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## AN ASSESSMENT OF THE POLISH PRESIDENCY OF THE COUNCIL THROUGH THE LENS OF THE EU VAT SYSTEM

### Abstract

The Presidency of the Council is a unique event for each member of the European Union. The effectiveness of the presidency is a determinant of the position both in the Union and in the country. The article is an attempt to assess the effectiveness of the Presidency. A number of research questions were asked for this purpose. Firstly, whether the Polish Presidency achieved its own goals, whether it managed to achieve the goals of the group presidency (the so-called trio). Secondly, whether the Presidency achieved the goals set for it by doctrine and literature. The basis for the analysis is one of the sections of tax policy – the Community Value Added Tax. For this purpose, a legal-comparative method was applied, with the starting point being an analysis of the treaty-based mandate and the practical functioning of the presidency within the Ecofin Council configuration. The reference point for the assessment was the Trio Presidency Programme and the Hungarian Presidency, which preceded the Polish Presidency.

**Key words:** European Union, Presidency, VAT in the European Union, Council, European Integration, Community tax policy.

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## 1. Introduction

In the first half of 2025, Poland held the Presidency of the European Union for the second time in its history as a member of the Union. The first Polish Presidency in 2011 received significantly more public attention than the one in 2025 [Bębenek 2012: 180]. This makes it all the more important to highlight this event and attempt a synthesis of one – and it must be emphasized – narrow area of tax law, particularly the Community VAT. Holding the Presidency, often publicly but mistakenly perceived as chairing the entire European Union, is not only a matter of prestige but also a significant challenge for the country performing this role. In practice, the Presidency boils down to chairing only one of the most important – but still just one – of the many institutions of the Union: the Council. According to Article 16 of the Treaty on European Union, the Council, together with the European Parliament, exercises legislative and budgetary functions and defines and coordinates policies in accordance with the conditions set out in the Treaties [Treaty on European Union; Treaty on the Functioning of the European Union]. The EU tax policy constitutes only a small part of the Union's activities, as it grants the Union itself limited competences, leaving taxation primarily within the competence of the Member States [Kuś 2014: 88]. The harmonized areas are focused primarily on the smooth functioning of the single market, which is why the harmonization of indirect taxes is of fundamental importance. It is precisely this area that is addressed by Articles 110–113 of the Treaty on the Functioning of the European Union, which concern the harmonization of legislation relating to turnover taxes, excise duties and other forms of indirect taxation—these are formally the only provisions explicitly concerning taxes in the Union [Zalasiński 2012: 90–222]. Efforts to combat tax evasion and the digitalization of tax transactions are also undertaken in this context. Direct taxes lack a clear and explicit legal basis for harmonization, which means that initiatives in this area carry a high risk of rejection or blockage in the Council.

The Council is an assembly of ministerial-level representatives from each Member State [Grzeszczak 2023: article 16]. It is important to emphasize that the heads of ministers (i.e., heads of governments) convene within a different EU institution – the European Council. The Presidency, meaning the Chair of the Council, is therefore only one element of what is often an informal and mixed system of collective leadership within the European Union. This

system also includes the High Representative for Foreign Affairs and Security Policy and the President of the European Council.

What's more, in order to perform its function, the Presidency requires the involvement of virtually all other EU institutions and bodies [Barcz 2010: 67]. This is particularly evident in the legislative aspect – legislative initiative is, in principle, reserved for the European Commission. As a result, the Presidency is constrained by the Commission's activity – it cannot introduce its own proposals for discussion [Treaty on European Union: article 17 paragraph 2]. Other institutions of the Community, such as the European Parliament and other bodies, also participate in the legislative process. However, in the case of Community tax law, a special legislative procedure is generally applied, which is less demanding, as pursuant to Article 289(2) of the Treaty on the Functioning of the European Union – “In the specific cases provided for by the Treaties, the adoption of a regulation, directive or decision by the European Parliament with the participation of the Council, or by the latter with the participation of the European Parliament, shall constitute a special legislative procedure” [Treaty on European Union; Treaty on the Functioning of the European Union]. Thus, substantive discussion is conducted within the Council, while other bodies – primarily the European Parliament – are only consulted. The Parliament issues a non-binding opinion, in substantive terms, on the legislative proposal prepared by the Council. This is precisely the situation in the case of tax law regulations, particularly indirect taxes. Similarly, other bodies participate in this procedure – such as the Economic and Social Committee. Although the involvement of these bodies is formal, the legislative procedure cannot be concluded, and the legal act cannot be adopted without them. The specific legislative procedure to be applied in a given case is determined by the relevant treaty provision, which authorizes the adoption of legal regulations in a specific field – such as tax law. The legal basis is determined by the author of the proposal, namely the European Commission. To properly assess the effectiveness of the Presidency's legislative actions in the Council, one must take into account the influence of other Community institutions over which the Presidency has no control. Another aspect to consider is the specific characteristics of the given Council configuration.

