



European Federation of Waste Management and Environmental Services
Fédération Européenne des Activités de la Dépollution et de l'Environnement
Europäische Föderation der Entsorgungswirtschaft



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Commission's proposals on VAT is an excellent supportive measure to realise circular economy's goals and benefits

FEAD members consider the VAT rates as a useful **instrument to pursue EU's political, economic and environmental objectives**, therefore the private waste and resource management industry welcomes the newly proposed rules¹ by the European Commission to give Member States more flexibility to set Value Added Tax (VAT).

Whereas the European Commission is continuing to explore several routes to boost the demand of recyclates, FEAD strongly believes that fiscal incentives to this regard should also be considered, such as **lower or zero VAT rates on products with recycled content**.

The new proposals on VAT will enable Member States to put in place, upon national choice, reduced or zero VAT rates for their selected categories of products. **FEAD advocates such a choice to be left to MS, allowing products with recycled content to be possibly selected amongst those benefiting from reduced VAT rates.**

Now it will be up to the Council acting unanimously to give the green light to the Commission's proposals, with the perspective that reduced VAT on targeted products or services can be in the future an excellent supportive measure to help realising circular economy's goals and benefits, by promoting sustainable products and raising consumers' awareness.

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Note to the editor:

FEAD is the European federation representing the private waste and resource management industry across Europe. FEAD's members are national waste management associations covering 19 Member States, Norway and Serbia. They have an approximate 60% share in the household waste market and handle more than 75% of industrial and commercial waste in Europe. Their combined annual turnover is approximately € 75 billion. FEAD represents about 3,000 companies with activities in all forms of waste management. These companies employ over 320,000 people who operate around 2,400 recycling and sorting centres, 1,100 composting sites, 260 waste-to-energy plants and 900 controlled landfills. They play a key role in the transition to a circular economy by producing resources which can be re-injected in the economy and by supplying energy. Our companies add value through innovative and cost-efficient collection, sorting, and recycling of secondary raw materials. In doing so, they play a key role in achieving the best economic and environmental outcomes.

¹ Proposal on amending Directive 2006/112/EC as regards rates of value added tax:
https://ec.europa.eu/taxation_customs/business/vat/action-plan-vat/proposal-vat-rates_en