



THE KEY

Taxation — the customs union

DG XXI

No 1, March 1998

Le rôle de la fiscalité et de l'union douanière dans la réalisation de l'Union économique et monétaire

Par Mario Monti, commissaire responsable du marché intérieur, de la douane et des questions fiscales

Il est généralement admis que le rapprochement des données macroéconomiques fondamentales dans la majorité des États membres, dans le cadre de la réalisation des critères de Maastricht, renforce l'impact du facteur fiscal dans la prise de décision concernant la localisation des activités de production et d'échange.

L'approfondissement du marché unique et son évolution vers l'Union économique et monétaire accentueront encore cet impact de la fiscalité, dont les différences entre États membres seront de plus en plus visibles.

Or, les objectifs essentiels de l'action de la Commission en matière fiscale sont la réalisation de la transparence et de la neutralité de la fiscalité dans le cadre des opérations entre États membres.

Les coûts fiscaux des opérations transfrontalières et les obstacles aux échanges sont encore trop importants malgré les progrès accomplis.



Les grands objectifs en matière de fiscalité, objectifs à atteindre dans des délais les plus brefs possible, sont la modernisation et la simplification du régime de TVA en vigueur et la mise en place du régime le plus adapté possible au fonctionnement optimal du marché unique.

Le régime envisagé est fondé sur le principe, déjà énoncé par le comité Neumark, de la centralisation de la taxation au lieu du domicile du contribuable.

L'application de l'impôt sur la valeur ajoutée et la déduction de l'impôt en amont seront effectuées dans un seul et unique lieu, opération qui sera d'ailleurs facilitée par l'introduction de l'euro.

D'autre part, l'accord intervenu le 1^{er} décembre 1997 au sein du Conseil «Ecofin» a une portée certaine dans l'évolution des relations fiscales entre les États membres.

La convergence de plusieurs facteurs économiques, nécessaire pour que le marché unique devienne effectivement un espace économique unifié ayant des caractéristiques analogues à celles d'un marché intérieur national, ainsi que la transparence et la simplification des mouvements de capitaux rendront indispensable une coordination des législations fiscales entre elles afin de réduire les effets dommageables d'une compétition fiscale.

Cet accord sera suivi de mesures d'application concrètes du code de bonne conduite, ainsi que de mesures d'application des règles concernant les aides d'État selon les articles 92 à 94 du traité aux mesures législatives fiscales.

La mise en place de l'Union économique et monétaire rend nécessaire un renforcement et un perfectionnement du fonctionnement de l'union douanière.

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Editorial

Why *The key*?

We have chosen *The key* as the title for this new magazine because the key is a symbol. It is both the key to success, a successful flourishing economy, and the key to the door, the entry of goods into the Union. In the future, we hope it will not only be a symbol, but also a useful instrument for everybody to appreciate the transparency of the EU tax and customs union policy created in accordance with the Member States which is one of the key factors for democracy and justice.

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The opinions expressed in this magazine are those of the authors and do not necessarily represent those of the Commission itself.

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Sometimes, Community activities in such matters seem unclear and mysterious. We have to change that.

The principle of 'no taxation without representation' is a foundation stone in building the European Union where the final responsibility for tax legislation is in the hands of each national parliament, as confirmed by the Commission *Report on perspectives of convergence of Member States' tax systems* in 1980.

Today, the first problem we have in realising tax equity and a fair level of tax imposition in each Member State is the conflict with the need to respect the Maastricht parameters for being 'Euro-in' Member States in May 1998 (and in order to stay in afterwards).

The second dimension of the dilemma is the impact of the Commission action for realising tax transparency and tax neutrality between Member States, in order to complete a fair market which is a real unified economic area having the characteristics of the internal market of a single country.

But the functions of DG XXI are more complex even than this because of its additional responsibility for the external trade dimension of the internal market.

The European customs union is the 'secular arm' of the common external trade policy. DG XXI is the 'key' to the actual working of a fundamental structure of the European Union.

The key will be the means of contact of the Commission with all people having a business, academic or cultural interest in the Commission initiatives in the tax field as well as the customs union and in actions inside the European Union institutions in developing these activities.