## 2. Specifics of the ECOFIN Council Configuration

Council meetings are organized based on the subject matter of the meeting. Therefore, the Council does not have a fixed composition – it changes depending on the topic under discussion. Currently, there are 10 different ministerial ‘configurations’ of the Council [Consilium, Council configurations 2025]. For tax law, the Council configuration that brings together finance ministers – the Economic and Financial Affairs Council (commonly known as ECOFIN) – is of key importance. [Consilium, Economic and Financial Affairs Council configuration (ECOFIN) 2025]. However, meetings of ministers – in this case, Finance Ministers – represent only the top of the decision-making pyramid and serve as the venue for formal approval of arrangements already made at other – by definition lower – expert-level forums. [Consilium, Council preparatory bodies 2025]. Substantive work is delegated to these forums, where the content of legal acts is developed. The most important body of this kind is the Committee of Permanent Representatives of the Governments of the Member States to the European Union, whose main task is to prepare Council meetings. It is commonly known as the COREPER Committee (an acronym derived from its French name *Comité des Représentants Permanents*) [Consilium, Coreper II 2025]. It is composed of ambassadors of the Member States delegated to the European Union. It is chaired by the ambassador of the country holding the Presidency. Since the task of preparing the Council's work exceeded the capacity of this group, two committees were initially established: one composed of ambassadors (COREPER II) and the other of their deputies (COREPER I). Tax law falls under the competence of the COREPER II committee. The committee has the authority to establish subsidiary bodies to assist it in its work: “Committees or working parties may be set up by, or with the approval of Coreper with a view to carrying out certain preparatory work or studies defined in advance.” [Council Decision (2009/937/EU): Article 19 paragraph 3] It should be noted that the above provision is rarely applied today, as most of the bodies and committees it refers to have already been established [Consilium, Council preparatory bodies 2025].

The work of the COREPER II Committee is crucial to the effectiveness of the Presidency not only because it is also chaired by the presiding country, but due to its similarity to the Council's work, especially in terms of organizing its own proceedings. Committee meetings are held based on a meeting plan (Agenda), which is extensive (several dozen items). The Committee

and the Council share the organization of work during their sessions, typically addressing dozens of agenda items. This plan, like the Council's work plan, consists of two parts. Part I is not subject to discussion – this is where a legal act is placed if a working group has reached agreement on it. If a document appears in the section marked with Roman numeral I, it means that it has already been agreed upon within the working group. Placing the draft in Part I signifies its formal approval. In this way, a legislative proposal developed by the working group receives the Committee's endorsement and proceeds to the Council, where it is also adopted without discussion (Part A of the Council's agenda). According to Article 3(6) of the Council's Rules of Procedure, the agenda also consists of two parts devoted respectively to: deliberations on legislative acts and actions of a non-legislative nature. *“The provisional agenda shall be divided into two parts, dealing respectively with deliberations on legislative acts and non-legislative activities. The first part shall be entitled ‘Legislative deliberations’ and the second ‘Non-legislative activities’. The items appearing in each part of the provisional agenda shall be divided into A items and B items. Items for which approval by the Council is possible without discussion shall be entered as A items, but this does not exclude the possibility of any member of the Council or of the Commission expressing an opinion at the time of the approval of these items and having statements included in the minutes.”* [Council Decision (2009/937/EU): Article 3 paragraph 6]. Council meetings generally focus on Part B of the agenda, which concerns legislative proposals, although it is emphasized that 75–80% of decisions are made by the Council through their inclusion in Part A of the meeting agenda [Michałowska-Gorywoda 2002: 104]. The adoption of an act included in Part A of the meeting agenda does not have to take place within the sectoral Council but can occur in any Council configuration. In practice, the Presidency rarely resorts to this solution in relation to significant decisions – their adoption usually serves as an attempt to attract media attention.

