



# ECSCA

European Community Shipowners' Associations

## STANDARD VAT RETURN

### Proposal for a Council Directive amending Directive 2006/112/EC on the common system of VAT as regards a standard VAT return

#### ECSCA POSITION

##### Introduction

The European Community Shipowners' Associations (ECSCA) is the European association representing the interests of the national shipowners' associations of the European Union and Norway. European shipowners control 40 % of the global merchant fleet and are active in the transport of goods and passengers in all shipping trades, including in intra-EU trades, as well as in offshore services.

ECSCA's member-associations have shipping companies that are EU taxpayers, submitting VAT returns to national administrations, and hence ECSCA has a keen interest in monitoring the proposal for a Council Directive amending Directive 2006/112/EC on the common system of VAT as regards a standard VAT return.

ECSCA takes the opportunity of the publication of this proposal for a Council Directive to convey the following messages:

- ECSCA fully supports the aim of the proposal to allow business to provide standardized information to each Member State submitted in a common, preferably electronic, format.
- However, ECSCA has serious doubts as to whether the conditions for submitting standardized information in an electronic format are or will be really yet in place in the near future.
- Instead, ECSCA considers that in the meantime other alternatives should be envisaged to quickly reduce the red tape for the industry, to ease tax compliance and to make tax administrations across the EU more efficient.

##### Specific comments

ECSCA fully supports the aim of the proposal to allow business to provide standardized information to each Member State submitted in a common, preferably electronic, format. However, ECSCA has serious doubts as to whether the conditions for submitting standardized information in an electronic format are or will be really yet in place in the near future. The reasons are as follows:

- There will be no standardization since Member States would be allowed to request additional data at national level, beyond the mandatory core data identified by the European Commission. Indeed, the proposal allows Member States to require up to 21

information boxes, or, in specific cases, up to more than 26 information boxes in addition to those required by the European Commission.

- Whilst the proposal aims at harmonizing the periodicity of the returns, the submission deadlines, the procedures for submitting corrections and the format of electronic submission of returns, ECSA notes that this proposal will not result in any improvement at all. Member States are able to impose different requirements, which would result in a more complex situation than is already the case.
- The identification of the technical details, definitions and procedures for submitting VAT returns will be done in the context of Comitology, where the industry is not necessarily present. Moreover, we understand that decisions in Comitology are taken on the basis of a qualified majority, whilst fiscal matters still require unanimity. By following the Comitology procedure, a leeway is created to bypass the unanimity requirement for fiscal matters.

Given these constraints, ECSA is of the view that for the short term the industry would benefit more from a system of VAT clearance enabling companies to deduct VAT paid abroad in their national VAT filing, and/or from a web-based portal for easy access to information about foreign VAT rates and other foreign stipulations

### **Conclusion**

In sum, ECSA fully supports the objectives of the proposed Council Directive but believes that there are a number of important constraints which would in fact result in more administrative burdens for shipping companies than at present. Instead, we have made a number of alternative suggestions of which we firmly believe that they will bring benefits to the shipping companies in the short term.

We remain at your disposal to explain / clarify our position.

For more information, please contact:

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