

AG/G100929/DVI

Geneva, 5 November 2010

IRU Resolution on dysfunctional VAT recuperation systems

Adopted by the IRU General Assembly in Geneva on 5 November 2010

IRU Resolution on problems concerning the rules and practical implementation of procedures for refunding VAT to EU and non-EU international transport operators.

The International Road Transport Union (IRU) representing truck, bus, coach and taxi operators through its 180 Members in 74 countries on 5 continents,

Considering that:

- since 1 January 2010 EU Council Directive 2008/9/EC has set detailed rules requiring the use of national electronic web portals for refunding VAT paid in one EU Member State to a taxable person established in another EU Member State - such as an international road transport operator purchasing fuel, repair services or motorway tolls, etc. abroad;
- serious delays and technical problems have affected the development and operation of the web portals in some EU Member States, preventing the timely submission of claims to the Member State of establishment and thereby jeopardising the right of taxable persons to a reimbursement of VAT incurred abroad;
- road transport related VAT refunds represent as much as 80% of the total number of claims submitted each year and the road transport sector which has a high proportion of small, medium and even micro sized companies is particularly vulnerable to liquidity problems;
- the precarious financial situation of many road transport companies has been greatly aggravated by the economic crisis which finds them more than ever dependent on VAT claims being promptly honoured;
- Directive 2006/112/EU establishes the principle that non-EU operators may be reimbursed for VAT incurred inside the EU, but they are faced with a mosaic of country specific procedures and requirements established through bilateral agreements making the efficient refund of VAT to non-EU operators very difficult in practice;
- current bilateral agreements between individual Member States and third countries have resulted in a distorted and unequal situation between road transport operators operating in the same transport market, creating disparities based on nationality.

IRU
R
E
S
O
L
U
T
I
O
N

The road transport industry represented by the IRU and its National Member Associations calls upon the EU to:

- safeguard the right of those incurring VAT costs to a reimbursement, by extending the deadline for the submission of 2009 VAT claims - if necessary beyond 31 March 2011 – until a properly functioning electronic VAT refund system is demonstrably restored across the EU;
- to align the technical provisions of Member State web portals required for the introduction of a properly functioning and fully interoperable electronic VAT refund system without delay;
- agree a plan and timetable, with the input of industry, marking all necessary steps needed to introduce a fully functioning electronic VAT refund system within the EU;
- reintroduce, until such time as an electronic VAT refund system is fully operable, the possibility of using the pre-2010 paper-based submission process to clear the backlog of currently unpaid claims;
- require the Member States to cover the costs of un-refunded VAT. Require Member States, which do not have an operational web platform enabling timely refunds to pay the interest on late payments;
- address the fragmented situation concerning the rules for reimbursing VAT to non-EU operators, working towards harmonised EU level arrangements, to be negotiated and agreed between the EU and third countries and thereafter to be applied for all VAT expenses incurred within EU territories, and containing reciprocal arrangements for the refund of equivalent taxes incurred by EU operators on the territory of third countries.

Calls on Road Transport Associations:

- to assist their Members to find ways to ensure that VAT refund claims can be submitted and credited in the shortest possible time and for EU associations to exert maximum pressure on national authorities to resolve all technical problems in their web portals as a priority of the highest order.

Calls on Road Transport Operators:

- to be aware of the services provided by VIALTIS which is currently acting as a single window for the refund of VAT incurred inside the EU by non EU operators, in addition to its role in processing intra EU claims.

* * * * *