The agendas of both bodies also include information about the purpose of placing a given document on the meeting agenda – such as annotations like ‘adoption’, ‘orientation debate’, ‘general approach’, or ‘approval’. The term ‘adoption’ should, in principle, be reserved for legal acts on which the Council votes. The term ‘vote’ refers to decisions taken unanimously – apart from those adopted by consensus or mutual agreement – and decisions taken by qualified or simple majority. In other cases, the term ‘approval’ should be used,

for example in relation to most non-standard acts (conclusions, statements, etc.) [Consilium, Comments on the Council's Rules of Procedure 2025:57].

The work of the Council is not limited to drafting and adopting legal regulations. It also adopts documents that are not legislative in nature – these are usually conclusions drawn from discussions, reports, or statements. They carry political significance, as they typically express the position of the Council as an institution and directly influence legislative work.

It is worth emphasizing that the Council's meeting and work plans are the only ones published in advance – even before the start of the presidency. These are the so-called preliminary Council agendas, published together with the presidency's program. Although they are not binding, they indicate the connection between the formally announced priorities of the Council and the practice of their implementation. However, the actual topics of Council meetings depend on the effectiveness of work on documents by working groups and the COREPER committees, and their submission for discussion or approval by the Council.

It is a fluid process over which the President of the Council has limited influence. However, the President cannot change it arbitrarily. The President of the Council is obliged to send the preliminary agenda of the Council meeting to the other members of the Committee and the Council no later than 14 days before the meeting begins [Council Decision (2009/937/EU): Article 3 paragraph 1]. However, only those issues for which documents have been submitted to the General Secretariat at least 16 days before the meeting may be included on the agenda [Council Decision (2009/937/EU): Article 3 paragraph 2]. Therefore, the Council meeting agenda is effectively created during the month preceding the meeting (in the case of monthly Council meetings), and a six-month period is extremely short for the adoption of a legal act.

### **3. Practical Aspects of the Presidency**

The country holding the rotating presidency has considerable freedom in setting the work program during its own six-month term. The Presidency plans discussion topics in advance, conducts the discussions, and formalizes their outcomes, either in the form of legal acts or political declarations (conclusions). In practice, this freedom is limited by the Commission, which each

year presents a detailed legislative work plan indicating, in addition to new legislative proposals, those it intends to withdraw from work [Communication from the Commission (COM/2025/45 final)].

The limitations in this regard stem primarily from the formally introduced group presidency, established by the Treaty of Lisbon. Above all, it involves a number of obligations defined by regulations of lower rank than the treaties. Particular importance is given to the provisions of the Council Decision and the European Council Decision of 26 July 2016 on the Presidency of the Council of the EU (2016/1316/EU) [Council Decision of 26 July 2016(EU) 2016/1316] and the Rules of Procedure of the European Council, adopted by the European Council Decision of 1 December 2009 [Council Decision (2009/937/EU)]. These documents shape the formal framework of the Presidency, and in particular establish the groups of countries holding the Presidency (the so-called Presidency trios) and define the six-month periods during which individual countries exercise the Presidency [Pyziak 2011: 84].

Pursuant to Article 3(6) of the Rules of Procedure of the Council of the EU, every 18 months a previously designated group of three Member States holding the Presidency prepares a draft work program for the Council of the EU for that period. Additionally, for one of the Council configurations – the Foreign Affairs Council – the work plan is prepared jointly with the High Representative of the Union for Foreign Affairs and Security Policy. The Rules also require ‘close cooperation’ with the European Commission and the President of the European Council, as well as ‘appropriate consultations’. The obvious aim of this arrangement is to ensure continuity of work, albeit at the expense of planning autonomy.

This principle has a crucial impact on the course of the Presidency, as Presidencies are held by groups of three Member States over an 18-month period. These groups (trios) are formed on the basis of equal rotation among Member States, taking into account their diversity and geographical balance within the Union. However, this 18-month period is divided into equal six-month terms, and each Member State holds the Presidency of all Council configurations (except the Foreign Affairs Council) during its respective term. Formally, the Presidency is exercised within the framework of ‘previously established groups of three Member States for a period of 18 months’, which

are formed 'on the basis of equal rotation among Member States, taking into account their diversity and geographical balance within the Union'.

