

EUROPEAN UNION ANNOUNCES A NEW DIGITAL DIRECTIVE



The Eurozone has been experiencing a rather difficult period economically. However, a new digital directive that will turn the zone into one digital market is to be implemented by the end of the next year. The aim of the directive is to help make cross-border trade in Europe easier and more viable.

European Union has already outlined a series of policies that are already being implemented as it attempts to create a single market for selling digital goods. The union has stated that the creation of the single market will be a top priority for all European Union countries in the coming months. **The main objective of the directive will be to remove all the trade barriers that currently exist and merge the individual markets of the member countries into one single market.**

The move towards a single market has been identified in the new Package Travel Directive, which aims to change the regulation on holiday's financial protection from the country where the services are being sold to ones where the travel organizers are located. The directive has already been reviewed by the European Union's Parliament and Council and given the go ahead after some revisions. It is meant to be published soon.

Cross-border Business to Be Enhanced

One of the main advantages of the digital directive will be the improvement of cross-border business in Europe. The directive's proposals will help to provide a balance between the interests of the consumers and those of industries, something that will ensure consumers get the best deals regardless of their location.

The directive will also help to standardize consumer protection across Europe. It will especially bring an end the practice of restricting access to services based on the location of the consumer. Rental car companies have particularly been mentioned in the proposals, where it has been identified that consumers in some states pay higher prices than customers in other states for similar rental cars taking them to the same travel destinations. With the new directive in place, consumers in the European Union will no longer face these kinds of discrimination.

Tax Burden to Be Reduced

The digital directive will also help to reduce the tax charged on business in different European Union member states. This is especially after noting that some businesses trading in the region faced value added tax charges of up to €5,000 per year. However, it is still not yet clear how the tax arrangements will work in Britain, considering it operates on a different tax system that is outside the patronage of the Union. This different tax system means that elements of the Tour Operator's Margin Scheme are not in compliance with the VAT policies for the union.

While it is yet to be seen whether the new VAT rules will apply in Europe, the European Union has indicated that they plan to enter into talks with Britain with regards to the tax arrangements, and they are enthusiastic that it will work out.

The new Digital Directive is an important policy that will positively affect businesses that operate in the European Union, especially tourism and travel related companies. It is therefore advisable that such companies and any other businesses with an investment in the Eurozone familiarize themselves with the directive's proposals.

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