



**COUNCIL OF
THE EUROPEAN UNION**

**Brussels, 30 October 2013
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FISC 202

"I/A" ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Council Implementing Decision amending Decision 2007/441/EU 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 30 August 2013 the Commission transmitted to the Council a proposal for a Council Implementing Decision amending Decision 2007/441/EU 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. This proposal aims to authorise the Italian Republic to continue to apply a derogating measure from the VAT Directive as to restrict to 40% the right of a taxable person to deduct VAT on expenditure related to motorised road vehicles when the vehicle is not used exclusively for business purposes. When the right of deduction has been limited, the taxable person is relieved from the obligation to account for VAT on the private use.

2. At its meeting on 17 October 2013, the Working Party agreed to the Commission proposal. The FR delegation expressed a parliamentary scrutiny reservation. Since then this reservation has 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. 15130/13 FISC 192, as an "A" item on the agenda of a forthcoming meeting.
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