

OPINION

The EU Directive On VAT On Postal Services: A Step Towards A Level Playing Field In The EU Postal Market

The Free and Fair Post Initiative (FFPI) welcomes the proposal for a EU Directive as regards value added tax (VAT) on services provided in the postal sector.

By imposing the same rule on all postal operators including the incumbents, and, therefore, having a truly competitive market for postal services, users and consumers will ultimately enjoy more choice, higher quality and better service.

In particular, the FFPI has highlighted the importance of the Commission's proposal for a reduced VAT rate to be applied as a means to counterbalance the risk of price increases that might follow the introduction of the tax. I am glad to see that the Commission has sought to formulate its proposal in a

way to avoid that the addition of VAT results in higher prices for individual private consumers by introducing a specific fiscal mechanism that addresses this crucial concern.

It is fundamentally important that citizens are not penalised and that stamp prices remain fair and affordable, in particular in those Member States where stamp prices seem already unjustifiably high. Furthermore, the FFPI is also convinced that once public operators will be allowed to deduct VAT from their expenses, such as fuel, vehicles, equipment etc., they will be able to pass on the benefits to their customers, leading to possible cost reductions to the advantage of postal users.

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