COUNCIL DECISION

of 23 July 1987

authorizing the United Kingdom to apply an optional measure derogating from Article 17 of the Sixth Directive (77/388/EEC) on the harmonization of the laws of the Member States relating to turnover taxes

(87/400/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Sixth Council Directive (77/388/EEC) of 17 May 1977 on the harmonization of the laws of the Member States relating to turover taxes — Common system of value added tax: uniform basis of assessment [1], hereafter referred to as the 'Sixth Directive', and in particular Article 27 thereof,

Having regard to the proposal from the Commission,

Whereas, under the terms of Article 27 (1) of the Sixth Directive, the Council, acting unanimously on a proposal from the Commission, may authorize any Member State to introduce special measures for derogation from the provisions of that Directive in order to simplify the procedure for charging the tax of to prevent certain types of tax evasion or avoidance;

Whereas the United Kingdom, by means of a letter to the Commission dated 17 March 1987 from its Permanent Representation to the Communities requested authorization to introduce a specific measure derogating from the provisions of paragraph 1 of Article 17 the Sixth Directive; whereas that measure, considered as a simplification measure, forms part of an optional system for enterprises having an annual turnover of less that 340 000 Ecus based on the third subparagraph of paragraph 2 of Article 10 of the Sixth Directive;

Whereas this request can be accepted subject to certain conditions;

Whereas the measure in question should be temporary in order to allow an evaluation after a certain period of application;

Whereas the authorization will run until 30 September 1990, with the Commission presenting before that date a report to the Council on the application of this authorization;

Whereas the Council will determine, on the basis of a proposal for a Decision submitted if appropriate by the Commission and accompanying the abovementioned report, whether to extend the authorization beyond that date;

Whereas the specific measure in question does not have a negative effect on the own resources of the European Communities accruing from VAT;

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from the provisions of paragraph 1 of Article 17 of the Sixth Directive, the United Kingdom shall be authorized, until 30 September 1990, to provide within an optional scheme that enterprises with an annual turnover of less than 340 000 Ecus, must postpone the right of deduction of tax until it has been paid to the supplier.

Article 2

On the basis of a report by the Commission on the application of the authorization cited, in Article 1, accompanied if appropriate by a proposal for a decision, the Council shall determine on the basis of that proposal, before 30 September 1990, whether the said authorization will be extended.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 23 July 1987.

For the Council

The President

K. E. TYGESEN

[1] OJ No L 145, 13. 6. 1977, p. 1.