# COUNCIL DECISION
## of 29 June 2000
## amending Decisions 97/375/EC, 97/510/EC, 98/20/EC, 98/23/EC and 98/161/EC

(2000/435/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 proposal from the Commission [2],

Whereas:

(1) Under Article 27(1) of the Sixth Directive, the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to introduce or extend special measures for derogation from the Directive, in order to simplify the procedure for charging the tax or to prevent certain types of tax evasion or avoidance.

(2) By letters received by the Secretariat-General of the Commission on 11 November 1999, Ireland, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland requested the extension until 31 December 2003 of several authorisations originally granted by the Council until 31 December 1999.

(3) Ireland has requested an extension of Decision 97/510/EC [3] authorising it to apply a measure derogating from Article 21 of the Sixth Directive, which enabled it to combat tax evasion and tax fraud in the real-estate sector.

(4) The Netherlands has requested the extension of two Decisions, namely Decision 98/20/EC [4], allowing the application in the ready-to-wear clothing industry of a scheme for shifting to the tax authorities to the clothing firm (the contractor) the subcontractor's obligation to pay VAT, and Decision 98/161/EC [5] allowing the application of a special taxation scheme for used and waste materials. Both of these measures should allow the effective combating of fraud in the sectors concerned.

(5) The United Kingdom has asked for the extension of Decision 98/23/EC [6] allowing the appropriate authorities, under certain conditions, to direct that the open-market value be taken as the taxable amount for intra-Community acquisitions of goods where there are family, legal or business links between the person acquiring the goods and the supplier. This special measure is an anti-avoidance measure derogating from Article 28e(1) of the Sixth Directive.

(6) The United Kingdom has also requested an extension of Decision 97/375/EC [7] authorising it to extend the application of an optional cash accounting scheme for enterprises with an annual turnover below a certain ceiling, whereby tax is assessed on the basis of payments made and received. In addition, the United Kingdom has asked to be able to raise the ceiling of GBP 400 000 to GBP 600 000. Raising the ceiling for the simplified scheme, and thus also for the derogation which forms an integral part of it, will allow a greater number of firms to opt for the scheme.

(7) The matters of law and of fact which justified the application of the special measures in question have not changed and still pertain.

(8) The period for the authorisations should therefore be extended until 31 December 2003 and the ceiling of GBP 400 000 in Article 1 of Decision 97/375/EC should be raised to GBP 600 000.

(9) The derogations in question have no impact on the European Communities' own resources from valued added tax,

HAS ADOPTED THIS DECISION:

*Article 1*

Article 1 of Decision 97/375/EC shall be replaced by the following:

'*Article 1*

By way of derogation from the provisions of Article 17(1) of Directive 77/388/EEC, the United Kingdom is hereby authorised, until 31 December 2003, to provide, within an optional scheme, that enterprises with an annual turnover not higher than GBP 600 000 must postpone the right of deduction of tax until it has been paid to the supplier.'

*Article 2*

In Article 1 of Decisions 97/510/EC, 98/20/EC, 98/23/EC and 98/161/EC the date 31 December 1999 shall be replaced by 31 December 2003.

[1] OJ L 145, 13.6.1977, p. 1. Directive as last amended by Directive 99/85/EC (OJ L 277, 28.10.1999, p. 34).
[2] Not yet published in the Official Journal.
[3] OJ L 214, 6.8.1997, p. 37.
[4] OJ L 8, 14.1.1998, p. 16.
[5] OJ L 53, 24.2.1998, p. 19.
[6] OJ L 8, 14.1.1998, p. 24.
[7] OJ L 158, 17.6.1997, p. 43.

*Article 3*

This Decision is addressed to Ireland, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland.

Done at Luxembourg, 29 June 2000.

*For the Council*

*The President*

M. ARCANJO