



8 February 2016

1. Guidance on VAT place of supply for works on immovable property

On 4 February 2016, the European Commission published an explanatory note on the EU VAT place of supply rules on services connected with immovable property that will enter into force on 1 January 2017. These services should be taxed at the presumed place of consumption of the service, meaning at the place where the property is located. As the Commission explains, this cannot be circumvented through contractual arrangements. The notes are not legally binding and are to be considered a work in progress.

- Explanatory notes: [EN](#)

2. Commission updates VAT e-learning course

On 4 February 2015, the European Commission has updated its free on-line VAT e-learning course. The 12 modules available in English have an estimated duration between 20 and 65 minutes.

- All modules: [EN](#)

3. EP rapporteur supportive of Commission proposal to extend VAT minimum rate

On 14 December 2016, the European Commission proposed a Directive extending the transitional EU minimum VAT rate of 15 %, applying since 1993, by another two years until the end of 2017. The Commission will present its ideas on a definitive VAT system probably on 8 March 2016. The possibility of greater national autonomy in setting rates and the future of temporary derogations allowing for exemptions, zero rates and super-reduced rates will be part of the announced review.

8 March 2016 is also the indicative date for the European Parliament's plenary vote. The rapporteur on this file, MEP Peter Simon (Germany, S&D), has presented his draft report on 4 February 2016, supporting the Commission's proposal. The Parliament only has consultative powers on this matter; the EU Council will have to vote with unanimity. The changes will not force any EU member state to change its standard VAT rate, as all member states currently operate standard VAT rates above 15%, the lowest being Luxembourg with 17%.

- Commission proposal, 14.12.2016 : [EN](#)
- Draft report, 4.2.2016 : [EN](#)

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