

European Commission Proposes to Authorize Denmark to Continue Applying VAT Flat-Rate Scheme for Private Use of Light Goods Vehicles

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The European Commission has proposed to authorize Denmark to continue to apply a VAT flat-rate scheme for the private use of light goods vehicles with a maximum authorized total weight of three tonnes registered solely for business purposes.

According to this flat-rate scheme, taxable persons would have the option to pay a flat-rate charge of DKK 40 per day for the private use of a vehicle registered for business purposes for a maximum of 20 days per calendar year and preserve their full right of deduction. This would imply that Denmark continues to derogate from article 75 of the [VAT Directive \(2006/112\)](#), which establishes that the taxable amount of the private use of business assets for private purposes is equal to their full cost.

If the proposal of the European Commission of 28 July 2023 is approved by the Council of the European Union, this will be the fourth extension of the derogation originally approved by [Council Implementing Decision 2012/447](#).

The proposal, which is available [here](#), will extend the derogation until 31 December 2026.