The trio of Presidencies that will chair the Council for 18 months prepares a joint work program for the Council. The Presidencies develop the program together with the President of the Foreign Affairs Council, in order to include the issues that will be addressed during that period, and in close cooperation with the European Commission and the President of the European Council, following appropriate consultations [Raczyńska 2014: 66].

The work program includes a general introductory section that places it within the context of the European Union's long-term strategic objectives. In this context, the trio of Presidencies preparing the draft program consults with the next trio of Presidencies. The draft program covers, among other things, issues arising from discussions initiated by the Commission regarding political priorities for the given year.

No later than one month before the start of the given period, the draft of the 18-month program (in the form of a single document) is submitted to the Council for approval. A debate on the draft is then conducted by the Council [Council Decision (2009/937/EU) Article 8 paragraph 3]. The 18-month program is only the first stage of planning [Polish presidency Council of the European Union, Programme of the Presidency 2025]. The next - six-month - program is prepared by the country that is to independently hold the Presidency [Polish presidency Council of the European Union, Programme of the Presidency 2025]. It is much more detailed, as it includes draft agendas for Council meetings scheduled during the Presidency's term.

Based on the 18-month program and following consultations with the Commission, the country that is to hold the Presidency during a given period prepares draft agendas for Council meetings scheduled during its term. These must be ready no later than one week before the start of the six-month period. They are presented in a single document covering all Council configurations. In other words, this document applies both to the President of the Foreign Affairs Council (i.e., the High Representative, who is a separate body from the Presidency) and to every other Council President during the term of office [Council Decision (2009/937/EU): Article 1 paragraph 5]. This document contains information about planned legislative

work and operational decisions. During its six-month term, the Presidency may, as needed, schedule additional Council meetings or cancel scheduled ones if it turns out that convening them is no longer justified [Consilium, Comments on the Council's Rules of Procedure 2025].

An important addition is that cooperation within the trio of Presidencies may go beyond joint programming: the countries in the group not only support each other in implementing the joint program, but may also 'agree on other arrangements among themselves', beyond simply holding the six-month Presidency independently across all Council configurations (except the Foreign Affairs Council). In both cases – mutual support and 'other arrangements' – the countries in the trio may, by mutual agreement, define 'practical arrangements for their cooperation'. This provides a practical opportunity to carry out the tasks of the national Presidency throughout the entire 18-month period of the trio, provided that the country holding the six-month term agrees to such arrangements. The only explicit reservation concerns the requirement that the country holding the Presidency of the General Affairs Council must chair the COREPER Committee [Barcz 2010: 41-60].

Another barrier to the Presidency's initiative is the presence of other institutions. Efficient conduct of Council meetings is the responsibility of the Presidency [Council Decision (2009/937/EU): Article 20]. Conducting meetings requires the involvement of specific individuals, who are usually staff from the national administration, which would suggest full autonomy for the Presidency. However, in this regard, it is again limited by the requirement to cooperate – primarily with the administrative body of the Council – the General Secretariat, including collaboration with the Secretary-General and the General Secretariat of the Council [Council Decision (2009/937/EU): Article 23]. The Presidency's obligation to cooperate extends to collaboration with other Member States as well as with various working groups and committees. Article 19 of the Rules of Procedure specifically highlights the Committee of Permanent Representatives (COREPER). Organizing and managing their work – ensuring that the entire Union carries out its tasks – appears to be one of the main responsibilities of the President.

As we can see, planning and programming the Council's work is surprisingly formalized, yet it does not deprive the President of the ability to pursue their own policy. The Presidency's obligation to ensure the smooth conduct of meetings and to apply the necessary measures for making the best

use of the available time during sessions allows for convening ad hoc meetings of various Council bodies, determining the order in which agenda items are discussed, and allocating time for debate (with the possibility of shortening speaking time as needed). The President also organizes the work of delegations, for example by limiting their number depending on the need, requesting written statements with justification, granting or withdrawing the right to speak, deciding when to close the discussion on a given issue, when to proceed to a vote, summarizing agreements reached, signing meeting minutes or documents, etc. This is a fairly broad scope of powers, and it is worth noting that the actual place where Council decisions (and legal acts) are developed is in the meetings of various committees and working groups within the Council itself [Council Decision (2009/937/EU): Article 20]. Proper management of the work of these bodies allows their chairperson to develop specific legislative proposals and have them adopted within the six-month period of presiding over the Council. This is a very short timeframe, as the Council in a given configuration meets at most once a month during that time. Additionally, one of the Council meetings in each configuration is an informal meeting. This meeting does not result in any formal decisions or the adoption of official documents and is usually held in the country holding the Presidency. From the perspective of the formal work of the Presidency, it is considered a 'lost' meeting.

