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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)/Council
Subject:	Draft Council Implementing Decision authorising Germany and Poland to introduce a special measure derogating from Article 5 of Directive 2006/112/EC on the common system of value added tax – Adoption

1. On 15 May 2018 the Commission transmitted to the Council a proposal for the abovementioned Council Implementing Decision. As regards the demolition of the existing border bridge and the construction of a new bridge between Küstrin-Kietz (Germany) and Kostrzyn nad Odrą (Poland), this proposal aims at authorising, to derogate from the territoriality principle and to provide that for VAT purposes all supplies of goods and services, intra-Community acquisitions and imports of goods destined for the execution of the foreseen investment are carried out in the territory of Poland and thus would be subject to Polish VAT.
2. At its meeting on 24 May 2018 the Working Party on Tax Questions - Indirect taxation (VAT) agreed to the draft implementing Decision as set out in doc. 8943/18.

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. 9037/18 FISC 215 ECOFIN 429 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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