



## EU COUNCIL ADOPTS DIRECTIVE TO HARMONIZE VAT TREATMENT OF VOUCHERS

On June 27, 2016 the Council of the European Union announced the adoption of an amendment to the EU VAT Directive regarding the harmonized VAT treatment of vouchers in the EU. Vouchers are used increasingly and come in many forms. They include for instance pre-paid telecom cards, gift cards and price discount coupons for the purchase of goods or services.

Currently, the VAT treatment of vouchers differs in each EU Member State. The Directive aims to increase legal certainty about the national VAT consequences of transactions with vouchers by defining what a voucher is, does reducing the risk of mismatches in national tax rules. The Member States must implement the Directive in national legislation as of January 1, 2019. Provisions will only apply to vouchers issued after that date.

We believe that the amendment of the VAT Directive raises many questions as the new definitions still offer room for multiple interpretations. Given the potential impact of the changes, we recommend that business check if current legislation is applied properly and no VAT risks and/or –leaks exist. RSM is willingly to help you with this procedures.

For more information please contact your trusted RSM advisor.

