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THIRD COUNCIL DIRECTIVE

of 9 December 1969

on the harmonisation of legislation of Member States concerning turnover taxes —
introduction of value added tax in Member States

(69/463/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 99 and 100 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament¹;

Having regard to the Opinion of the Economic and Social Committee²;

Whereas the Italian Republic and the Kingdom of Belgium made known to the Commission, on 14 July and 12 September 1969 respectively, that they were not in a position to meet the final date of 1 January 1970 for the introduction of value added tax as provided in the second paragraph of Article 1 of the First Council Directive of 11 April 1967³ on the harmonisation of legislation of Member States concerning turnover taxes; whereas, consequently, those Member States have asked for a further period of two years and one year respectively for the introduction of that tax;

Whereas the Kingdom of Belgium considers that it is not in a position to apply value added tax on the date laid down, mainly for conjunctural and budgetary reasons peculiar to Belgium;

Whereas the Italian Republic has pointed out that a proposal for the general reform of taxes has now been tabled for consideration and adoption by Parliament, which has not yet considered this problem; whereas, according to that proposal, the

appropriate legislation must be adopted before 31 October 1970; whereas, consequently, that Member State is not in a position to apply value added tax on the date laid down;

Whereas an additional period may be granted only if it is kept to a minimum;

Whereas, in these circumstances, introduction of value added tax may not be delayed beyond 1 January 1972;

Whereas one of the main objectives of the First Directive mentioned above is, through the introduction of value added tax on 1 January 1970, to establish conditions making it possible to avoid competition being distorted by turnover taxes;

Whereas that objective cannot be attained by 1 January 1970, in particular as regards trade, since these Member States will continue to apply, by means of turnover taxes, average rates of equalisation of the internal tax burden;

Whereas Member States which are not in a position to introduce value added tax by 1 January 1970 should not increase their average equalisation rates in operation on 1 October 1969;

HAS ADOPTED THIS DIRECTIVE:

Article 1

The date of 1 January 1972 shall be substituted for that of 1 January 1970 laid down in Article 1 of the First Directive of 11 April 1967.

Article 2

For the purposes of this Directive, 'average rates' means the rates of countervailing charges on

¹ OJ No C 139, 28.10.1969, p. 32.

² OJ No C 144, 8.11.1969, p. 13.

³ OJ No 71, 14.4.1967, p. 1301/67.

importation and of repayments on exportation introduced so as to equalise, as regards national products, the burden resulting from the cumulative multi-stage turnover tax at the various stages of production, excluding the tax on sales by the final producer.

Article 3

The average rates in force on 1 October 1969 may not be increased.

However, the average rates in operation on that date shall be adapted to any later changes in the rates of turnover tax.

Article 4

This Directive is addressed to the Member States.

Done at Brussels, 9 December 1969.

For the Council

The President

H. J. DE KOSTER