Council Implementing Decision (EU) 2019/1593 of 24 September 2019 amending Implementing Decision 2013/676/EU 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

COUNCIL IMPLEMENTING DECISION (EU) 2019/1593

of 24 September 2019

amending Implementing Decision 2013/676/EU 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[(1)], and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Council Implementing Decision 2010/583/EU[(2)] and, subsequently, Council Implementing Decision 2013/676/EU[(3)] authorised Romania to apply a special measure designating the taxable person to whom supplies of wood products by taxable persons are made as the person liable for the payment of value added tax (VAT) on those supplies. The authorisation was extended until 31 December 2019 by Council Implementing Decision (EU) 2016/1206[(4)].

(2) By letter registered with the Commission on 11 March 2019, Romania requested authorisation to continue to apply the special measure beyond 31 December 2019. The request was accompanied by a report on the application of that measure, as required by Implementing Decision 2013/676/EU.

(3) By letters dated 9 April 2019, the Commission informed the other Member States of the request made by Romania. By letter dated 10 April 2019, the Commission notified Romania that it had all the information necessary to consider the request.

(4) According to the information provided by Romania, the factual situation which justified application of the special measure has not changed. Moreover, analysis by the Romanian authorities indicates that the measure has proved to be effective in reducing tax evasion.

(5) The special measure is proportionate to the objectives pursued since it is confined to very specific operations in a sector which poses considerable problems with regard to tax evasion and avoidance. Furthermore, continued application of the measure would not have any adverse impact on the prevention of fraud at the retail level, in other sectors or in other Member States.

Changes to legislation: *There are currently no known outstanding effects for the Council Implementing Decision (EU) 2019/1593. (See end of Document for details)*

(6) Romania should therefore be authorised to continue to apply the special measure for a further limited period of time until 31 December 2022.

(7) Derogations are in general authorised for a limited period of time to allow an assessment of whether the special measures are appropriate and effective. Derogations give Member States time until the expiry of the special measures to introduce other conventional measures to tackle the problem in question. Derogations that permit use of the reverse charge mechanism are only granted exceptionally for specific areas where fraud occurs, and constitute a means of last resort. Romania should therefore implement other conventional measures to fight and prevent further spreading of VAT fraud in the sector of timber and wood and consequently should no longer need to derogate from Article 193 of Directive 2006/112/EC with regard to such supplies.

(8) It is therefore not necessary at this stage to include specific provisions in Implementing Decision 2013/676/EU concerning further requests to extend the derogation authorised by that Implementing Decision beyond 31 December 2022.

(9) The special measure has no adverse impact on the Union's own resources accruing from VAT.

(10) Implementing Decision 2013/676/EU should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

Council Implementing Decision 2013/676/EU is amended as follows:

(1) in Article 1, the date ‘31 December 2019’ is replaced by the date ‘31 December 2022’;

(2) Article 3 is deleted.

Article 2

This Decision shall take effect on the date of its notification.

Article 3

This Decision is addressed to Romania.

Done at Brussels, 24 September 2019.

For the Council

The President

K. KULMUNI