Bilag 1 – Belgien

Fra: De Mulder Robert - Belgium - Brussels EU <robert.demulder@diplobel.fed.be>
Sendt: 5. februar 2024 19:07
Til: Christian Brande <chbran@um.dk>; Tatiani Sfelinioti <T.Sfelinioti@rp-grece.be>; Zhivko.Elenkov@bg-permrep.eu; Lenka_Mikulikova@mzv.cz; peter.deblon@diplo.de; gea.raissar-leppik@mfa.ee; Rachel.Graham@dfa.ie; saulo.marrero@reper.maec.es; celina.ruiz@reper.maec.es; clement.larrauri@dgtresor.gouv.fr; lidija.cvitic@mvep.hr; laura.troja@mef.gov.it; syennaris@tax.mof.gov.cy; Sintija.Ozola@mfa.gov.lv; vaidotas.linkevicius@eu.mfa.lt; Jules.Elsen@mae.etat.lu; Bernadett.Gubacsi@mfa.gov.hu; krisztina.magony@mfa.gov.hu; kezia.a.azzopardi@gov.mt; charles.nysten@minbuza.nl; khalid.amezoug@minbuza.nl; peter.podiwinsky@bmeia.gv.at; mariusz.makson@mf.gov.pl; bernardo.reis@mne.pt; ioana.ionescu@rpro.eu; frantisek.bonk@mzv.sk; maija.skytta@formin.fi; johan.lindqvist@gov.se; Vida.Skomina@gov.si
Cc: Minfin Beoess Obbo (MINFIN) <beoess.obbo@minfin.fed.be>; Jean-Marc Cambien (MINFIN) <jeanmarc.cambien@minfin.fed.be>
Emne: RE: Questions on reduced VAT rates on foodstuffs

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Our reference: 2024-0192

Dear Christian and colleagues,

Please find below our answers to your questions with respect to the applicable reduced VAT rates on foodstuffs in Belgium. We inserted our answers in red under the questions in your initial e-mail.

I trust this information is useful to you. In case of any further queries, please do not hesitate to contact me.

Best regards,"
Bob

Dear Colleagues,

My capital is carrying out an analysis on reduced VAT rates on food and they would appreciate if you could provide us with answers to the questions below no later than 1 March.

Preliminary remark: when mentioning foodstuffs/food in our below answers, we only refer to foodstuffs/food intended for human consumption.

1. Do you have reduced VAT rate/rates on foodstuffs in your country? **Yes**

   a. If yes, what is/are the applied rate(s) and on which specific foodstuffs?

   The VAT rates applying to the supply of foodstuffs are 6%, 12% and 21%. We attached the list of the specific foodstuffs subject to the reduced VAT rates of 6% and 12% (Annex 1).
   Restaurant and catering services are subject to the reduced rate of 12% (excluding the supply of beverages for consumption on site, which are subject to the standard VAT rate of 21%).

b. Are there any restrictions on the type of food that is covered by the reduced rate in terms of delimitation?

Yes, the following foodstuffs are excluded from the reduced VAT rates (and thus subject to the standard VAT rate of 21%):

- **caviar and caviar substitutes;**
- **crawfish, lobsters, crabs, crayfish and oysters, fresh (alive or dead), cooked in water, chilled, frozen, dried, salted, in brine, with or without shell;**
- **prepared and ready-to-eat dishes of crawfish, lobsters, crabs, crayfish and oysters, in shell or not;**
- **beers with an actual alcoholic strength by volume exceeding 0,5 % vol. and other beverages with an actual alcoholic strength by volume exceeding 1,2 % vol.**

The supply of beverages for consumption on site (considered as the supply of a service) is subject to the standard VAT rate of 21% (irrespective of the type of beverage).

c. To what extent do you experience cases of delimitation issues regarding the interpretation and application of your reduced rates on foodstuffs?

Delimitation issues occur in particular with respect to the scope of restaurant and catering services (which entails the provision of food and drink for consumption on site) versus the mere supply of foodstuffs (including take-away foods/dishes).

In view of the rather broad scope of the application of the reduced VAT rate as far as supplies of goods is concerned without any further subtle distinctions, delimitations problems in the area of supplies of goods have been fairly limited.

d. What is the reason behind the reduced rate(s) (examples could be public health, economic redistribution, climate tax etc.)?

The reason behind the reduced rates is social policy goals (enhancing the affordability of basic alimentary products for the broader population), which explains the broad application of the reduced rate in this area and the fact that the reduced VAT rate of 6 % does not apply to restaurant and catering services (supplies of food considered to be more basic than the supplies of restaurant services).

The specific exclusion of alcoholic beverages from the reduced rate of 6% applicable to food stuffs can be attributed to public health policy.

