



FEE CONFERENCE – SME

SCHEVENINGEN 7 SEPTEMBER 2007

STEPHEN DALE

Partner-Landwell & Associés – Paris
President Indirect Tax Working Party – FEE
Deputy President Indirect Tax Association
Board Member Association de la Pratique de la TVA

European Federation of Accountants
Fédération des Experts Comptables Européens

www.fee.be

➤ EU Commission Strategy

↪ Simplification

↪ Modernisation

↪ Uniform application of the rules

↪ Enhanced administrative cooperation

Indirect Tax Reporting

- EU Commission Strategy
 - Simplification
 - ✧ « One Stop Shop » proposals - adopted 5 June 2007 (Political agreement)
 - Optional system for limited range of services
 - 8th Directive simplifications – cross border VAT refunds.

Indirect Tax Reporting

- « One Stop Shop »
 - ✧ Single place of filing of all VAT returns
 - ✧ BUT * payments of tax made directly
 - * application of local rules required

- Special regimes for non-residents
 - eg France/Spain

Indirect Tax Reporting

- Fight against fraud
 - ↪ Increasing burdens affecting small businesses the most!
 - ↪ PwC study for the Commissions shows that for a change in VAT System, impact on small businesses is 4 times that for large businesses « one off » costs and upto 9 times that for on-going costs!
 - ↪ New Italian rules from 15 October 2007.

➤ VAT refund claims across borders

8th Directive – Political agreement

↳ Simplifications proposed

↳ Standardised codings

↳ One place of filing

✧ BUT – must respect local declaration rules
– must respect local time limits

➤ VAT reporting

↳ Electronic filing allowed in increasing numbers of Member States

✧ Ceilings are being lowered to oblige more electronic filing

↳ More statistics being required – are they being used ?

Indirect Tax Reporting

➤ Work of the OECD

↳ Standard audit file (tax) – Guidance notes May 2005

✧ « File containing reliable accounting data exportable from an original accounting system for a specific time period and easily readable by virtue of its standardisation of layout and format used by revenue authorities....(for auditing purposes) »

➤ Conclusion

- ↳ Commission pursuing its strategy of simplification for business
 - ✧ « One stop shop »
 - ✧ 8th Directive
 - ✧ also excises
- ↳ OECD – Simplification of reporting and reducing burdens
- ↳ Electronic filing becoming the « norm »