Council Implementing Regulation (EU) 2020/1112 of 20 July 2020 amending Implementing Regulation (EU) 2019/2026 as regards the dates of application in response to the COVID-19 pandemic

COUNCIL IMPLEMENTING REGULATION (EU) 2020/1112

of 20 July 2020

amending Implementing Regulation (EU) 2019/2026 as regards the dates of application in response to the COVID-19 pandemic

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax[(1)], and in particular Article 397 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Council Implementing Regulation (EU) No 282/2011[(2)] lays down detailed provisions for special schemes for taxable persons supplying certain services to non-taxable persons.

(2) Council Implementing Regulation (EU) 2019/2026[(3)] amends those provisions to extend the scope of existing special schemes and introduce a new scheme in order to modernise the legal framework for value added tax (VAT) for cross-border business-to-consumer (B2C) e#commerce. Those amendments are to be applied from 1 January 2021.

(3) On 30 January 2020, the World Health Organization (WHO) declared the COVID# 19 outbreak a public health emergency of international concern. On 11 March 2020, the WHO declared the COVID#19 outbreak a pandemic. The COVID#19 pandemic has affected all Member States. Due to the alarming increase in cases and the lack of efficient means immediately available to deal with the COVID-19 pandemic, numerous Member States have declared a national state of emergency.

(4) The COVID-19 pandemic constitutes an unexpected and unprecedented emergency that deeply affects all Member States and obliges them to take immediate action at national level to deal with the ongoing crisis as a priority by reallocating resources reserved for other issues. As a result of this crisis, several Member States are encountering difficulties in finalising the development of IT systems necessary for the application of Implementing Regulation (EU) 2019/2026 as of 1 January 2021. Several Member States as well as postal and courier operators have therefore asked for the postponement of the dates of application of Implementing Regulation (EU) 2019/2026.

(5) Taking into consideration the challenges that Member States face in tackling the COVID#19 crisis and the fact that the new provisions are based on the principle that all Member States have to update their IT systems in order to be able to apply Implementing

Regulation (EU) 2019/2026, and ensure the collection and transmission of information and payments under the modified schemes, it is necessary to postpone the dates of application of that Implementing Regulation by six months. A postponement of six months is appropriate, as the delay should be kept as short as possible in order to minimise additional budgetary losses for Member States.

(6) In view of the significant impact of the economic disturbances and possible additional difficulties resulting from the COVID#19 pandemic and in order to support the correct and timely application of the new VAT e#commerce rules, the Commission could work closely with the Member States concerned to monitor the adaptation of the national IT systems and to provide technical assistance whenever needed.

(7) Implementing Regulation (EU) 2019/2026 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) 2019/2026 is amended as follows:

(1) in point (5) of Article 1, the new paragraph 1 of Article 61 of Implementing Regulation (EU) No 282/2011 is replaced by the following:

1. Changes to the figures contained in a VAT return relating to periods up to and including the second return period in 2021 shall, after the submission of that VAT return, be made only by means of amendments to that return and not by adjustments in a subsequent return.

Changes to the figures contained in a VAT return relating to periods from the third return period in 2021 shall, after the submission of that VAT return, be made only by adjustments in a subsequent return.;

(2) in Article 2, the second and third paragraphs are replaced by the following:

It shall apply from 1 July 2021.

However, Member States shall allow taxable persons and intermediaries acting on their behalf to submit the information required under Articles 360, 369c or 369o of Directive 2006/112/EC for registration under the special schemes as from 1 April 2021..

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.