COUNCIL IMPLEMENTING DECISION (EU) 2017/1855

of 10 October 2017

authorising Romania to apply a special measure derogating from Article 287 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 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Under point 18 of Article 287 of Directive 2006/112/EC, Romania may exempt from value added tax (VAT) taxable persons whose annual turnover is no higher than the equivalent in national currency of EUR 35 000 at the conversion rate on the day of its accession.

(2) By virtue of Council Implementing Decision 2012/181/EU ([2]) Romania is authorised to apply a higher threshold and to exempt from VAT taxable persons with annual turnover not exceeding EUR 65 000. This measure was extended by Council Implementing Decision 2014/931/EU ([3]) which expires on 31 December 2017.

(3) By letter registered with the Commission on 26 April 2017 Romania requested the authorisation to continue derogating from point 18 of Article 287 of Directive 2006/112/EC and at the same time to increase the exemption threshold to the equivalent in national currency of EUR 88 500.

(4) A higher threshold for the special scheme for small enterprises is a simplification measure, as it may significantly reduce the VAT obligations of small enterprises.

(5) In accordance with Article 395(2) of Directive 2006/112/EC, the Commission informed the other Member States by letter dated 9 June 2017 of the request made by Romania. The Commission notified Romania by letter dated 12 June 2017 that it had all the information necessary to consider the request.

(6) Romania expects that the measure reduces VAT-related obligations for a number of small enterprises. It should also reduce the burden on the tax authorities by removing the need to monitor the collection of a small volume of revenues from larger number of small enterprises.

(7) Given that this derogating measure is to result in reduced VAT obligations for small enterprises, Romania should be authorised to apply the measure for a limited period. Taxable persons should still be able to opt for the normal VAT arrangements.

(8) As Articles 281 to 294 of Directive 2006/112/EC governing the special scheme for small enterprises are subject to review, it is possible that a directive amending those provisions of Directive 2006/112/EC will enter into force before the period of validity of the derogation expires on 31 December 2020.

(9) Based on information provided by Romania, the increased threshold will have a negligible impact on the overall amount of tax revenue collected at the stage of final consumption.

([1]) OJ L 347, 11.12.2006, p. 1.
([2]) Council Implementing Decision 2012/181/EU of 26 March 2012 authorising Romania to introduce a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 92, 30.3.2012, p. 26).
([3]) Council Implementing Decision 2014/931/EU of 16 December 2014 extending the application of Implementing Decision 2012/181/EU authorising Romania to introduce a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 365, 19.12.2014, p. 145).

(10) The derogation has no impact on the Union's own resources accruing from VAT, because Romania will carry out a compensation calculation in accordance with Article 6 of Council Regulation (EEC, Euratom) No 1553/89 [1],

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from point 18 of Article 287 of Directive 2006/112/EC, Romania is authorised to exempt from VAT taxable persons whose annual turnover is no higher than the equivalent in national currency of EUR 88 500 at the conversion rate on the day of its accession.

Article 2

This Decision shall take effect on the date of its notification.

This Decision shall apply from 1 January 2018 until 31 December 2020, or until the entry into force of a directive amending the provisions of Articles 281 to 294 of Directive 2006/112/EC, whichever date is the earlier.

Article 3

This Decision is addressed to Romania.

Done at Luxembourg, 10 October 2017.

For the Council
The President
T. TÕNISTE

[1] Council Regulation (EEC, Euratom) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of own resources accruing from value added tax (OJ L 155, 7.6.1989, p. 9).