2. Are there any estimates of the administrative costs of VAT in general for companies in your country, such as *a regulatory impact assessment* (RIA)?
   a. If yes, is it possible for you to share the estimate/estimates, and the year in which it was made?

No, there are no estimates of the administrative costs of VAT in general for companies.

3. Are there any estimates of the administrative costs of VAT for companies who administer more than 1 VAT rate in your country, such as an RIA?

   a. If yes, is it possible for you to share the estimate/estimates, and the year in which it was made?

No, there are no estimates of the administrative costs of VAT for companies who administer more than 1 VAT rate in our country.

4. Have you published any reports on differentiated VAT rates in your country?
   a. If yes, is it possible for you to share the analysis?

No, we have not published any reports on differentiated VAT rates in our country.

We can refer you however to two excellent reports in the Netherlands of 242 pages and 174 pages, respectively covering the application of reduced VAT rates in general and the application of a zero rate on fruit and vegetables:

https://www.rijksoverheid.nl/documenten/rapporten/2023/04/03/definitieve-evaluatierapport-verlaagde-btw-tarief

https://www.rijksoverheid.nl/documenten/rapporten/2023/03/29/2023-32-btw-nultarief-eindrapport

Unfortunately, both reports are only available in Dutch, but in view of the enhanced automated translation capabilities, we are confident you will be able to grasp the essence of these reports.

Robert De Mulder
Fiscal attache – Indirect taxation
Permanent Representation of Belgium to the European Union
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M. 0470 764826 • robert.demulder@diplobel.fed.be •
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Annex 1:

Foodstuffs subject to the reduced VAT of 6%

- **Meat and meat offal.**

Meat and edible meat offal of any kind, whether or not prepared or preserved.

- **Fish, crustaceans and molluscs.**

Fish, crustaceans and molluscs for human consumption, whether or not prepared or preserved, **excluding**:

- ✓ caviar and caviar substitutes;
- ✓ crawfish, lobsters, crabs, crayfish and oysters, fresh (alive or dead), cooked in water, chilled, frozen, dried, salted, in brine, with or without shell;
- ✓ prepared and ready-to-eat dishes of crawfish, lobsters, crabs, crayfish and oysters, in shell or not.

- **Milk and dairy products; eggs; honey.**

- ✓ Milk and dairy products (yoghurt, cream, butter, cheese, curd, milk drinks, etc.).
- ✓ Bird eggs and egg yolk.
- ✓ Natural honey.

- **Vegetables, plants, roots and tubers, for food purposes.**

Vegetables, plants, roots and tubers, for nutritional purposes, whether or not prepared or preserved.

- **Fruit; peel of citrus fruit and melons.**
  - ✓ Fruit, prepared or preserved or not.
  - ✓ Peel of citrus fruit or melons, whether or not prepared or preserved.

- **Plant-based products.**

- ✓ Cereals.
- ✓ Oil seeds and oleaginous fruit, whole, kibbled or broken.

- **Products of the flour industry.**

Flour, groats, semolina and flakes, of cereals, of seeds of leguminous vegetables, of fruit, of potatoes or other roots and tubers; barley and pearl barley and other hulled, pearled, kibbled or crushed grains; germs of cereals, whether or not ground.

- **Fats and oils.**

✓ Animal fats and oils, crude, melted, pressed or refined.
✓ Vegetable fatty oils, crude, purified or refined.
✓ Animal or vegetable oils and fats, hydrogenated, hardened or solidified, whether or not purified, but not further prepared.
✓ Prepared edible fats, **excluding** margarine.

- **Other foods.**

✓ Coffee, including decaffeinated coffee, whether or not roasted; tea; maté; spices.
✓ Pectin and pectin-based liquid or powdery substances intended for the manufacture of jams and jellies.
✓ Meat extracts and meat juices.
✓ Sugar, syrups and molasses, whether or not caramelised, flavoured or coloured; sugar confectionery; artificial honey.
✓ Cocoa beans, cocoa mass (cocoa paste), cocoa powder, cocoa butter; chocolate and other foodstuffs containing cocoa.
✓ Malt extract; preparations used as infant food or for dietetic or culinary purposes; pasta; tapioca; preparations made from cereals made by puffing or roasting; bakery products, cakes and biscuits; wafers, cachets for medicines and similar products.
✓ Jams, jellies, marmalades, fruit puree and fruit pastes.
✓ Roasted chicory, other roasted coffee substitutes, and extracts thereof.
✓ Extracts, essences or concentrates, of coffee, tea or maté; preparations of these extracts and essences.
✓ Mustard flour and prepared mustard.
✓ Sauces; composite seasonings and similar products.
✓ Soups, broths, or concentrates; ready-to-use soups and broths.
✓ Natural yeasts, active or inactive; composite baking powders; cultures of micro-organisms for the manufacture of foodstuffs.
✓ Table vinegar (natural and artificial).
✓ Salt intended for human consumption.
✓ Gelatine for food, in thin sheets.
✓ <u>Products for human consumption not listed above.</u>

This heading **excludes** beers with an actual alcoholic strength by volume exceeding 0,5 % vol. and other beverages with an actual alcoholic strength by volume exceeding 1,2 % vol.

