

MMTA TRADE AND LOBBY COMMITTEE'S NEWSLETTER

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INPUT REQUESTED ON NEW RULES FOR VAT COLLECTION

1. Aligning centralization of import VAT obligations to centralized customs clearance

The European Commission launched a consultation to obtain business views on possible solutions relating to the VAT collection rules in connection with centralized customs clearance.

According to the Modernised Customs Code (MCC) as laid down in Regulation 450/2008, importers may obtain a license to both declare and pay customs duties to the local customs administration of their establishment, *independent from where the goods are physically imported* and independently where they are transported to within the EU. The Member State where the duties are declared becomes the Member State of authorisation. However, the current VAT legislation requires importers to assess and pay VAT in the Member State of *actual importation*. The Commission considers an amendment to the VAT rules to ensure that businesses can get the full benefit of centralised clearance.

The centralization of import VAT obligations would simplify the obligations of the importers at the time of importation by allowing them to declare all the obligations related to importation in the Member State of authorisation.

2. Questions of the Commission Consultation

The Consultation requests input from interested stakeholders on the following questions:

- a) Do you consider that amendments to VAT collection rules are necessary in the context of centralised clearance? Please elaborate.
- b) Which model do you consider as the most appropriate for import VAT obligations, a centralised or a decentralized model and why?
- c) Do you consider that it is simpler to account for import VAT together with customs duties or to file a separate import VAT declaration on a periodic basis and why?
- d) What other aspects do you think should also be considered in the context of this exercise?

3. Suggested action

MMTA members may greatly benefit from a simplification of VAT procedures, in addition to the current simplification and centralization of customs obligations. Therefore, MMTA members could consider conducting an analysis of how their interests would be best served by a simplification of VAT collection rules, and following that analysis provide input to the European Commission.

Replies to the Commission's consultation should be sent to:

European Commission: Directorate-General for Taxation and Customs Union

VAT and other turnover taxes –Unit TAXUD/C1
Rue de Spa 3, 05/36
B-1049 Brussels
Belgium

Fax: +32-2-299.36.48

E-mail: TAXUD-C1-CENTRCLEAR@EC.EUROPA.EU

Please note that the deadline to provide input is 30th September 2010.

Please contact the [MMTA](#) or [Arnoud Willems](#) at Sidley Austin for more information.