The Commission actions on taxes and the customs union are always inspired by the necessity to reach a compromise. We need to conciliate three different legitimate interests. There is the business interest of eliminating anti-economic tax obstacles to the realisation of the four freedoms set out in the Treaty, which is a fundamental duty of the Commission. There is the protection of Member States' interests in maintaining a fair level of revenues and, last but not least, the legitimate expectation of the taxpayers for a fair level of taxation in relation to each citizen's wealth.

We hope that *The key* will be a useful instrument for understanding the full implications of the Commission efforts for reaching our mutual objectives.

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The Commission's work programme for the progressive introduction of the new common VAT system

The scope of the programme

The value added tax reform as envisaged in the programme of 10 July 1996 (COM(96) 328 final) is based on three pillars:

- (1) the changeover to the new system providing for a unique place of taxation;
- (2) the provision for more uniformity in the practical application of the tax throughout the European Union by turning the VAT Committee into a legislative committee to obtain a more unified approach in interpreting existing EC legislation;
- (3) the modernisation and simplification of the present VAT system in order to adapt taxation to recent technical and economic developments (e.g. telecommunications, electronic commerce, transfer of public services into private ownership, etc.).

The second and third pillars are seen as improvements to the current VAT system, preparing the ground for the new VAT system.

The new VAT system

The Commission approach for the new system is based on the fundamental concept that, in a genuine single market, there should be no distinction between domestic transactions and intra-Community transactions. In other words, selling to customers in other countries should be identical to selling to customers in the seller's home country.

All transactions giving rise to consumption in the EU will be taxed at their point of origin so that the existing remission/taxation mechanism for trade between Member States is abolished.

This means that differences between domestic and intra-Community transactions will be abolished, and all inland and intra-Community supplies will be subject to VAT by the supplier.

The notion of origin is quite different from the 1987 Commission proposals where the point of origin was considered to be:

- the physical location of the goods, for supply of goods;
- for supply of services, in principle, the place of the supplier's establishment, but with almost the same range of derogations as there are in force today.

Under the new system, the point of origin would be the 'tax domicile' of the taxable person (still to be precisely defined).

Today, within a single Member State, an operator only has to register once, but if he operates in several Member States he may require multiple registrations. In the future, under the new system, he will only need a unique VAT identification number for the whole of the Community. At this place of identification, he will fulfil all his VAT obligations with regard to VAT operations in the Community. This approach also implies that the right to deduct input VAT must be exercised strictly and exclusively at that place of identification. Also, all transactions of a given operator will be administered by a single tax administration.

Obviously, this approach does away with the direct attribution of the VAT receipts to the Member States through the tax mechanism itself. In fact, it has been that mechanism which relies on the physical movement of goods instead of on the commercial realities which has complicated our system and which has made it impossible, for example, to find a satisfactory solution to the problem of the so-called chain transactions. To overcome such a problem, we have to look for a system of attribution independent of the tax mechanism itself.

As VAT is a general consumption tax, the most convenient criterion for the attribution of tax receipts is actual consumption. The Commission has found that it is possible to calculate the taxed consumption of each Member State on the basis of its national accounts and the statistics collected in that context. It should be very similar to what we do today for the calculation of VAT own resources.

The approach will call for more harmonisation than we have achieved at present, especially on rates and the right to deduct input VAT. Major differences in rates and the deduction of input VAT would create major distortions of competition and might ultimately lead to the dislocation of businesses.

The Commission received advice from a very wide business environment. The consultation process, organised on an ad hoc basis (a conference organised by the Commission in November 1996, written contributions from trade associations, participation of EC officials in conferences organised by the private sector), made it clear that the general thrust of the programme was welcomed, that simplification of the VAT system was a top priority, and that harmonisation through both legislation and more uniform application of the tax was essential.

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Adoption par la Commission d'un rapport sur l'application du règlement (CE) n° 3295/94 (contrefaçons) et d'une proposition de modification de ce même règlement

Le 28 janvier 1998, la Commission a adopté un rapport, destiné au Parlement européen et au Conseil, relatif à l'application du règlement (CE) n° 3295/94 du Conseil du 22 décembre 1994 qui concerne les contrôles aux frontières des échanges de marchandises susceptibles de constituer des marchandises de contrefaçon ou des marchandises pirates. La Commission a en outre adopté, à la lumière de l'expérience acquise en la matière, une proposition de modification dudit règlement.