Foodstuffs subject to the reduced VAT of 12%

- **Margarine.**

Margarine

****

Bilag 2 – Irland

Fra: Rachel.Graham@dfa.ie <Rachel.Graham@dfa.ie>
Sendt: 2. februar 2024 09:43
Til: gea.raissar-leppik@mfa.ee; Christian Brande <chbran@um.dk>; T.Sfelinioti@rp-grece.be; Zhivko.Elenkov@bg-permrep.eu; Lenka_Mikulikova@mzv.cz; peter.deblon@diplo.de; saulo.marrero@reper.maec.es; celina.ruiz@reper.maec.es; clement.larrauri@dgtresor.gouv.fr; lidija.cvitic@mvep.hr; laura.troja@mef.gov.it; syennaris@tax.mof.gov.cy; Sintija.Ozola@mfa.gov.lv; vaidotas.linkevicius@eu.mfa.lt; Jules.Elsen@mae.etat.lu; Bernadett.Gubacsi@mfa.gov.hu; krisztina.magony@mfa.gov.hu; kezia.a.azzopardi@gov.mt; charles.nysten@minbuza.nl; khalid.amezoug@minbuza.nl; peter.podiwinsky@bmeia.gv.at; mariusz.makson@mf.gov.pl; bernardo.reis@mne.pt; ioana.ionescu@rpro.eu; frantisek.bonk@mzv.sk; maija.skytta@formin.fi; johan.lindqvist@gov.se; Vida.Skomina@gov.si; robert.demulder@diplobel.fed.be
Emne: RE: Questions on reduced VAT rates on foodstuffs

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Hi Christian

In Ireland we have a zero rate of VAT on most food (bread, milk, vegetables, tea/ coffee etc). The zero rate exists for 'clearly defined social reasons' which 'benefit the final consumer' i.e. it is motivated by social policy goals.

Certain foods are liable to a reduced rate (13.5%) or standard rate (23%) of VAT – including for example hot food takeaways, sweets, and alcoholic drinks. You can search VAT rates on individual products here: VAT rates database (revenue.ie)

Unfortunately I haven't been able to find specific research/analysis to address your other questions. However here are some links that may be of interest:

- This government briefing paper (2021) considers the potential of using VAT (& excise) on food for achieving public health outcomes: 5991d9a5-5ff2-4736-8411-e00c53f26a01.pdf (www.gov.ie).
- Each year in the context of the budget preparations, the Ministry of Finance publishes a paper reviewing the VAT system and presenting policy options for government consideration:
    - 2023: 979bd0ae-2b52-4b34-b5bf-aaed575fee27.pdf (www.gov.ie)
    - 2022: 3549777c-5cc2-432b-a7a7-22ab1e4fbf85.pdf (www.gov.ie)

Kind regards,
Rachel

Bilag 3 – Kroatien

Fra: Lidija Cvitić <Lidija.Cvitic@mvep.hr>
Sendt: 6. februar 2024 11:29
Til: Christian Brande <chbran@um.dk>
Cc: Zhivko.Elenkov@bg-permrep.eu; Lenka_Mikulikova@mzv.cz; peter.deblon@diplo.de; gea.raissar-leppik@mfa.ee; Rachel.Graham@dfa.ie; saulo.marrero@reper.maec.es; celina.ruiz@reper.maec.es; clement.larrauri@dgtresor.gouv.fr; laura.troja@mef.gov.it; syennaris@tax.mof.gov.cy; Sintija.Ozola@mfa.gov.lv; vaidotas.linkevicius@eu.mfa.lt; Jules.Elsen@mae.etat.lu; Bernadett.Gubacsi@mfa.gov.hu; krisztina.magony@mfa.gov.hu; kezia.a.azzopardi@gov.mt; charles.nysten@minbuza.nl; khalid.amezoug@minbuza.nl; peter.podiwinsky@bmeia.gv.at; mariusz.makson@mf.gov.pl; bernardo.reis@mne.pt; ioana.ionescu@rpro.eu; frantisek.bonk@mzv.sk; maija.skytta@formin.fi; johan.lindqvist@gov.se; Vida.Skomina@gov.si; t.sfelinioti@rp-grece.be; Robert.demulder@diplobel.fed.be
Emne: Fw: Questions on reduced VAT rates on foodstuffs

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Dear Christian,

Below please find Croatian replies.

