



Council of the  
European Union

Brussels, 3 November 2016  
(OR. en)

13144/16

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**Interinstitutional File:**  
**2016/0315 (NLE)**

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**FISC 154**  
**ECOFIN 889**

**'I/A' ITEM NOTE**

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
No. Cion doc.:	13066/16 FISC 149 - COM(2016) 645 final
Subject:	Draft COUNCIL IMPLEMENTING DECISION amending Decision 2007/884/EC authorising the United Kingdom to continue to apply a measure derogating from Articles 26(1)(a), 168 and 169 of Directive 2006/112/EC on the common system of value added tax - Adoption

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1. On 7 October 2016 the Commission transmitted to the Council the abovementioned proposal for a Council Implementing Decision. This proposal aims to extend until 31 December 2019 a derogation granted to the United Kingdom (UK) to restrict to 50% the right of the hirer or lessee to deduct input value added tax (VAT) on charges for the hire or lease of a car where that car was not used entirely for business purposes.
2. At its meeting on 12 October 2016 the Working Party on Tax Questions agreed to the draft Implementing Decision as set out in doc. 13066/16 FISC 149. The FR and UK delegations expressed Parliamentary scrutiny reservations. Since then the FR reservation has been lifted. The UK Parliamentary reservation should be lifted before adoption by the Council.

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. 13143/16 FISC 153 ECOFIN 888 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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