

COUNCIL DECISION

of 15 February 1993

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

(93/111/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⁾, and in particular Article 27 thereof,

Having regard to the proposal from the Commission,

Whereas, under the terms of Article 27 (1) of Directive 77/388/EEC, 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 that 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 90/497/EEC⁽²⁾, in accordance with the procedure laid down in Article 27 (1) to (4) of Directive 77/388/EEC, to apply a measure derogating from Article 17 (1) of the said Directive until 31 December 1992;

Whereas the United Kingdom, by means of a letter dated 26 October 1992 and received by the Commission on 28 October 1992, requested authorization to extend the said derogation until 31 December 1996;

Whereas the other Member States were informed on 27 November 1992 of the United Kingdom's request;

Whereas this special measure derogating from Article 17 (1) of Directive 77/388/EEC forms part of an optional system of taxation for firms with an annual turnover of less than £350 000 based on the third subparagraph of

Article 10 (2) of the said Directive, which permits payment of tax to be deferred until receipt of the price;

Whereas the United Kingdom wishes to increase the turnover ceiling from £300 000 to £350 000 to take account of inflation;

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

Whereas the derogation concerned has no negative effect on the own resources of the European Communities accruing from VAT,

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from the provisions of Article 17 (1) of Directive 77/388/EEC, the United Kingdom is hereby authorized, until 31 December 1996, to provide within an optional scheme that enterprises with an annual turnover of less than £350 000 must postpone the right of deduction of tax until it has been paid to the supplier.

Article 2

This Decision is addressed to the United Kingdom.

Done at Brussels, 15 February 1993.

For the Council

The President

M. JELVED

(¹) OJ No L 145, 13. 6. 1977, p. 1. Directive as last amended by Directive 92/111/EEC (OJ No L 384, 31. 12. 1992, p. 47).

(²) OJ No L 276, 6. 10. 1990, p. 45.