



Dear Sir or Madam,

CFE Tax Advisers Europe has published an [Opinion Statement](#) responding to the European Commission Public Consultation evaluating the special VAT scheme for travel agents. CFE Tax Advisers Europe welcomed the recent opportunity to provide input on the EU VAT rules for travel agents and tour operators.

CFE consider that there is a need to reform the TOMS scheme, although we do not see the need for reform as being purely due to the fact that we are now in a digital age. The problems, as we see it, are more due to the complexities and rigidities of the current rules. In particular CFE consider that the current rules are made unduly complex by the need to calculate the margin on a transaction by transaction basis, which is also inconsistent with the neutrality of the tax, by providing no machinery to reduce claims on account of losses, and causes difficulties on payments on account. CFE are also concerned about distortions caused by business customers being unable to deduct input tax and the entire margin being taxed at the standard rate when the components would otherwise be taxed at lower rates.

CFE consider that the disadvantages of the scheme could be minimised by making the scheme optional. CFE also consider that any amendments should seek to secure: (i) clear and precise VAT rules, (ii) simplified VAT reporting systems and (iii) harmonised application of the rules in this respect across the EU.

We invite you to read the [Opinion Statement](#) for further detail, and remain available for any queries you may have concerning the statement.

Kind regards,

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