Best,

Lidija

REPUBLIC OF CROATIA

Ministry of Foreign and European Affairs

Šalje: Christian Brande <chbran@um.dk>
Poslano: 1. veljače 2024. 15:10
Prima: Tatiani Sfelinioti; Zhivko.Elenkov@bg-permrep.eu; Lenka_Mikulikova@mzv.cz; peter.deblon@diplo.de; gea.raissar-leppik@mfa.ee; Rachel.Graham@dfa.ie; saulo.marrero@reper.maec.es; celina.ruiz@reper.maec.es; clement.larrauri@dgtresor.gouv.fr; Lidija Cvitić; laura.troja@mef.gov.it; syennaris@tax.mof.gov.cy; Sintija.Ozola@mfa.gov.lv; vaidotas.linkevicius@eu.mfa.lt; Jules.Elsen@mae.etat.lu; Bernadett.Gubacsi@mfa.gov.hu; krisztina.magony@mfa.gov.hu; kezia.a.azzopardi@gov.mt; charles.nysten@minbuza.nl; khalid.amezoug@minbuza.nl; peter.podiwinsky@bmeia.gv.at; mariusz.makson@mf.gov.pl; bernardo.reis@mne.pt; ioana.ionescu@rpro.eu; frantisek.bonk@mzv.sk; maija.skytta@formin.fi; johan.lindqvist@gov.se; Vida.Skomina@gov.si; De Mulder Robert - Belgium - Brussels EU
Predmet: Questions on reduced VAT rates on foodstuffs

Dear Colleagues,

My capital is carrying out an analysis on reduced VAT rates on food and they would appreciate if you could provide us with answers to the questions below no later than 1 March.

1. Do you have reduced VAT rate/rates on foodstuffs in your country? **Yes.**
   a. If yes, what is/are the applied rate(s) and on which specific foodstuffs? **A VAT rate of 5% is applied to a specific list of foodstuffs. Please see the attached document.**
   b. Are there any restrictions on the type of food that is covered by the reduced rate in terms of delimitation? **In general, the VAT rate of 5% cannot be applied to foodstuffs not specifically mentioned or identified by a detailed set of CN Codes in the VAT Ordinance. Also, a VAT rate of 13% is applied to the preparation and serving of food and desserts in the hospitality facilities and outside the hospitality facilities under special regulations. However, a VAT rate of 13% cannot be applied to supplies of food that are not consumed in hospitality facilities and/or supplied without additional services.**
   c. To what extent do you experience cases of delimitation issues regarding the interpretation and application of your reduced rates on foodstuffs? **Very often. Interpretation can be challenging. In general, we apply mainly textual description and CN codes just for some goods covered by the reduced rates. We started to use CN codes in 2017 but just for goods for which the reduced rate began to apply in 2017 (mostly food and agricultural inputs). The application of CN codes has brought new complications in practice, and now we have to consult customs colleagues very often. Now the situation is better but at the beginning, we experienced a lot of problems with the interpretation regarding the application of a VAT rate of 13% to food in hospitality facilities for example what additional services are needed to apply the rate of 13%.**
   d. What is the reason behind the reduced rate(s) (examples could be public health, economic redistribution, climate tax etc.)? **To reduce the regressive effect of VAT on the households.**

2. Are there any estimates of the administrative costs of VAT in general for companies in your country, such as *a regulatory impact assessment* (RIA)? **No.**
   a. If yes, is it possible for you to share the estimate/estimates, and the year in which it was made?

3. Are there any estimates of the administrative costs of VAT for companies who administer more than 1 VAT rate in your country, such as an RIA? **No.**
   a. If yes, is it possible for you to share the estimate/estimates, and the year in which it was made?

4. Have you published any reports on differentiated VAT rates in your country? **No**.
   a. If yes, is it possible for you to share the analysis?

Best regards,

Christian

CHRISTIAN BRANDE / CHBRAN@UM.DK

FISCAL ATTACHÉ

MOBILE +32 (0) 496 26 80 25

THE PERMANENT REPRESENTATION OF DENMARK TO THE EU

PERMANENT REPRESENTATION OF DENMARK TO THE EUROPEAN UNION / B-1040 BRUXELLES

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Extract from the Article 38 paragraph 2 of the Croatian VAT Act

VAT shall be calculated and paid at a reduced rate of 5% on supplies of the following goods and services:

