

(English version)

**Question for written answer E-002118/26
to the Commission
Oihane Agirregoitia Martínez (Renew)
(22 May 2026)**

Subject: VAT harmonisation

From the point of view of cohesion policy and taking account of the structural handicaps of island regions (Article 174 TFEU), as well as in the context of both Directive 2006/123/EC on services in the internal market, and the common VAT system, which sets a minimum standard rate of 15%, consideration could be given to whether specific territorial tax treatment for island regions can be justified on objective grounds, provided that such treatment is not discriminatory and is proportionate. In light of the above:

1. Does the Commission consider it legally feasible, under the above directive and respecting the minimum VAT rate of 15%, to authorise a territorial derogation allowing certain island regions to apply rates that differ from those applicable in the rest of the Member State?
2. What criteria and procedures should a Member State comply with to apply for and obtain that specific authorisation (based on non-discriminatory and proportionate reasons of general interest) for island regions?

Submitted: 22.5.2026

**Answer given by Mr Hoekstra on behalf of the European Commission
(17 July 2026)**

According to the EU Value Added Tax (VAT) legislation ⁽¹⁾ limited geographical derogations exist for specific territories in Greece (Aegean islands), Portugal (Azores and Madeira), France (Corsica), Spain (Canary Islands, Ceuta, and Melilla), and Austria (Jungholz and Mittelberg).

This different treatment was introduced under strict conditions, at the time of adoption of the directive and in line with strict sunset clauses agreed by the Council, tied to insularity, remoteness, or unique geographical constraints.

Under the current EU VAT legal framework, it is not possible to introduce additional derogations that would allow for regionally differentiated VAT rates beyond those already in place.

Any change in the current legal framework would require unanimous Council approval, which is currently, just after a recent review of the VAT rates in 2022, not under consideration.

⁽¹⁾ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, OJ L 347, 11.12.2006, pp. 1-118.