



Mr. Vincent Van Peteghem

Deputy Prime Minister and Minister of Finance of
Belgium

and

President of the Economic and Financial Affairs
Council

Ministère des Finances,

12, rue de la Loi

1000 Bruxelles

10 January 2024

Dear Minister,

VAT Digital Reporting – an urgent need for a common framework

As the Belgian Presidency advances the negotiations on the VAT in the Digital Age (ViDA) proposal, BusinessEurope continues to reiterate its **support for a reform of the EU's VAT compliance framework with rules that work better for businesses.**

Progress in this area can play an important contribution to eliminating trade barriers within the Single Market. Furthermore, it aligns with the Commission's overarching goal of reducing reporting requirements in the EU legislation by 25%, strengthening the EU's competitiveness and rendering it more attractive for investments from businesses located outside the EU.

However, we are concerned that, pending the negotiations on this proposal in Council, there is an increasing trend among Member States to introduce their own models of digital reporting for domestic transactions.

Unless these domestic models are interoperable with the Commission's proposed standard for intra-Community transactions, there is a danger that businesses operating within the Single Market may find themselves burdened with the need to adhere to multiple national reporting standards, before needing to change systems once more to adhere to the EU standard, once that is implemented. This scenario will inevitably lead to excessive costs for businesses and ultimately hinder the Commission's policy objectives in this field.

We therefore urge Member States to **reach agreement as a matter of urgency on a harmonised digital reporting framework for intra-Community transactions ensuring that domestic reporting models are interoperable within an EU framework.** As part of such agreement, it will also be important to establish a transitional period within which national systems converge their systems with the EU framework, ensuring the effectiveness and efficacy of the rules.

We remain at your disposal if we can be of further assistance.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "M. Beyrer", written over a long, sweeping blue line that extends across the page.

Markus J. Beyrer