L'objectif principal de ce règlement est de permettre aux services douaniers de suspendre la réalisation d'une opération douanière lorsque les marchandises concernées sont suspectées de contrefaire ou de pirater des marchandises couvertes par un droit de propriété intellectuelle (marque de fabrique ou de commerce, dessin ou modèle, droits d'auteur ou droits voisins) et pour lesquelles une «protection douanière» a été préalablement sollicitée par le titulaire du droit.

Durant la période de suspension, le titulaire du droit peut saisir les autorités nationales compétentes (généralement un juge), lesquelles se chargeront des suites à donner à l'affaire. En l'absence de saisine du juge, les marchandises en cause sont libérées.

Ainsi que le montre le rapport rédigé par la Commission, le mécanisme mis en place par le règlement a permis en pratique de très bons résultats. En effet, les services douaniers ont procédé, en deux ans (de juillet 1995 à juin 1997), à 4 133 interventions alors que, dans le cadre du règlement applicable

antérieurement (du 1^{er} janvier 1988 au 30 juin 1995, soit sept ans et demi), moins de 2 000 interventions avaient été effectuées.

Ces interventions, effectuées, selon les cas, sur le trafic commercial, postal ou voyageur, ont été les plus intéressantes, en termes de quantités de contrefaçons appréhendées, dans le cadre du trafic commercial. Elles ont porté essentiellement sur les contrefaçons de marques, mais elles se sont progressivement accrues pour les marchandises portant atteinte à des

droits d'auteur ou à des droits voisins, ou à des dessins ou modèles. Les contrôles ont principalement porté sur les importations (mises en libre pratique).

Dans la mesure où les résultats sont satisfaisants, la Commission envisage maintenant d'étendre le champ d'application du règlement et de l'adapter à l'évolution de la réglementation communautaire en matière de droits de propriété intellectuelle. Ces améliorations, proposées par la Commission, visent principalement:

- à étendre le champ d'application du règlement à un nouveau droit de propriété intellectuelle, à savoir certains brevets d'invention;
- à adapter et à simplifier l'utilisation du règlement par les titulaires de marques communautaires, en mettant en place une procédure de demande unique de «protection douanière», valable dans plusieurs États membres.



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Le rôle de la fiscalité et de l'union douanière dans la réalisation de l'Union économique et monétaire

Par Mario Monti, commissaire (suite de la page 1)

La fiscalité, dans sa globalité, de même que l'instrument de l'union douanière sont de plus en plus impliqués dans la convergence des politiques économique, monétaire et, en particulier, commerciale, cette dernière constituant une politique commune au sens du traité.

Cette convergence contribuera à réaliser ce qui est l'objectif primaire des traités, consacré à l'article 2 et trop souvent oublié:

«La Communauté a pour mission, par l'établissement d'un marché commun, d'une Union économique et

monétaire [...] de promouvoir un développement harmonieux et équilibré des activités économiques dans l'ensemble de la Communauté, une croissance durable et non inflationniste respectant l'environnement, un haut degré de convergence des performances économiques, un niveau d'emploi et de protection sociale élevé, le relèvement du niveau et de la qualité de vie, la cohésion économique et sociale et la solidarité entre les États membres.»

The Commission's work programme for the progressive introduction of the new common VAT system

(continued from page 3)

The Commission is planning to set up a more formal consultation process to ensure continuous access to the opinions of the business community and to involve them in the technical work on drawing up the different proposals laid down in the programme.

With its resolution (A4-0164/97 of 10 June 1997), the European Parliament endorsed the shortcomings of the current VAT arrangements and agreed with the Commission plans to the move to a unique place of taxation-based system, which is simpler, more transparent, more uniform and more capable of being monitored. However, the resolution is also indicative of considerable scepticism with regard to a rapid transition to the final regime and the will to lose national autonomy in the field of VAT, especially in setting the level of VAT rates.

The Economic and Social Committee (ESC) welcomed the Commission's initiative and agreed, in principle, with the broad concept of its work programme. The ESC's opinion (ESC 37/97 of 9 July 1997) highlighted some doubts over the possibility of establishing accurate statistical data for the reallocation of VAT receipts among Member States, the unique place of registration concept, the political problems regarding convergence of VAT rates and the Member States' apparent loss of fiscal autonomy.

