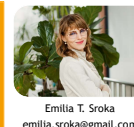
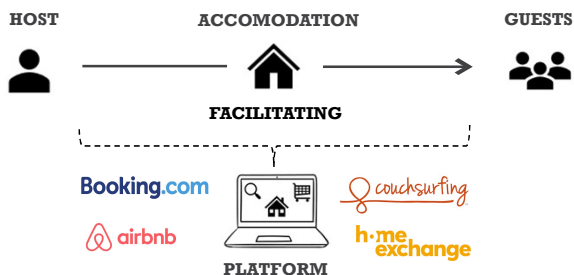


Accommodation platforms as deemed suppliers in the European VAT system



Description of problem



- The growth of the platform economy, particularly in the accommodation sector, has made legislative intervention required. The new rules should ensure fair competition with traditional business but should also allow platforms to continue to grow in the EU.
- One of the main problems related to the platform economy is the issue of its proper VAT taxation (unclear tax status of entities involved, problems with classification of transactions).
- However, the platform economy also offers new opportunities, primarily related to the collection of VAT. New options include education role of platforms, cooperation agreements with tax authorities, reporting obligations, withholding, joint and several liability and the deemed supplier regime.
- The deemed supplier regime is the most far-reaching legislative solution imposing the responsibility on platforms for VAT collection.
- Therefore, I plan to consider whether it would be efficient and fair to use this solution and, if yes, which of the deemed supplier models seems most appropriate for accommodation platforms.

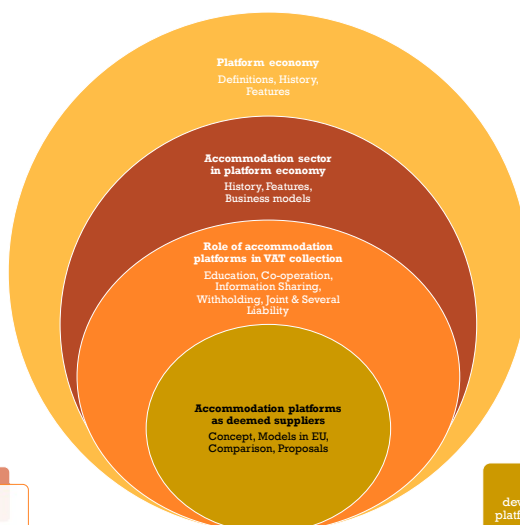
Aim of the research

Is the deemed supplier solution for accommodation platforms effective and fair?

Which of the deemed supplier models seems most appropriate for accommodation platforms?

- On the example of accommodation sector, which is the largest and most problematic part of the platform economy, I would like to present the potential opportunities that it can bring to the European VAT system.
- Therefore, the role of accommodation platforms in the VAT collection will be discussed.
- I plan to concentrate on the concept of a deemed supplier as the most far-reaching legislative solution imposing the responsibility on these platforms for VAT collection.

Scope of the research



It is worth noting that currently the accommodation platforms **do not play the role of deemed supplier in EU VAT system**. However, the European Commission is planning to introduce the new deemed supplier regime to the VAT Directive. Under the new rules, accommodation platforms will become responsible for VAT collecting.

- In my PhD thesis three models of a deemed supplier in the European VAT system (including the latest EC proposal) will be discussed and compared.

Deemed supplier models

- The paper discusses and compares 3 models of a deemed supplier regime in the European VAT system.
- Although the mechanism of operation of these models is basically the same, they differ in many aspects.

Preliminary conclusions

- The gradual development of the platform economy entailed the gradual development of VAT legislation, which resulted in a gradual increase in the number of obligations imposed on platforms.



- Initially, the platforms mainly enabled the distribution of digital content, followed by the delivery of goods (e-commerce) and the supply of services (e.g., accommodation, transport).
- Similarly, in the European VAT system, first a deemed supplier regime for the digital platforms appeared, then for the e-commerce platforms and now such a solution is planned for the accommodation platforms.
- The deemed supplier model is not only evolving but also becoming more and more sophisticated. The first deemed supplier regime is just a rebuttable presumption, in the second, if the conditions are met, the platform always replaces the supplier as a taxable person, in the third the use of the platform makes the transaction taxable for VAT purposes.



- However, based on my findings, properly designed deemed supplier regime seems to be effective and fair solution.
- I still consider if the model 3 is the best solution for accommodation platforms; some data indicates that maybe the model 2 would be better solution for them.

Is deemed supplier solution for accommodation platforms effective and fair?

Which deemed supplier model seems most appropriate for accommodation platforms?

Yes, correctly designed	All models have advantages and disadvantages	All models are designed to achieve different goals	As the number of B2C transactions increases, model 3 will probably not bring the expected results – better to extend model 2?
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