#### **4. Plans of the Trio Presidency and the Polish Presidency**

Moving on to the actual planning of the Polish Presidency in 2025 – it should be noted that the trio's program regarding tax law was reduced to a single sentence – „The trio will take work forward on customs, and on combating tax evasion and avoidance” [Note from General Secretariat of the Council (16668/24) POLGEN 164: 6]. Despite the brevity of the work program in this area, the priorities were clearly indicated, focusing on combating tax abuse. More detailed plans were outlined in the program of the Polish Presidency of the Council of the European Union for the period from 1 January to 30 June 2025 [Polish presidency Council of the European Union, Programme of the Presidency 2025]. It contains a rather general assumption that the goal of the Presidency held by Poland will be 'to ensure security and freedom of economic activity' [Polish presidency Council of the European Union, Programme of the Presidency 2025: 6]. The specification of goals is found later in the document, in the section dedicated to the Economic

and Financial Affairs Council (ECOFIN), where the following statements appear [Polish presidency Council of the European Union, Programme of the Presidency 2025: 20]: „In the area of indirect taxation, the Polish Presidency intends to continue efforts to reduce the VAT gap. In this context, the priority will be further tightening of VAT in the e-commerce sector, particularly by counteracting irregularities in the case of distance sales of imported goods via electronic interfaces. In its actions, it will also seek to take into account the priorities of the new European Commission. Should the European Commission present a legislative proposal concerning the structure and rates of excise duty” [Polish presidency Council of the European Union, Programme of the Presidency 2025: 22] “The Presidency will undertake work in this area. It will also continue work on amending the directive on the taxation of energy products and electricity [Polish presidency Council of the European Union, Programme of the Presidency 2025: 23].”

## **5. Overview of the Work of the ECOFIN Council During the Polish Presidency**

The Economic and Financial Affairs Council is one of the most frequently convened Council configurations – it generally meets once a month. Tax matters were addressed at virtually every Council meeting during the Polish Presidency, and VAT was, of course, a significant part of this area.

The first Council meeting at which the topic of VAT was addressed was the February ECOFIN meeting. On 18 February 2025, the Polish Presidency succeeded in reaching agreement on the text Council Directive (EU) 2025/425 of 18 February 2025 amending Directive 2006/112/EC as regards the electronic value added tax exemption certificate [Council Implementing Regulation of 18 February 2025 (EU) 2025/428] and Council Implementing Regulation (EU) 2025/428 of 18 February 2025 amending Implementing Regulation (EU) No 282/2011 as regards the electronic value added tax exemption certificate [Implementing Regulation of 18 February 2025 (EU) 2025/428]. The solution replaces the paper document certifying VAT exemption with an electronic one. The new rules aimed at replacing the current paper certificates used to declare exemptions from the EU’s value added tax (VAT) with a new electronic form. The adopted VAT Directive 2006/112/EC revision creates the legal conditions for the Commission to develop the electronic certificate through implementing measures,

while the Implementing Regulation provides for the alternative use of both paper and electronic certificates during the transition phase. The aim is to simplify and streamline the process for companies and administrations when these goods are imported for embassies, international organizations, or armed forces, but until the new measures will come into force (on 1 July 2031) with a further transition period of one year during which member states will be able to use both electronic and paper. The proposals were agreed upon at the COREPER II meeting on 12 February 2025 and were marked on the Council agenda as items for adoption. It is worth noting that the entire package of changes was presented by the European Commission on 8 July 2024. [Taxation and Customs Union, VAT goes digital: new electronic VAT exemption certificate,2025] The Polish Presidency thus completed the negotiations at a pace that was very fast by Community standards,

