

European Communities

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REPORT

drawn up on behalf of the Committee on Economic
and Monetary Affairs

On the proposal from the Commission of the
European Communities to the Council (COM(83)
786 final-Doc. 1-1307/83) for a directive
prolonging the derogation accorded to Ireland
relating to the rules governing turnover tax
and excise duty applicable in international
travel

Rapporteur : Mr I FRIEDRICH

PE 89.592/fin.

Or.de.

By letter of 12 January 1984, the President of the Council requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a directive prolonging the derogation accorded to Ireland relating to the rules governing turnover tax and excise duty applicable in international travel.

On 18 January 1984, the President of the European Parliament referred this proposal to the Committee on Economic and Monetary Affairs.

On 31 January 1984, the Committee on Economic and Monetary Affairs appointed Mr I. Friedrich rapporteur.

The committee considered the Commission's proposal and the draft report at its meeting of 21 March 1984.

Also at its meeting of 21 March 1984, the committee decided by 6 votes to 1 with 4 abstentions to recommend to Parliament that it approve the Commission's proposal with the following amendments.

The motion for a resolution was adopted by 6 votes to 1 with 4 abstentions.

The following took part in the vote: Mr J Moreau, chairman, Mr I Friedrich, rapporteur; Mr Beazley, Mr Bonaccini, Mr Delorozoy, Mr Giavazzi, Mr Marchesin, (deputizing for Mrs Desouches), Mr Muller-Hermann, Mr Rogalla (deputizing for Mr Schinzel), Mrs Theobald-Paoli and Mr van Wogau.

This report will be put to the vote in plenary sitting without debate (Rule 34 of the Rules of Procedure).

The report was tabled on 22 March 1984.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following amendments and motion for a resolution:

Proposal from the Commission for a Council Directive prolonging the derogation accorded to Ireland relating to the rules governing turnover tax and excise duty applicable in international travel.

Amendments tabled by the
Committee on Economic and
Monetary Affairs

Text proposed by the Commission
of the European Communities

Preamble and recitals unchanged

Article 1

Article 1

Unchanged

Notwithstanding Article 2(1) of

Unchanged

Directive 69/169/EEC, Ireland may, until 31 December 1988, exclude from tax exemption goods listed in the Annex whose unit value exceeds:

as from 1 January 1985 115 ECU or 53% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 July 1984 90 ECU or 43% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 January 1986 140 ECU or 63% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 January 1985 115 ECU or 43% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 January 1987 165 ECU or 73% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 January 1986 140 ECU or 43% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 January 1988 190 ECU or 83% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater.

as from 1 January 1987 165 ECU or 43% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater;

as from 1 January 1988 190 ECU or 43% of the amount set out in Article 2(1) of Directive 69/169/EEC whichever is the greater.

Amendments tabled by
the Committee on
Economic and Monetary
Affairs

Text proposed by the
Commission of the
European Communities

Add a new Article 1a as follows:

As from 1 January 1989, Article 2(1)
of Directive 69/169/EEC shall also
apply to Ireland, without any
derogation;

Articles 2 - 5 unchanged

The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a directive prolonging the derogation accorded to Ireland relating to the rules governing turnover tax and excise duty applicable in international travel

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM(83) 786 final),¹
 - having been consulted by the Council (Doc. 1-1307/83),
 - having regard to the report of the Committee on Economic and Monetary Affairs (Doc. 1-44/84),
 - having regard to the result of the vote on the Commission's proposal,
1. Emphasizes that the derogation accorded to Ireland under Directive 78/1032/EEC, whereby the tax-free allowance for goods contained in the personal luggage of intra-Community travellers should exclude any item exceeding 77 ECU in value, was intended as a temporary derogation only;
 2. Notes, moreover, that the present proposal for a directive provides only for a progressive increase in the maximum value of the goods covered by the tax-free allowance but proposes that the adjustment should be made more quickly;
 3. Appreciates that the derogation accorded to Ireland can only be abolished progressively, but nonetheless strongly opposes such a derogation being maintained in the long term, since it is incompatible with the European Parliament's objective of abolishing intra-Community frontiers;
 4. Calls for the derogation accorded to Ireland to be terminated as from 1 January 1989, which gives the Member State concerned ample time to make any changes required in its system of turnover tax and excise duty, so that unacceptable economic and budgetary consequences no longer result from international travel;
 5. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

¹ OJ No C17, 24 January 1984, p 6

