# COUNCIL DECISION

**of 24 September 1990**

**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**

(90/497/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 turnover taxes — Common system of value added tax : uniform basis of assessment (1), hereinafter 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 the Sixth Directive, in order to simplify the procedure for charging the tax or to prevent certain types of tax evasion or avoidance ;

Whereas the United Kingdom was authorized by Decision 87/400/EEC (2), in accordance with the procedure laid down in Article 27 (1), (2), (3) and (4) of the Sixth Directive to apply a measure derogating from Article 17 (1) of the Sixth Directive until 30 September 1990 ;

Whereas the United Kingdom, by means of a letter dated 21 May 1990 and received by the Commission on 28 May 1990, requested authorization to extend the said derogation until 31 December 1992 ;

Whereas the said derogation forms part of an optional system of taxation for undertakings with an annual turnover of less than £ 300 000 based on the third subparagraph of Article 10 (2) of the Sixth Directive, which grants the option of deferring payment of tax until receipt of the price ;

Whereas the United Kingdom wishes to increase the turnover ceiling from £ 250 000 to £ 300 000 to take account of inflation ;

Whereas that request can be accepted in view of the limited number of undertakings that have opted for this simplified scheme and the limited duration of this extension ;

Whereas the derogation in question does not have a negative effect on the own resources of the European Communities accruing from value added tax,

HAS ADOPTED THIS DECISION :

*Article 1*

By way of derogation from Article 17 (1) of the Sixth Directive, the United Kingdom is hereby authorized, until 31 December 1992, to grant undertakings with an annual turnover of less than £ 300 000 the option of deferring deduction of tax until it is paid to the supplier.

*Article 2*

This Decision is addressed to the United Kingdom.

Done at Brussels, 24 September 1990.

*For the Council*

*The President*

V. SACCOMANDI

(1) OJ No L 145, 13. 6. 1977, p. 1.
(2) OJ No L 213, 4. 8. 1987, p. 40.