In the absence of fully worked out solutions and because of the staged approach, political and formal discussion with Member States about the general concept of the Commission's ideas for a new origin-based VAT system is seen as premature.

Discussing the basic approach of the programme could mean rushing into binding statements on questions of principle instead of finding a pragmatic approach to 'real' problems. This would harm the common interest of all the parties involved. The Commission needs to get on with its work of considering the concepts of developing implementation techniques for new VAT legislation in order to be able to make the necessary proposals to the Council of Ministers.

In the meantime, the services of the Commission have to pursue their work to find solutions to the outstanding technical problems of the new system.

For the time being, the programme only sketches out the broad lines and the format of the origin-based taxation scheme without providing for technical solutions to all outstanding questions.

Concrete proposals for the changeover to the origin-based system are scheduled for between late-1998 and mid-1999. Preliminary work is to start soon with DG XXI to fill in some technical gaps in the envisaged system.

The items for which thorough preliminary studies are needed are to be tackled first:

- The determination of the unique place of taxation/deduction



Currently the concept of the unique place of taxation, i.e. the place where taxable persons would be registered for VAT purposes and where all the transactions for the entire Community would be taxed, is not yet defined. The following criteria will need to be considered: place where the company is incorporated or legally established, headquarters, place where the company is effectively managed, genuine centre of activity, etc. Another outstanding question is how to involve third country operators not established in the Community in the scope of the tax.

- Defining the territorial scope of the tax, especially the place of consumption

The scope of VAT is to be clearly established by means of a definition of the concept of the consumption of goods or services in Community territory in order to ensure that, as is the case at present, only sales giving rise to consumption within the Community are subject to VAT.

- The concrete development of the proposed reallocation system and the accuracy of the statistics to be used

The reallocation system must ensure that Member States will not lose in VAT revenue terms compared with the present system. A lot of analytical work remains to be done. One of the key aspects for the proper functioning of the reallocation system envisaged is the quantification of the size of the underground economy included in the final consumption which should be excluded from the calculations.

- Setting up a legal framework for a Community-wide organisation of control systems

Administrative cooperation and mutual assistance will become more important in the operation of the new system. In short, a level of cooperation between the Member States equivalent to that currently achieved within each Member State will be required. The existing legal framework for mutual assistance and administrative cooperation requires extensive reform.

More uniformity in application of the present VAT system

Pending the changeover to the unique place of taxation system, the present system needs to be made more uniform. At the same time the capacity of national tax administrations to collect taxes and to prevent tax fraud or tax evasion needs to be strengthened.

In implementing this pillar of its programme, the Commission has already presented its proposals on the following.

- The change in the legal status of the VAT Committee (COM(97) 325 of 25 June 1997) is a key instrument to ensure more uniformity in the practical application of the tax. The transformation of the VAT Committee from an advisory to a regulatory body should ensure a more unified approach to interpreting existing EC legislation. This should help in removing an important source of unhealthy competition resulting in complexity for traders. Also, more uniformly applied rules should counteract the legal exploitation of the system's loopholes and lead to better enforcement and control of the tax.
- The Fiscalis programme (COM(97) 175 of 23 April 1997) is a significant new initiative at Community level aimed at establishing a new spirit of administrative cooperation in the fight against fraud. In a world offering new technological opportunities that reinforce the trend towards globalisation, administrative cooperation becomes an increasingly vital link in the VAT control chain.

Modernisation and simplification of the present VAT system

The Commission's approach will be to increase the scope of the tax, to enforce the system's neutrality and simplicity and to counteract the erosion of the tax base resulting from the European Court of Justice's case-law on the definition of the concept of economic activity.

In the near future, the Commission will present its proposals respecting some priorities:

- revision of the VAT treatment of transactions designed to finance economic activities in order to respond to the Court's case-law on the definition of the concept of economic activity and the direct link theory between inputs and outputs (*Polysar, Satam, Welcome Trust, Harnas & Helm, BLP, etc.*);
- extension of the scope of the tax to include some public bodies. However, the fiscal treatment of public bodies cannot be seen as an isolated topic as it has major links with other fundamental provisions of the sixth VAT directive such as exemptions, taxable basis (e.g. subsidies) and the right to deduct input VAT;
- harmonisation of the right to deduct input VAT (especially the limitation of this right for car expenses; more generally Article 17(6) of the sixth VAT directive) in combination with a radical reform of the procedures for refunding VAT to taxable persons established in other EC Member States (the eighth directive);



- review of certain rules determining the taxable basis (treatment of subsidies, marketing schemes, vouchers, etc.);
- limitation of the scope of exemption for financial services;
- review of the arrangements for levying VAT on groups of companies.