- all types of bread,
- all types of milk (cow, sheep, goat) marketed under the same name in liquid form, fresh, pasteurized, homogenised, condensed (other than soured milk, yoghurt, kefir, chocolate milk and other milk products), breast milk substitutes,
- baby food and processed cereal-based food for infants and young children,
- edible oils and fats of plant and animal origin, butter and margarine,
- supply of live animals: bovine animals, swine, sheep, goats, horses, asses, farmyard poultry, farmed rabbit and hares,
- supply of fresh or chilled meat and edible offal from: bovine animals, swine, sheep, goats, horses, asses, farmyard poultry, farmed rabbit and hares,
- supply of fresh or chilled sausages or similar meat products, meat offal or blood products,
- supply of fresh fish,
- supply of fresh or chilled fish, molluscs or other aquatic invertebrates,
- supply of fresh or chilled crustaceans: lobster, crawfish, shrimp, prawn,
- supply of fresh or chilled vegetables, roots and tubers, including dried leguminous vegetables,
- supply of fresh and dried fruits and nuts,
- supply of fresh poultry eggs in shell,
- plants and seeds,
- products predominantly used as animal feed, other than petfood.

Bilag 4 – Letland

Fra: Tatjana Jacuka <tatjana.jacuka@fm.gov.lv> **På vegne af** NND
Sendt: 19. februar 2024 15:31
Til: Christian Brande <chbran@um.dk>
Cc: Sandra Bormeistere <sandra.bormeistere@fm.gov.lv>; Sintija Ozola <Sintija.Ozola@mfa.gov.lv>
Emne: FW: 1649_Questions on reduced VAT rates on foodstuffs

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19.02.2024. Nr.4.1-13/5.2/44

Dear Colleagues,

In replay to your letter sent on 1 February 2024 we provide the following answers to your e-mail questions.
Answer to the 1.question
In Latvia the reduced VAT rate in the amount of 12 % shall be applied to the supply of:

I) the specialised food products intended for infants if the product labelling indicates that the product is intended for the nutrition of infants and a document attesting the harmlessness of the product is appended thereto:

✓ milk and dairy products;
✓ dry and liquid milk mixtures and dairy products of such mixtures;
✓ soy products, dry and liquid soy mixtures;
✓fruit, berry and vegetable juices, squashes and purees;
✓ special easily digestible meat products and homogenised mixed-ingredient products;
✓ drinks for infant nutrition - juices diluted with tea, specially prepared infant teas, water which is adapted for infants and put in a special packaging (still);
✓ therapeutic diet enteral nutrition products;
✓ mixtures of aminoacids;
✓ protein hydrolysates;
✓ mixtures with low lactose content or without lactose;
✓ gluten-free products for infants who suffer from coeliac disease;
✓ gluten-free products for infants who suffer from phenylketonuria;

✓ special products for infants who have hereditary pathology of metabolism;
✓ mixtures with lowered or elevated protein content and products which do not contain proteins (for example, artificial sago, flour, macaroni, bread, biscuits, groats, dry flakes);
✓ products and mixtures with lowered or elevated fat content;
✓ products and mixtures with lowered or elevated carbohydrate content.

II) such food products which are the fresh fruits, berries and vegetables, including washed, peeled, shelled, cut and packaged, but not thermally or otherwise processed (for example, frozen, salted, dried), referred to in the Annex to VAT Law (https://likumi.lv/ta/en/en/id/253451-value-added-tax-law) .

Regarding these products, we can inform you that temporary from 1 January 2018 until 31 December 2023 the reduced VAT rate in the amount of 5% was applied and it was a political decision.
From 1 January 2024 is applicable the reduced VAT rate of 12%.

Based on the information provided by the tax administration, no confusion or problems have been observed with the application of the reduced VAT rate to the mentioned goods.

Answer to the 2.-3. question

We do not have estimates of the administrative costs of VAT for companies applying the reduced VAT rate.

Answer to the 4. question

No published reports and analyses of this type.

Best regards,

Tatjana Jacuka

Senior Expert of Value Added Tax Division
of Indirect Tax Department
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Ministry of Finance
Republic of Latvia

