

By PwC Deutschland | 10 December 2024

EU Council introduces electronic VAT exemption certificate

Today, the Council of the EU reached a political agreement on a new directive paving the way for the introduction of an electronic tax certificate for VAT exemptions. The directive will provide for an electronic certificate to replace the existing paper certificate that is used when goods are to be exempt from VAT, for example because they are imported for embassies, international organizations, or armed forces.

In a transitional period, member states will be able to use both electronic and paper versions.

Member states brought a number of amendments to the Commission's initial proposal. In particular they limited the scope of the mandatory use of the electronic VAT exemption certificate to situations where two member states are involved, and the exemption is not granted by way of a refund.

The Council also added to the Directive a number of key elements of the future electronic certificate that the Commission will take into account when designing the format, in the text of the directive. Furthermore, the Council shortened the transition period, originally planned to last 4 years (2026-2030), to just 1 year (2031-2032). The delayed starting date should help tax authorities spread in time the necessary IT developments, which will coincide with the significant investments needed to implement the VIDA package.

More details to be found [here](#) (Council of the EU, press release of 10 December 2024).

Keywords

VAT Exemption, electronic data