



Brussels, 21 October 2016
(OR. en)

12679/16

Interinstitutional File:
2016/0277 (NLE)

FISC 144
ECOFIN 849

'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
No. Cion doc.:	12420/16 FISC 137 - COM(2016) 598 final
Subject:	Draft COUNCIL IMPLEMENTING DECISION amending Decision 2007/441/EC authorising the Italian Republic to apply measures derogating from Articles 26(1)(a) and 168 of Directive 2006/112/EC on the common system of value added tax - Adoption

1. On 19 September 2016 the Commission transmitted to the Council the abovementioned proposal for a Council Implementing Decision. This proposal aims to continue allowing Italy to limit to 40% the right to deduct VAT charged on expenditure on certain motorised road vehicles not wholly used for business purposes.
2. At its meeting on 27 September 2016 the Working Party on Tax Questions agreed to the draft Implementing Decision as set out in doc. 12420/16 FISC 137. The FR delegation expressed a parliamentary scrutiny reservation. Since then this reservation has been lifted.

3. The Permanent Representatives Committee is therefore invited to suggest that the Council:
- adopt the abovementioned Implementing Decision as finalised by the legal/linguistic experts in doc. 12678/16 FISC 143 ECOFIN 848 as an "A" item on the agenda of a forthcoming meeting;
 - agree on the publication of the abovementioned Implementing Decision in the Official Journal.
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