The next Council meeting – held on 13 March 2025 – appears to have been the most effective during the Polish Presidency. Under agenda items marked as ‘Adoption of the legislative act’, a package of proposals aimed at streamlining and simplifying tax regulations was adopted, along with the official approval of the VAT in the Digital Age package [Consilium, Search for voting results,2025]. The package consists of three legal acts. Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age, Council Regulation amending Regulation (EU) No 904/2010 as regards the VAT administrative cooperation arrangements needed for the digital age and Council Implementing Regulation (EU) 2025/428 of 18 February 2025 amending Implementing Regulation (EU) No 282/2011 as regards the electronic value added tax exemption certificate All legal acts were approved by the COREPER II Committee on 4 March 2025. Thus, the Polish Presidency succeeded in concluding negotiations on the legislative amendment package presented by the European Commission on 8 December 2022 [Proposal for a Council Directive amending Directive 2006/112/EC from 8.12.2022 {SEC(2022) 433 final} – {SWD(2022) 393 final} – {SWD(2022) 394 final}]. The Hungarian Presidency, which preceded the Polish one, had already conducted intensive work on this project, and it was discussed in the Council on 5 November 2024. [Consilium, Economic and Financial Affairs Council, 5 November 2024, 2025] It is worth noting that the changes to the proposal were so significant that it was decided to repeat the consultation process with the European Parliament. The European Parliament issued a new opinion only on 18 February 2025. The formal adoption of the VAT in the Digital

Age package should be considered the greatest achievement of the Polish Presidency in the area of VAT. The legislative package consists of three legal acts – directives, regulations, and an implementing regulation – which together introduce changes to three different aspects of the VAT system. The regulations entered into force after publication in the Official Journal; the directive requires implementation. The new provisions provide for – the complete digitalization of VAT reporting obligations for cross-border transactions by 2030, the obligation for online platforms to pay VAT on short-term residential rentals and passenger transport services in most cases where individual service providers do not charge VAT, and the improvement and expansion of online VAT One-Stop Shop system – so that businesses do not have to resort to the costly VAT registration process in each Member State where they operate. This was not the only success of this meeting. From the perspective of national objectives, a particularly important event was the adoption of the conclusions on the program for streamlining and simplifying tax regulations, which aims to enhance the EU's competitiveness [Council Conclusions on a tax decluttering and simplification ... 6748/25 FISC 44 ECOFIN 232]. As in the previous case, the document was already agreed upon at the COREPER II Committee meeting on 4 March 2025, and the Council merely confirmed its adoption (Approval). The conclusions are not legal acts, but rather declarations of intent; in this sense, they guide potential future initiatives in the field of taxation, particularly in the context of enhancing the EU's competitiveness and reducing administrative, regulatory, and reporting burdens. The conclusions call, among other things, for a review of the existing EU legal framework for taxation, which should be based on four principles. These principles are also intended to apply to current and future tax initiatives. They are intended to reduce the reporting, administrative, and regulatory burden on Member States' administrations and taxpayers, eliminate outdated and conflicting tax provisions, and ensure easy, understandable interpretation of tax rules for every taxpayer. This document calls, on behalf of the Council, for a thorough analysis of the EU legal framework and a clear definition of the scope and deadline for such an analysis by the Commission. Although they refer to the European Council Conclusions from April 2024, they may be considered an attempt to implement national deregulation policy within the framework of the Union.

The May meeting of the ECOFIN Council (13 May 2025) led to the opening of negotiations on a new legislative proposal concerning VAT. This resulted

in the preliminary approval (General approach) of a directive on VAT rules related to distance sales of imported goods and VAT on imports [Draft Directive amending Directive 2006/112/EC as regards VAT rules relating... of 8 May 2025 8570/25 FISC 109]. The directive aims to improve the collection of VAT on imported goods: suppliers will be required to pay import VAT, which is likely to encourage them to use the Import One-Stop Shop (OSS). Under the directive, foreign traders or platforms will be required to pay import VAT and VAT on distance sales of imported goods in the Member State of final destination. This will encourage the use of the Import One-Stop Shop (OSS), as foreign traders or platforms that do not register will be required to register in each Member State. Platforms will be responsible for collecting VAT from customers. This solution is intended to protect Member States' tax revenues and improve VAT compliance on imports. This does not mark the end of the legislative process, as the opinion of the European Parliament is still required, followed by formal approval at one of the upcoming Council meetings. The directive itself is part of a broader legislative package formally presented by the European Commission on 17 May 2023 [Taxation and Customs Union, EU Customs Reform 2025].