LATVIA EU NATO 20

Bilag 5 – Polen

Fra: Maksoń Mariusz <mariusz.makson@mf.gov.pl>
Sendt: 9. februar 2024 06:42
Til: Christian Brande <chbran@um.dk>; Tatiani Sfelinioti <T.Sfelinioti@rp-grece.be>; Zhivko.Elenkov@bg-permrep.eu; Lenka_Mikulikova@mzv.cz; peter.deblon@diplo.de; gea.raissar-leppik@mfa.ee; Rachel.Graham@dfa.ie; saulo.marrero@reper.maec.es; celina.ruiz@reper.maec.es; clement.larrauri@dgtresor.gouv.fr; lidija.cvitic@mvep.hr; laura.troja@mef.gov.it; syennaris@tax.mof.gov.cy; Sintija.Ozola@mfa.gov.lv; vaidotas.linkevicius@eu.mfa.lt; Jules.Elsen@mae.etat.lu; Bernadett.Gubacsi@mfa.gov.hu; krisztina.magony@mfa.gov.hu; kezia.a.azzopardi@gov.mt; charles.nysten@minbuza.nl; khalid.amezoug@minbuza.nl; peter.podiwinsky@bmeia.gv.at; bernardo.reis@mne.pt; ioana.ionescu@rpro.eu; frantisek.bonk@mzv.sk; maija.skytta@formin.fi; johan.lindqvist@gov.se; Vida.Skomina@gov.si; De Mulder Robert - Belgium - Brussels EU <robert.demulder@diplobel.fed.be>
Emne: RE: Questions on reduced VAT rates on foodstuffs

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Kategoria: Międzynarodowe

Dear Christian,

In Poland - generally – reduced 5% VAT rate applies to food products. The detailed category are listed in items 1-18 of Annex 10 to the Polish VAT Act:
https://isap.sejm.gov.pl/isap.nsf/download.xsp/WDU20230001570/U/D20231570Lj.pdf
The main categories of these foodstuffs are:

- meat and fish and their products,
- milk and dairy products,
- eggs,
- natural honey,
- nuts,
- vegetables and fruits and their preserves,
- edible animal and vegetable fats,
- cereals and cereal products, including bread and confectionery,
- and certain formulas and milk for feeding infants and children and dietary foods for special medical purposes.

As a response to a significant increase in energy prices across the European Union, which has negatively affected, in particular, households and entrepreneurs, Poland introduced - from 1 February 2022 to 31 March 2024 as part of the anti-inflation package - a temporary reduction of VAT rate to 0% on abovementioned foodstuffs.

Additionally, a reduced 8% VAT rate applies to the supply of certain food products as part of the broadly understood catering activity. This rate is applied to the supply of goods and services classified according to the Polish Classification of Goods and Services (PKWiU) in the group of services related to food (PKWiU 56), excluding sales in the scope of:

- certain drinks (alcoholic drinks, coffee, tea, water, fruit and vegetable drinks containing less than 20% fruit or vegetable juice),
- meals containing the so-called seafood
- unprocessed products taxed at the basic rate.

The standard VAT rate (23%) applies to other food products not listed in the above-mentioned rules.

Due to the fact that the scope of reduced VAT rates in this area is determined mainly by the Combined Nomenclature (CN) and Polish Classification of Goods and Services (PKWiU), problems may arise with the proper classification of some provisions according to these classifications, and therefore with the correct assignment of the VAT rate.

We have no estimates of the administrative costs of VAT in general for companies.

We have no estimates of the administrative costs of VAT for companies who administer more than one VAT rate in PL.

We have not published any reports on differentiated VAT rates in PL.

We hope you will find this helpful.

Best regards,

Mariusz

Bilag 6 – Frankrig

Til: chbran@um.dk (Christian Brande)
Fra: LARRAURI Clément (clement.larrauri@dgtresor.gouv.fr)
Titel: TR: TR: Questions on reduced VAT rates on foodstuffs
Sendt: 01-02-2024 17:09

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Dear Christian,

Please find below replies to your questions.

Hope that helps !
Best
Clément

De : Christian Brande <chbran@um.dk>
Envoyé : jeudi 1 février 2024 15:10
À : Tatiani Sfelinioti <T.Sfelinioti@rp-grece.be>; Zhivko.Elenkov@bg-permrep.eu; Lenka_Mikulikova@mzv.cz; peter.deblon@diplo.de; gea.raissar-leppik@mfa.ee; Rachel.Graham@dfa.ie; saulo.marrero@reper.maec.es; celina.ruiz@reper.maec.es; LARRAURI Clément <clement.larrauri@dgtresor.gouv.fr>; lidija.cvitic@mvep.hr; laura.troja@mef.gov.it; syennaris@tax.mof.gov.cy; Sintija.Ozola@mfa.gov.lv; vaidotas.linkevicius@eu.mfa.lt; Jules.Elsen@mae.etat.lu; Bernadett.Gubacsi@mfa.gov.hu; krisztina.magony@mfa.gov.hu; kezia.a.azzopardi@gov.mt; charles.nysten@minbuza.nl; khalid.amezoug@minbuza.nl; peter.podiwinsky@bmeia.gv.at; mariusz.makson@mf.gov.pl; bernardo.reis@mne.pt; ioana.ionescu@rpro.eu; frantisek.bonk@mzv.sk; maija.skytta@formin.fi; johan.lindqvist@gov.se; Vida.Skomina@gov.si; De Mulder Robert - Belgium - Brussels EU <robert.demulder@diplobel.fed.be>
Objet : Questions on reduced VAT rates on foodstuffs

Dear Colleagues,

My capital is carrying out an analysis on reduced VAT rates on food and they would appreciate if you could provide us with answers to the questions below no later than 1 March.

