# COUNCIL IMPLEMENTING DECISION (EU) 2015/156

## of 27 January 2015

## extending the period of validity of Implementing Decision 2012/232/EU authorising Romania to apply measures derogating from Article 26(1)(a) and Article 168 of Directive 2006/112/EC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax ([1]), and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) By letter registered with the Secretariat-General of the Commission on 13 February 2014, Romania requested authorisation to continue to apply a measure derogating from Article 26(1)(a) and Article 168 of Directive 2006/112/EC in order to restrict the right of deduction in relation to expenditure on certain motorised road vehicles not exclusively used for business purposes. By letter registered with the Commission on 15 September 2014, Romania complemented its request with a report on the application of Council Implementing Decision 2012/232/EU ([2]).

(2) In accordance with the second subparagraph of Article 395(2) of Directive 2006/112/EC, by letter dated 12 November 2014, the Commission informed the other Member States of the request made by Romania. By letter dated 13 November 2014, the Commission notified Romania that it had all the information necessary to consider the request.

(3) Article 168 of Directive 2006/112/EC authorises a taxable person to deduct value added tax (VAT) charged on supplies of goods and services received by him in so far as the goods and services in question are used for the purposes of his taxed transactions. Point (a) of Article 26(1) of that Directive contains a requirement to account for VAT when a business asset is put to use for the private purposes of the taxable person or his staff or, more generally, for purposes other than those of his business.

(4) Implementing Decision 2012/232/EU authorised Romania to apply a derogating measure pursuant to Article 395(1) of Directive 2006/112/EC in order to limit to 50 % the right of deduction of input VAT as regards purchase, intra-EU acquisition, importation, hire and lease of motorised road vehicles, and VAT on expenditure related to such vehicles, including fuel, when the vehicles are not used exclusively for business purposes.

(5) Implementing Decision 2012/232/EU expired on 31 December 2014.

(6) In order to ensure the uninterrupted application of the derogating measure, it is appropriate that this Decision applies from 1 January 2015.

(7) In accordance with the second subparagraph of Article 4(2) of Implementing Decision 2012/232/EU, Romania submitted a report to the Commission on the application of that Decision, including a review of the percentage restriction applied on the right of deduction. As was the case with respect to the derogation in place until now, Romania continues to maintain that a rate of 50 % is justifiable.

(8) It is considered that the derogation would only have a negligible effect on the overall amount of tax revenue collected at the stage of final consumption and will have no adverse impact on the Union's own resources accruing from VAT. Romania should therefore be authorised to continue to apply the measure for a limited period, until 31 December 2017.

(9) In the event that Romania requests a further extension of the derogating measure beyond 2017, a new report should be submitted to the Commission together with the extension request by 31 March 2017,

([1]) OJ L 347, 11.12.2006, p. 1.
([2]) Council Implementing Decision 2012/232/EU of 26 April 2012 authorising Romania to apply measures derogating from Article 26(1)(a) and Article 168 of Directive 2006/112/EC on the common system of value added tax (OJ L 117, 1.5.2012, p. 7).

HAS ADOPTED THIS DECISION:

*Article 1*

In Implementing Decision 2012/232/EU, Article 4 is replaced by the following:

'*Article 4*

1. This Decision shall expire on 31 December 2017.

2. Any request for the extension of the measures provided for in this Decision shall be submitted to the Commission by 31 March 2017.

Such a request shall be accompanied by a report which includes a review of the percentage restriction applied on the right to deduct VAT on the basis of this Decision.'.

*Article 2*

This Decision shall apply from 1 January 2015.

*Article 3*

This Decision is addressed to Romania.

Done at Brussels, 27 January 2015.

*For the Council*
*The President*
J. REIRS