
April 2022
1. Introduction

The European Association of CCP Clearing Houses (EACH) represents the interests of Central Counterparties (CCPs) in Europe since 1992. CCPs are financial market infrastructures that significantly contribute to safer, more efficient and transparent global financial markets. EACH currently has 18 members from 14 different European countries. EACH is registered in the European Union Transparency Register with number 36897011311-96.

EACH appreciates the opportunity to provide feedback to the European Commission with regard to the proposal for a Council Directive amending Directive 2006/112/EC as regards the extension of the application period of the optional reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud and of the Quick Reaction Mechanism against VAT fraud margin1.

EACH very much supports the European Commission’s proposal regarding the possibility for Member States to apply the reverse charge mechanism to combat existing fraud in supplies of goods and services include. As the operators of clearing houses managing risks in energy markets, EACH Members are concerned about the potential frauds faced in the wholesale electricity and gas sectors. In the interest of orderly markets where prices can be formed in a transparent manner and risk can be adequately hedged by users, EACH very much welcomes the European Commission’s proposed Directive to extend the reverse charge mechanism until 31st December 2025 and hope that EU Authorities will be able to find a definitive solution to this issue in the near future. However, to avoid the need of regular extensions which require time and resources by both institutional as well as industry stakeholders we would prefer a complete deletion of a sunset date.

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1 https://ec.europa.eu/38a86b73-f9ac-4c13-bed8-069f184a86b4