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COUNCIL DECISION

of 19 December 1997

authorising the Kingdom of the Netherlands to extend the application of a measure derogating from Article 21 of the Sixth Council Directive 77/388/EEC on the harmonisation of the laws of the Member States relating to turnover taxes

(98/20/EC)

(OJ L 8, 14.1.1998, p. 16)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Council Decision 2000/435/EC of 29 June 2000	L 172	24	12.7.2000
►**M2**	Council Decision 2004/516/EC of 14 June 2004	L 221	17	22.6.2004

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COUNCIL DECISION

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authorising the Kingdom of the Netherlands to extend the application of a measure derogating from Article 21 of the Sixth Council Directive 77/388/EEC on the harmonisation of the laws of the Member States relating to turnover taxes

(98/20/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

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

Having regard to the previous Decision 92/545/EEC ([2]),

Having regard to the Commission report on the application of Decision 92/545/EEC,

Having regard to the Commission proposal arising from that report,

Whereas, under Article 27(1) of Directive 77/388/EEC, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce or extend special measures derogating from that Directive in order to simplify the procedure for charging tax or to prevent certain types of tax evasion or avoidance;

Whereas, by letter registered at the Commission on 15 November 1996, the Kingdom of the Netherlands requested authorisation to extend the application of the derogation measure previously granted to it for a limited period by Decision 92/545/EEC;

Whereas the other Member States were informed on 21 April 1997 of the request from the Kingdom of the Netherlands;

Whereas the derogation involves collecting from the ready-to-wear clothing firm the VAT normally due from the subcontractor under Article 21(1)(a) of Directive 77/388/EEC;

Whereas the Commission report on the application of the derogation has shown that the derogation measure satisfies the conditions for the application of Article 27 of the said Directive;

Whereas the Commission adopted on 10 July 1996 a work programme and a timetable of proposal providing for gradual, step-by-step progress towards a common VAT system for the internal market;

Whereas, as the final package of proposals is scheduled for mid-1999, the authorisation is to be granted until 31 December 1999 so as to enable an assessment then to be made of the derogation measure's consistency with the overall approach of the new common system of VAT;

Whereas this derogation will not have an adverse impact on the Community's own resources accruing from VAT,

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from Article 21(1)(a) of Directive 77/388/EEC, the Kingdom of the Netherlands is hereby authorised to apply until ►M2 31 December 2006 ◄ in the ready-to-wear clothing industry a

([1]) OJ L 145, 13. 6. 1977, p. 1. Directive last amended by Directive 96/95/EC (OJ L 338, 28. 12. 1996, p. 89).
([2]) OJ L 351, 2. 12. 1992, p. 33.

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scheme for shifting the subcontractors obligation to pay over VAT to the tax authorities from the subcontractor to the clothing firm (the contractor).

Article 2

This Decision is addressed to the Kingdom of the Netherlands.