

**6. NEW LEGISLATION – MATTERS CONCERNING THE IMPLEMENTATION OF RECENTLY ADOPTED EU VAT PROVISIONS**

- 6.2 Origin:** Commission  
**References:** New Articles 284, 284a-284e, 288, 288a, 292a-292d of the VAT Directive  
Articles 17(1)(a) and (2), 21(2b), 31(2a), 32(1) and 37a-37b of the VAT Administrative Cooperation Regulation  
**Subject:** The SME scheme updated as of 1 January 2025  
(Document taxud.c.1(2023)11242551 – Working paper No 1073)

with account also taken of discussions during the 121<sup>st</sup> meeting:

**5. NEW LEGISLATION – MATTERS CONCERNING THE IMPLEMENTATION OF RECENTLY ADOPTED EU VAT PROVISIONS**

- 5.2 Origin:** Netherlands  
**References:** New Article 284(1)  
**Subject:** The new special scheme for small enterprises and fixed establishments  
(Document taxud.c.1(2022)7157727 – Working paper No 1051)

1. Solely for the purposes of applying the special scheme for small enterprises provided for in Title XII, Chapter 1, of the VAT Directive, the VAT Committee **almost unanimously** agrees that for a taxable person to be regarded as established within the territory of a Member State as provided for under Article 284(1) of the VAT Directive in its wording as of 1 January 2025 and granted possible exemption, the place where the functions of that taxable person's central administration are carried out must be in that particular Member State, as determined based on criteria equivalent to those laid down in Article 10(2) and (3) of the VAT Implementing Regulation. Consequently, the VAT Committee agrees by **almost unanimity** that where a taxable person only has a fixed establishment in a particular Member State, that taxable person cannot for the application of this special scheme be regarded as established in that Member State. Similarly, where a taxable person whose functions of central administration are carried out outside the EU has a fixed establishment in a particular Member State, the VAT Committee **almost unanimously** agrees that the taxable person cannot be regarded as established in that Member State under Article 284(1) of the VAT Directive in its wording as of 1 January 2025.

2. Where the exemption under the said special scheme has been put in place by a Member State in which a taxable person established in another Member State has a fixed establishment, the VAT Committee **almost unanimously** agrees that the taxable person may benefit from the exemption in that Member State pursuant to Article 284(2) of the VAT Directive in its wording as of 1 January 2025. Where a taxable person is not established in any Member State as the taxable person's functions of central administration are carried out outside the EU, the VAT Committee **almost unanimously** agrees that such a non-established taxable person cannot benefit from the exemption in that Member State provided for under Article 284(2) of the VAT Directive in its wording as of 1 January 2025. The VAT Committee **almost unanimously** agrees that this shall apply whether or not the non-established taxable person has a fixed establishment in the Member State concerned or any other Member State.

These guidelines replace those agreed on the issue of the new special scheme for small enterprises and fixed establishments following the discussion at the 121<sup>st</sup> meeting (Document B – taxud.c.1(2023)5257065 – Working paper No 1056).

**ATTENTION:** Please bear in mind that guidelines issued by the VAT Committee are merely views of a consultative committee. They do not constitute an official interpretation of EU law and do not necessarily have the agreement of the European Commission. They do not bind the European Commission or the Member States who are free not to follow them.

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