



Brussels, 14 October 2024

Dear Minister Mihály Varga, Minister of Finance of Hungary and President of the Economic and Financial Affairs Council,
Dear President of the European Commission, Ursula von der Leyen,
Dear Commissioner-Designates Henna Virkkunen, Valdis Dombrovskis, and Wopke Hoekstra,
Honourable Members of the European Parliament Olivier Chastel, Lídia Pereira, and Aurore Lalucq,

In October 2021, Ecommerce Europe and EuroCommerce jointly launched a [Joint Campaign on Single VAT](#) to raise awareness of the urgent need for a Single VAT ID Registration system. This initiative is critical for facilitating VAT compliance across the EU and reducing the regulatory burden on SMEs engaged in cross-border business. We were encouraged to see this pivotal measure included in the VAT in the Digital Age (ViDA) proposal, introduced by the European Commission in 2022.

The Single VAT Registration (SVR) pillar in ViDA proposes the expansion of the Union One Stop Shop to cover all B2C sales made by non-established businesses, introduces a 'Transfer Module' for reporting inventory transfers across EU locations, and implements an EU-harmonized domestic reverse charge mechanism for B2B sales. These reforms will enable businesses to operate with a single VAT registration across the EU, strengthening the Single Market. As highlighted in Letta's recent report on the Single Market, cutting red tape for SMEs is essential for fostering growth and innovation. VAT harmonization will be key to achieving these goals.

It is our understanding that Member States reached a compromise on the SVR pillar as early as May. Yet, the current political deadlock threatens to undermine the benefits of this crucial reform. As we approach the end of both the Hungarian Presidency and the year, **we are gravely concerned that the ongoing political impasse on the ViDA proposal endangers the significant progress made particularly with the Single VAT Registration pillar.** The SVR pillar is of critical importance for EU businesses, and we firmly support an ambitious implementation timeline, no later than July 2027, as outlined in the latest compromise text from the Belgian Presidency. Therefore, **we urge policymakers to take responsibility and a decisive action to ensure that the package is adopted at the upcoming ECOFIN on 5 November.**

Thank you for your consideration.

Sincerely,

Luca Cassetti

Secretary General
Ecommerce Europe

Christel Delberghe

Director General
EuroCommerce



About Ecommerce Europe

Ecommerce Europe is the united voice of the European Digital Commerce sector, representing the interests of companies selling goods and services online to consumers in Europe. Our mission is to act at EU level by engaging with policymakers to create a better regulatory framework for all e-merchants. Ecommerce Europe is a platform where our members can stay informed, exchange best practices, and define common positions on EU legislation impacting the sector.

Website: www.ecommerce-europe.eu

About EuroCommerce

EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries, sector associations and international companies. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.

Website: <https://www.eurocommerce.eu>