1. Do you have reduced VAT rate/rates on foodstuffs in your country?
   a. If yes, what is/are the applied rate(s) and on which specific foodstuffs?

A 5,5% rate is generally applicable to all foodstuffs. It includes foodstuff to takeaway, or delivered at home, provided these products are not designed for instant consumption; if they are, they are considered to be catering and, therefore, a 10% rate is applicable.

   b. Are there any restrictions on the type of food that is covered by the reduced rate in terms of delimitation?

Yes, are excluded in particular alcoholic beverages, catering, as well as certain sugary products (chocolate in most cases, caviar, candy, margarine…).

   c. To what extent do you experience cases of delimitation issues regarding the interpretation and application of your reduced rates on foodstuffs?

These cases are obviously very frequent as the applicable law implies a case-by-case analysis and required to adopt simplification rules to clarify the applicable rate depending on the product and the situation. A very detailed administrative guidance covers these issues (see for instance the table here :

BOI-ANNX-000495 - ANNEXE - TVA - Tableau récapitulatif des taux applicables pour les ventes à emporter ou à livrer de produits alimentaires préparés en vue d'une consommation immédiate, en fonction des produits et des situations | bofip.impots.gouv.fr [*in french*]).

   d. What is the reason behind the reduced rate(s) (examples could be public health, economic redistribution, climate tax etc.)?

The above-mentioned exclusion clearly mirror public health considerations. In general, the reduced rate on foodstuff is widely seen as a way to alleviate the regressive effects of VAT on households depending on their levels of income.

2. Are there any estimates of the administrative costs of VAT in general for companies in your country, such as *a regulatory impact assessment* (RIA)?
   a. If yes, is it possible for you to share the estimate/estimates, and the year in which it was made?

[No such assessment exists]

3. Are there any estimates of the administrative costs of VAT for companies who administer more than 1 VAT rate in your country, such as an RIA?
   a. If yes, is it possible for you to share the estimate/estimates, and the year in which it was made?

[No such assessment exists]

4. Have you published any reports on differentiated VAT rates in your country?
   a. If yes, is it possible for you to share the analysis?

Multiple reports have addressed this issue. The most comprehensive work is a recent 2023 report by the French Court of Auditors (Cour des comptes) which addresses in particular the economic effects of VAT and the use(less)ness of VAT reduced rates in reaching different policy goals (accessible here in French : La TVA, une taxe à recentrer sur son objectif de rendement pour les finances publiques | Cour des comptes (ccomptes.fr)).

Best regards,
Christian

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Sendt: 13. februar 2024 11:22
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Emne: RE: Questions on reduced VAT rates on foodstuffs

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Dear Christian and colleagues,

We apply a reduced rate of 10% to most foodstuffs, excluding alcohol (as per the Directive) and drinks with added sweeteners. Those drinks are taxed at the general rate of 21%.

As an exception to the 10% rate, we apply a reduced rate of 4% to milk, bread, flour, eggs, cheese, fruit and vegetables, when they are sold without any processing (e.g., oranges are taxed at 4%, but fresh pressed orange juice is taxed at 10%; and if it is pre-packed orange juice to which some sweetener has been added, then it's 21%).

The reason for these reduced rates is mostly one of economic redistribution, as the products taxed at 4% are considered the ones covering the most basic needs.

Temporarily, due to the surge in prices, olive oil and pasta are now taxed at a reduced rate of 5%; while the foodstuffs to which a 4% is usually applied, are for now taxed at 0%.

The classification of a foodstuff is based on the Food Code or its implementing rules, many of which are harmonized at European level, or EU Regulations, which establish what products are included in each category. Nevertheless, as the default rate for food is 10%, it is only necessary for us to be able to properly delimit the products to which a 4% is applied (not difficult, as they are generally non-processed foods), as well as alcoholic or sweetened beverages, taxed at 21%.
The Ministry of Agriculture, Fisheries and Food is the one responsible for the determination of which category a specific product is included in. We don't usually experience any difficulties for determining the applicable rates, either at wholesale or retail level, as there is a long tradition for it in our system.

Unfortunately, we are not aware of any reports either on estimates of the administrative costs of these measures or on the impact of differentiated VAT rates, that we could share with you.

As a last comment, we'd like to point out that, once you lower the tax rate applicable to a category of food, it is very difficult to raise it again. It is therefore a measure that should be very carefully considered.

