

Council Directive 2006/112/EC of 28 November  
2006 on the common system of value added tax

TITLE XI

**OBLIGATIONS OF TAXABLE PERSONS  
AND CERTAIN NON-TAXABLE PERSONS**

CHAPTER 1

**Obligation to pay**

Section 1

**Persons liable for payment of VAT to the tax authorities**

*[<sup>F1</sup>Article 199a*

1 [<sup>F2</sup>Member States may, until 31 December 2018 and for a minimum period of two years, provide that the person liable for payment of VAT is the taxable person to whom any of the following supplies are made:]

- a the transfer of allowances to emit greenhouse gases as defined in Article 3 of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community<sup>(1)</sup>, transferable in accordance with Article 12 of that Directive;
- b the transfer of other units that may be used by operators for compliance with the same Directive<sup>[<sup>F2</sup>];</sup>
- <sup>F3</sup> [ c supplies of mobile telephones, being devices made or adapted for use in connection with a licensed network and operated on specified frequencies, whether or not they have any other use;
- d supplies of integrated circuit devices such as microprocessors and central processing units in a state prior to integration into end user products;
- e supplies of gas and electricity to a taxable dealer as defined in Article 38(2);
- f supplies of gas and electricity certificates;
- g supplies of telecommunication services as defined in Article 24(2);
- h supplies of game consoles, tablet PC's and laptops;
- i supplies of cereals and industrial crops including oil seeds and sugar beet, that are not normally used in the unaltered state for final consumption;
- j supplies of raw and semi-finished metals, including precious metals, where they are not otherwise covered by point (d) of Article 199(1), the special arrangements for second-hand goods, works of art, collector's items and antiques pursuant to Articles 311 to 343 or the special scheme for investment gold pursuant to Articles 344 to 356.]

[<sup>F3</sup> Member States may lay down the conditions for the application of the mechanism provided for in paragraph 1.

1b The application of the mechanism provided for in paragraph 1 to the supply of any of the goods or services listed in points (c) to (j) of that paragraph is subject to the introduction

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of appropriate and effective reporting obligations on taxable persons who supply the goods or services to which the mechanism provided for in paragraph 1 applies.]

[<sup>F2</sup> Member States shall inform the VAT Committee of the application of the mechanism provided for in paragraph 1 on the introduction of any such mechanism and shall provide the following information to the VAT Committee:

- a the scope of the measure applying the mechanism together with the type and the features of the fraud, and a detailed description of accompanying measures, including any reporting obligations on taxable persons and any control measures;
- b actions taken to inform the relevant taxable persons of the introduction of the application of the mechanism;
- c evaluation criteria to enable comparison between fraudulent activities in relation to the goods and services listed in paragraph 1 before and after the application of the mechanism, fraudulent activities in relation to other goods and services before and after the application of the mechanism, and any increase in other types of fraudulent activities before and after the application of the mechanism;
- d the date of commencement and the period to be covered by the measure applying the mechanism.]

3 [<sup>F2</sup>Member States applying the mechanism provided for in paragraph 1 shall, on the basis of the evaluation criteria provided for under point (c) of paragraph 2, submit a report to the Commission no later than 30 June 2017.]

The report shall provide a detailed assessment of the measure's overall effectiveness and efficiency, in particular as regards:

- [<sup>F2</sup>a the impact on fraudulent activities in relation to supplies of goods or services covered by the measure;]
- b the possible shift of fraudulent activities to goods or other services;
- c the compliance costs for taxable persons resulting from the measure.

[<sup>F24</sup> Each Member State that has detected a shift in trends of fraudulent activities in its territory in relation to the goods or services listed in paragraph 1 from the date of entry into force of this Article with respect to such goods or services, shall submit a report to the Commission in that respect no later than 30 June 2017.

5 Before 1 January 2018, the Commission shall present to the European Parliament and to the Council an overall assessment report on the effects of the mechanism provided for in paragraph 1 on combatting fraud.]]

#### Textual Amendments

- F1** Inserted by [Council Directive 2010/23/EU of 16 March 2010 amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain services susceptible to fraud.](#)
- F2** Substituted by [Council Directive 2013/43/EU of 22 July 2013 amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud.](#)
- F3** Inserted by [Council Directive 2013/43/EU of 22 July 2013 amending Directive 2006/112/EC on the common system of value added tax, as regards an optional and temporary application of the reverse charge mechanism in relation to supplies of certain goods and services susceptible to fraud.](#)

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(1) [<sup>F1</sup>OJ L 275, 25.10.2003, p. 32.]

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