



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 5 November 2013  
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**FISC 189**

**LEGISLATIVE ACTS AND OTHER INSTRUMENTS**

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Subject: COUNCIL IMPLEMENTING DECISION authorising Romania to continue to apply a special measure derogating from Article 193 of Directive 2006/112/EC on the common system of value added tax

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**COUNCIL IMPLEMENTING DECISION**

**of ...**

**authorising Romania to continue to apply a special measure  
derogating from Article 193 of Directive 2006/112/EC  
on the common system of value added tax**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax<sup>1</sup>, and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

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<sup>1</sup> OJ L 347, 11.12.2006, p. 1.

Whereas:

- (1) By letter registered with the Secretariat General of the Commission on 13 March 2013, Romania requested authorisation for the extension of a special measure derogating from Article 193 of Directive 2006/112/EC in relation to supplies of wood products.
- (2) In accordance with the second subparagraph of Article 395(2) of Directive 2006/112/EC, the Commission informed the other Member States by letter dated 17 June 2013 of the request made by Romania. By letter dated 18 June 2013, the Commission notified Romania that it had all the information it considered necessary for appraisal of the request.
- (3) Article 193 of Directive 2006/112/EC provides that the taxable person supplying the goods or services is, as a general rule, liable for the payment of value added tax (VAT) to the tax authorities.
- (4) Council Implementing Decision 2010/583/EU<sup>1</sup> authorised Romania to apply a derogating measure pursuant to Article 395 of Directive 2006/112/EC in order to designate the recipient as the person liable for the payment of VAT in the case of supplies of wood products by taxable persons.

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<sup>1</sup> Council Implementing Decision 2010/583/EU of 27 September 2010 authorising Romania to introduce a special measure derogating from Article 193 of Directive 2006/112/EC on the common system of value added tax (OJ L 256, 30.9.2010, p. 27).

- (5) Prior to the former authorisation to apply reverse charge to the supplies of wood, Romania had encountered problems in the timber market because of the nature of the market and the businesses involved. There is a large number of small enterprises in this sector which the Romanian authorities have found difficult to control. Designating the recipient as the person liable for the payment of VAT has, according to the Romanian authorities, had the effect of preventing tax evasion and avoidance in this sector and therefore remains justified.
- (6) The measure is proportionate to the objectives pursued since it is not intended to apply generally, but only to very specific operations in a sector which poses considerable problems of tax evasion or avoidance.
- (7) The measure should not, in the Commission's view, have any adverse impact on the prevention of fraud at the retail level or in other sectors or in other Member States.
- (8) The authorisation should be limited in time until 31 December 2016.
- (9) In the event that Romania requires a further extension beyond 2016, a report together with the extension request should be submitted to the Commission no later than 1 April 2016. In light of the experience gained up to that date, an assessment should be made on whether or not the derogation remains justified.
- (10) The derogation has no adverse impact on the Union's own resources accruing from VAT,

HAS ADOPTED THIS DECISION:

### *Article 1*

By way of derogation from Article 193 of Directive 2006/112/EC, Romania is hereby authorised until 31 December 2016 to designate the taxable person to whom the supplies of goods or services referred to in Article 2 of this Decision are made as the person liable for the payment of the tax.

### *Article 2*

The derogation provided for in Article 1 shall apply to supplies of wood products by taxable persons including standing timber, round or cleft working wood, fuel wood, timber products, as well as square edged or chipped wood and wood in the rough, processed or semi-manufactured wood.

### *Article 3*

Any request for the extension of the measure provided for in this Decision shall be submitted to the Commission no later than 1 April 2016, and shall be accompanied by a report which includes an assessment of the efficiency of the measure and an evaluation of the risk of fraud in the wood sector.

*Article 4*

This Decision is addressed to Romania.

Done at Brussels,

*For the Council*

*The President*

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