Council Implementing Decision 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 (2012/181/EU)

COUNCIL IMPLEMENTING DECISION

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

(2012/181/EU)

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 Commission on 30 August 2011, Romania requested authorisation to introduce a special measure derogating from point 18 of Article 287 of Directive 2006/112/EC in order to exempt taxable persons whose annual turnover is no higher than the equivalent in national currency of EUR 65 000 at the conversion rate on the day of Romania's accession to the European Union. The measure would release those taxable persons from certain or all of the value added tax (VAT) obligations referred to in Chapters 2 to 6 of Title XI of Directive 2006/112/EC.

(2)   In accordance with the second subparagraph of Article 395(2) of Directive 2006/112/ EC, the Commission informed the other Member States by letter dated 8 November 2011 of the request made by Romania. By letter dated 9 November 2011, the Commission notified Romania that it had all the information necessary to consider the request.

(3)   A special scheme for small enterprises is an option which is already available to Member States under Title XII of Directive 2006/112/EC. The measure derogates from Title XII of Directive 2006/112/EC only in so far as the taxable person's annual turnover threshold for the scheme is higher than that allowed for Romania under point 18 of Article 287 of Directive 2006/112/EC, which is EUR 35 000.

(4)   A higher threshold for the special scheme for small enterprises is a simplification measure as it may significantly reduce the VAT obligations of the smallest businesses, whilst that special scheme is optional for taxable persons. Overall, it is expected that the measure will improve the general level of VAT compliance.

(5)   In its proposal of 29 October 2004 for a Directive amending Council Directive 77/388/
EEC with a view to simplifying value added tax obligations, the Commission included
provisions aimed at allowing Member States to set the annual turnover ceiling for the
VAT exemption scheme at up to EUR 100 000 or the equivalent in national currency,
with the possibility of updating this amount each year. The request made by Romania
is in line with that proposal.

(6)   The measure has no impact on the Union's own resources accruing from VAT and only
a negligible effect on the overall amount of the tax revenue of Romania collected at the
stage of final consumption,

HAS ADOPTED THIS DECISION:

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(1) OJ L 347, 11.12.2006, p. 1.

Changes to legislation:
There are currently no known outstanding effects for the Council Implementing Decision 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 (2012/181/EU), Introductory Text.