

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

TITLE VIII

RATES

CHAPTER 2

Structure and level of rates

Section 3

Particular provisions

Article 102

Member States may apply a reduced rate to the supply of natural gas, of electricity or of district heating, provided that no risk of distortion of competition thereby arises.

Any Member State intending to apply a reduced rate under the first paragraph must, before doing so, inform the Commission accordingly. The Commission shall decide whether or not there is a risk of distortion of competition. If the Commission has not taken that decision within three months of receipt of the information, no risk of distortion of competition shall be deemed to exist.

Article 103

1 Member States may provide that the reduced rate, or one of the reduced rates, which they apply in accordance with Articles 98 and 99 is also to apply to the importation of works of art, collectors' items and antiques, as defined in points (2), (3) and (4) of Article 311(1).

2 If Member States avail themselves of the option under paragraph 1, they may also apply the reduced rate to the following transactions:

- a the supply of works of art, by their creator or his successors in title;
- b the supply of works of art, on an occasional basis, by a taxable person other than a taxable dealer, where the works of art have been imported by the taxable person himself, or where they have been supplied to him by their creator or his successors in title, or where they have entitled him to full deduction of VAT.

Article 104

Austria may, in the communes of Jungholz and Mittelberg (Kleines Walsertal), apply a second standard rate which is lower than the corresponding rate applied in the rest of Austria but not less than 15 %.

Article 105

Portugal may, in the case of transactions carried out in the autonomous regions of the Azores and Madeira and of direct importation into those regions, apply rates lower than those applying on the mainland.