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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	15817/16 FISC 241 IA 145 - COM(2016) 811 final
Subject:	Draft Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards the temporary application of a generalised reverse charge mechanism in relation to supplies of goods and services above a certain threshold – Adoption

1. On 21 December 2016, the Commission presented a Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards the temporary application of a generalised reverse charge mechanism (GRCM) in relation to supplies of goods and services above a certain threshold¹.
2. On 2 October 2018, the ECOFIN Council reached a general approach on the compromise text of the draft Directive.²

¹ Doc. 15817/16 FISC 241.

² Doc. 12565/18 FISC 381 ECOFIN 850.

3. The objective of this legislative proposal is that Member States, if they meet a number of very strict conditions (e. g. the cumulative conditions that are set out in paragraphs 1, 3, 5 and 6 of the draft Article 199c of the VAT Directive), could apply GRCM in relation to non-cross border supplies of goods and services above a certain threshold.
 4. The opinion of the European Economic and Social Committee on this dossier was issued on 31 May 2017³. The opinion of the European Parliament is expected to be issued on 11 December 2018.
 5. The Permanent Representatives Committee is therefore invited to suggest that the Council, having regard to the opinion of the European Parliament, adopt, as an "A" item on the agenda of a forthcoming meeting, the **Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards the temporary application of a generalised reverse charge mechanism in relation to supplies of goods and services above a certain threshold**, as finalised by the legal/linguistic experts in doc. 12852/18 FISC 400 ECOFIN 884.
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³ *OJC 288, 31.8.2017, p. 52.*