



Bundesministerium  
der Finanzen

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Director-General



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**Via email only**

Council of the European Union  
General Secretariat

2 June 2020

SUBJECT **European Commission legislative proposals to extend the implementation deadline for the second stage of the VAT e-commerce package**

REFERENCE Council documents 7885/20, 7886/20 and 7887/20

Dear ladies and gentlemen,

At the end of 2017, the Council adopted the VAT e-commerce-package, which put the taxation of cross-border online trade on a new base. According to the current status, the technically highly complex regulations are to be implemented into national law by 1 January 2021. Germany and the Netherlands had always pointed out in the consultations the problems foreseeable with the ambitious schedule. In a joint protocol declaration, the Council and the Commission have therefore agreed to evaluate the feasibility of the schedule in due course.

The known problems with the implementation of the e-commerce package have been exacerbated by the restrictions caused by the corona pandemic. These difficulties affect not only implementation at the administrative level, but also at the economic, especially the logistics, level.

Against this background, on 8 May 2020, the Commission introduced its proposals for a six-month postponement of the entry into force of the second stage of the VAT e-commerce package.

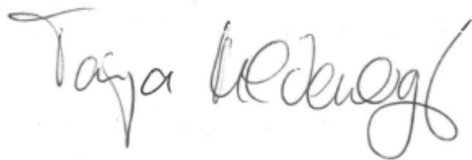
From the point of view of Germany and the Netherlands, when the relevant changes enter into force a comparable standard of application must be guaranteed across the Union in the interests of taxpayers, service providers and administrations. At this stage we already know a 6 months postponement will not be enough, so we should not be passing the buck.

Therefore, preference should be given to the quality of implementation in weighing up the various aspects. For this reason, Germany and the Netherlands are in favour for a new entry into force of the relevant legal changes at the earliest by 1 January 2022 instead of the six-month extension proposed by the Commission. Furthermore, Germany and the Netherlands are of the opinion that it would be good to introduce a new moment, for example early 2021, for the Commission to evaluate the implementation of the amended rules.

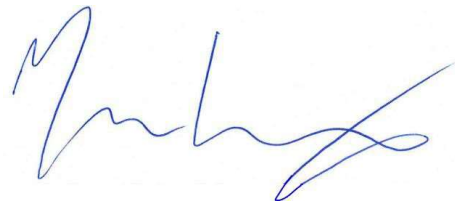
We would like to assure you that Germany and the Netherlands are very interested in a quick conclusion of the consultations and decision - this serves the legal security of all involved. With this in mind, we expressively welcome the fact that the Presidency is planning a speedy consultation. Germany and the Netherlands will support the Presidency in the interest of a short-term decision.

Yours sincerely,

Tanja Mildenberger  
Director-General  
Federal Ministry of Finance, Germany

A handwritten signature in blue ink, appearing to read 'Tanja Mildenberger', written in a cursive style.

Jasper Wesseling  
Director-General  
Ministry of Finance of the Netherlands

A handwritten signature in blue ink, appearing to read 'Jasper Wesseling', written in a cursive style.