We hope this information is useful to you.

Best regards,

ESPAÑA
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Fra: Ioana Roxana IONESCU <ioana.ionescu@rpro.eu>

Dato: 11. marts 2024 kl. 17.07.58 CET

Til: Christian Brande <chbran@um.dk>, Tatiani Sfelinioti <T.Sfelinioti@rp-grece.be>, Zhivko.Elenkov@bg-permrep.eu <Zhivko.Elenkov@bg-permrep.eu>, Lenka_Mikulikova@mzv.cz <Lenka_Mikulikova@mzv.cz>, peter.deblon@diplo.de <peter.deblon@diplo.de>, gea.raissar-leppik@mfa.ee <gea.raissar-leppik@mfa.ee>, Rachel.Graham@dfa.ie <Rachel.Graham@dfa.ie>, saulo.marrero@reper.maec.es <saulo.marrero@reper.maec.es>, celina.ruiz@reper.maec.es <celina.ruiz@reper.maec.es>, clement.larrauri@dgtresor.gouv.fr <clement.larrauri@dgtresor.gouv.fr>, lidija.cvitic@mvep.hr <lidija.cvitic@mvep.hr>, laura.troja@mef.gov.it <laura.troja@mef.gov.it>, syennaris@tax.mof.gov.cy <syennaris@tax.mof.gov.cy>, Sintija.Ozola@mfa.gov.lv <Sintija.Ozola@mfa.gov.lv>, vaidotas.linkevicius@eu.mfa.lt <vaidotas.linkevicius@eu.mfa.lt>, Jules.Elsen@mae.etat.lu <Jules.Elsen@mae.etat.lu>, Bernadett.Gubacsi@mfa.gov.hu <Bernadett.Gubacsi@mfa.gov.hu>, krisztina.magony@mfa.gov.hu <krisztina.magony@mfa.gov.hu>, kezia.a.azzopardi@gov.mt <kezia.a.azzopardi@gov.mt>, charles.nysten@minbuza.nl <charles.nysten@minbuza.nl>, khalid.amezoug@minbuza.nl <khalid.amezoug@minbuza.nl>, peter.podiwinsky@bmeia.gv.at <peter.podiwinsky@bmeia.gv.at>, mariusz.makson@mf.gov.pl <mariusz.makson@mf.gov.pl>, bernardo.reis@mne.pt <bernardo.reis@mne.pt>, frantisek.bonk@mzv.sk <frantisek.bonk@mzv.sk>, maija.skytta@formin.fi <maija.skytta@formin.fi>, johan.lindqvist@gov.se <johan.lindqvist@gov.se>,

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Emne: RE: Questions on reduced VAT rates on foodstuffs

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Dear Christian,

Regarding your questions, please find below our replies:

* Romania applies the 9% reduced VAT rate for the supply of the following goods: food, including drinks, intended for human and animal consumption, livestock and poultry from domestic species, seeds, plants and ingredients used for the preparation of foodstuff, products used to supplement or replace foodstuff. The methodological norms establish the CN codes corresponding to these goods.

* The above mentioned provisions do not include alcoholic beverages, non-alcoholic beverages falling under NC code 2202, and foods with added sugar, whose total sugar content is at least 10 g/100 g of product, other than milk powder for newborns, infants and young children, sweet bread (RO cozonac) and biscuits.

* The applicable reduced VAT rate for foodstuff represents a fiscal facility which has been implemented in our legislation for social reasons, mainly to support the population.

* The application of the reduced VAT rate for foodstuff raised a series of problems regarding the classification of goods in the categories for which the reduced rate is applied.

* As regards any estimates of the administrative costs of VAT reduced rates for companies, such as a regulatory impact assessment (RIA), we do not have such assessments.

I hope it still helps.

Best regards,

Ioana

Rumænien opdateret svar fra 1/10-2025

”**Regarding the reduced VAT rate applicable to the supply of food products, we provide the following updates:**
Starting from **August 1st, 2025**, the reduced VAT rate applicable to the supply of food products has been **increased from 9% to 11%**.
At the same time, the **scope of food products eligible for the reduced rate** has been narrowed. Currently, the **11% reduced rate** applies to the supply of the following goods: foodstuffs, including beverages, intended for **human and animal consumption**, as well as **live animals and birds of domestic species**, whose CN codes are established through the methodological norms, **except for** the following:

1. Alcoholic beverages;
2. Non-alcoholic beverages classified under CN code 2202;
3. Foodstuffs with added sugar, with a **total sugar content of at least 10g per 100g of product**, **except for powdered milk** intended for newborns, infants, and young children;
4. Food supplements as defined by **Law No. 56/2021 on food supplements**, as subsequently amended and supplemented.”