



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 March 2013

7344/13

**Interinstitutional File:
2013/0043 (NLE)**

**FISC 50
OC 136**

“I/A” ITEM NOTE

from: General Secretariat

to: Coreper/Council

No. Cion prop.: 6486/13 FISC 30 - COM(2013) 68 final

Subject: Council Implementing Decision authorising Latvia to introduce a special measure derogating from point (a) of Article 26(1) and Articles 168 and 168a of Directive 2006/112/EC on the common system of value added tax

– *Adoption*

COMMON GUIDELINES

Consultation deadline: 27.3.2013

1. On 13 February 2013 the Commission transmitted to the Council a proposal for a Council Implementing Decision authorising Latvia to introduce a special measure derogating from point (a) of Article 26(1)(a) and Articles 168 and 168a of the VAT Directive. The aim is to authorise Latvia to restrict the right of deduction to 80% of VAT incurred on expenditure in relation to business passenger cars not exclusively used for business purposes. The proposal provides that where that right to deduct has been limited, the taxable person is relieved from accounting for VAT on the private use of the car.

2. At its meeting on 6 March 2013 the Working Party agreed to the Commission proposal. The FR, MT and UK delegations expressed parliamentary scrutiny reservations. Since then these reservations have been lifted.

 3. The Permanent Representatives Committee could suggest that the Council adopt the abovementioned Implementing Decision as finalised by the Legal/Linguistic Experts in doc. 7184/13 FISC 48 OC 121, as an "A" item on the agenda of a forthcoming meeting.
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