2018, European finance ministers agreed to introduce four quick fixes to improve the current cross-border VAT regime, applicable as of 1 January 2020. The agreement did not include a fifth quick-fix that was suggested earlier this year in relation to the cost-sharing VAT exemption for the financial and insurance sectors which was discussed during in the [ECOFIN Council of 22 June 2018](#).*

The 'quick fixes' were initially announced as part of the proposal for a definitive VAT regime for cross border trade of goods within the EU (previous coverage in [VAT alert of 5 October 2017](#)). They are temporary measures to improve the day-to-day functioning of the current intra-EU VAT system, until the definitive VAT regime is fully agreed upon and implemented.

It should be noted that the Certified Taxable Person (CTP) concept has been removed and is no longer a condition to apply any of the four quick fixes. This concept remains an integral part of the technical proposal for the Definitive VAT Regime published in May 2018 (previous coverage in [VAT alert of 29 May 2018](#)). Member States could not yet find common ground to introduce such a concept as a condition for the 'quick fixes'.

The following four 'quick fixes' will be implemented at European level:

1. A simplified and uniform treatment for **call-off stock arrangements**: the new text introduces a 12 month period in which goods have to be sold to the customer.
2. Uniform criteria to simplify VAT rules on **chain transactions**: there will be a presumption that the transport is allocated to supply to the intermediary operator, allowing the first supplier to exempt his supply. This will not apply if the intermediary operator communicates its valid VAT number in the country of departure to his supplier.
3. A common framework for documentary evidence of **proof of transport** required to claim a VAT exemption for intra-EU supplies. The vendor has to be in the possession of:
  - Two items of non-contradictory evidence relating to transport (e.g. a signed CMR, a bill of lading, an airfreight invoice, etc.) issued by two parties independent of each other, **or** such transport document combined with an additional non-contradictory piece of evidence (e.g. insurance policy, warehouse receipt, etc.).
  - Additionally, a written statement from the purchaser if the goods are transported by himself or on his behalf.
4. The **substantial requirement** that the purchaser's valid **VAT identification number** is available and checked in the VIES system and that the supplier submits a recapitulative statement, in order to benefit from the VAT exemption for the intra-EU supply of goods.

Agreement was reached during the 2 October 2018 ECOFIN meeting to introduce the quick fixes on 1 January 2020, a year later than that initially proposed. The Council is expected to adopt the directive once the European Parliament has given its opinion.

A possible fifth 'quick fix' was discussed in earlier Council meetings, namely to reintroduce a VAT exemption, for cost sharing vehicles outside of public interest sectors, into the VAT Directive in response to recent CJEU case law that disallows the use of this VAT exemption in the financial and insurance sectors. Member States agreed that the Commission will analyse the divergence of VAT rules regarding cost sharing vehicles in a study which may result in a future legislative proposal.

---

## Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium or:

- Johan Van der Paal, [jvanderpaal@deloitte.com](mailto:jvanderpaal@deloitte.com), +32 2 600 66 39
- Ivan Massin, [imassin@deloitte.com](mailto:imassin@deloitte.com), +32 2 600 66 52
- Danny Stas (Laga), [dstas@laga.be](mailto:dstas@laga.be), +32 2 800 70 11

For general inquiries, please contact:

[bedeloittetax@deloitte.com](mailto:bedeloittetax@deloitte.com), + 32 2 600 60 00

Be sure to visit us at our website:

<http://www.deloitte.com/be/tax> | <http://www.laga.be>

## Deloitte Academy

### Tax Tools and Publications



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

Laga BV CVBA in Belgium

Laga BV CVBA is part of a privileged multidisciplinary cost-sharing association with Deloitte Belastingconsulenten BV CVBA.

© 2018. For information, contact Deloitte Belgium.

[Subscribe](#) | [Unsubscribe](#)