The final ECOFIN Council meeting during the Polish Presidency took place on 20 June 2025 in Luxembourg. In the area of tax law, particular attention was given to the ECOFIN report on tax matters [ECOFIN report on tax issues from 20 June 2025 10611/25 FISC 146 ECOFIN 853]. It was formally approved by the Council (Approval), following prior agreement by the COREPER II Committee on 18 June 2025. The report adopted by the Council is not a legislative document – it does not have legal effect, although it serves as a summary of activities in the field of taxation. It is a formal document summarizing the work of the Presidency. Its purpose is, of course, to present the progress made in the Council under its leadership. A second, much more important function is to review the status of the most significant issues currently under negotiation in the area of taxation. The document is, of course, prepared by a working group and is subject to discussion.

## 6. Conclusion

Assessing the Presidency, even in a very narrow scope, is a difficult task. The Presidency is a political undertaking that has consequences on various levels—both in domestic politics (it promotes politicians, inevitably triggers

parliamentary debates, requires responses from major political parties, and influences relations between state institutions) and in the social sphere (it evokes certain emotions and public expectations). One of the aspects of holding the Presidency is the “public recognition” of the Union, which in turn increases awareness of the importance of EU policy and the European Union itself among individual citizens.

Another important aspect is the systemic one—fulfilling the institutional responsibilities assigned to the Presidency within the EU’s institutional framework. Among the most important factors determining the effectiveness of a Presidency is the development of a leadership program in such a way that it includes topics important for European integration and aligned with the preferences of the presiding country [Dulak, Szczerski 2012: 15]. Therefore, the Presidency is expected to prioritize its plans and actions by focusing on a single flagship project. Additionally, the evaluation takes into account criteria such as the effectiveness of the country in its undertaken activities and its ability to independently pursue its national interests. However, this criterion is the most vulnerable to external factors, especially unforeseen ones, such as crises within the European Union, its Member States, or on the international stage.

The final valuable criterion for assessing a Presidency is to view it as a project to be executed. In this context, the implementation of the Presidency’s objectives—particularly those outlined in its leadership priorities—and the efficiency of their realization are of key importance. When attempting to assess the undoubtedly narrow scope of the Polish Presidency, namely the area of tax policy and especially the intra-Community VAT, the two most relevant criteria appear to be the systemic and project-based ones.

The Polish Presidency faced a challenging task, as it followed directly after the previous trio, which made coordination with the preceding Hungarian Presidency more difficult [Priorities of the Hungarian presidency 2025]. Poland was the first country in its trio, while the Hungarian Presidency was the last in its own trio, which consisted of Spain, Belgium, and Hungary [Wayback.archive-it.org Hungarian presidency Council of the European Union, 2025]. It seems that the negotiations initiated by the previous Presidency were continued quite efficiently. This was undoubtedly due to the similarity in priorities between the two Presidencies [Hungarian presidency Council of the European Union 2025]. The clearest example is the completion of work

on the VAT in the Digital Age package. Looking at the priorities of both the Presidency and the trio, one can argue that they were successfully implemented—not only in the area of the Community value added tax. In particular, the negotiations on the VAT reform package were finalized. At the same time, a number of elements outlined in the Presidency's program were successfully implemented, especially those related to indirect taxation, which indicate the following priorities.

The solutions adopted by the Polish Presidency undoubtedly fulfill the objectives of the trio, which announced work on customs and tax regulations aimed at combating fraud and tax avoidance. The Polish Presidency itself declared its intention to tighten VAT enforcement, with particular attention given to addressing irregularities in distance sales of imported goods via electronic interfaces. Plans were also carried out in the area of direct taxation (the so-called DAC9 Directive) as well as in the field of energy resources.

A clear realization of national goals was the adoption of the so-called conclusions on the tax simplification and relief program, which contributes to the EU's competitiveness. In the area of indirect taxation, the Polish Presidency intended to continue efforts to reduce the VAT gap. In this context, the priority was further tightening of VAT in the e-commerce sector, particularly by counteracting irregularities in the case of distance sales of imported goods via electronic interfaces

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