Also, the modernisation exercise must take into account recent technical developments in the telecommunication sector and particularly the increase in services supplied via the Internet.

The changeover to the new origin-based taxation scheme has to form part of a long-term strategy. For this reason, the Commission has considered it necessary to propose complementary measures right away that would reduce burdens on business while preparing for the introduction of the new VAT system.

Within the framework of the SLIM II exercise (simpler legislation for the internal market), the Commission intends to propose before the end of 1998:

- reinforcement of mutual assistance on recovery;
- legislative reform aimed at easing the tax representation system:

The non-binding recommendations contained in the Commission report on arrangements for taxing transactions carried out by non-established taxable persons (COM(94) 471 final of, 3 November 1994) have not been implemented sufficiently by the Member States. Legislative action is now needed to implement these recommendations;

- legislative reform of the tax-refund procedures laid down by the eighth VAT directive:

Since most of the difficulties encountered by traders derive from the fact that they have to deal with foreign administrations, the Commission is currently looking into the possibility of refunding to the taxable persons in the Member State of establishment the tax paid in another Member State. Besides the genuine simplification for traders, this proposal will put an end to distortions of competition in the field of cross-border leasing stemming from the interpretation given by the Court on the place of supply rule for hiring out cars (*Aro-lease* case), since the VAT amount eligible for refund would be determined by the Member State of establishment instead of the Member State of reimbursement as it is today.

It should be stressed that the modernisation exercise is not restricted solely to the transitional VAT arrangements. It also touches upon the basic provisions of the sixth VAT directive, into which the transitional arrangements have been integrated. The same applies to the simplification exercise. A genuine simplification of the present VAT system is unthinkable if we are not prepared to change the 25 complex place of supply rules. As a consequence, the European Commission sees the improvements to the current VAT system only as a preparation for the move to a new VAT system, providing for a unique place of taxation, which is the sole guarantee for a drastic simplification to the VAT system and to redress budgetary losses by providing for long-term revenue security for the Member States.

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In the Courts

Arrêt du 15 janvier 1998 dans l'affaire C-37/95 (Belgische Staat/Ghent Coal Terminal NV)

Application de l'article 17 de la sixième directive TVA du Conseil du 17 mai 1977

Le droit à déduction reste acquis à l'assujéti qui a effectué des investissements destinés à être utilisés dans le cadre de ses opérations taxées même si, pour des circonstances étrangères à sa volonté, l'assujéti n'a pas fait usage des biens ou des services livrés. Le cas échéant, la régularisation prévue à l'article 20, paragraphe 3, de la sixième directive TVA sera applicable.

Arrêt du 15 janvier 1998 dans l'affaire C-292/96 (Göritz Intransco International GmbH/Hauptzollamt Düsseldorf)

Application de l'article 76, paragraphe 4, du code des douanes et des articles 398 à 405 du règlement d'application, s'agissant de la qualité d'expéditeur agréé

Les États membres peuvent accorder la qualité d'expéditeur agréé uniquement sur le fondement des articles 398 à 405 du règlement (CEE) n° 2454/93 du 2 juillet 1993.

Dans la mesure où le règlement autorise les autorités douanières à dispenser un expéditeur agréé de l'obligation de présenter au bureau de départ les marchandises et la déclaration de transit, la qualité d'expéditeur agréé ne saurait être refusée à un opérateur qui a déjà présenté les marchandises.

Arrêt du 15 janvier 1998 dans l'affaire C-80/96 (Quelle Schickedanz AG und Co./Oberfinanzdirektion Frankfurt am Main)

Application du point 6 de l'annexe du règlement (CE) n° 1966/94 de la Commission du 28 juillet 1994 relatif au classement de certaines marchandises dans la nomenclature combinée à des ensembles de lingerie féminine

Le règlement (CE) n° 1966/94 est invalide dans la mesure où il classe

séparément des marchandises présentées en assortiment pour la vente au détail, composées d'un soutien-gorge et d'un slip.

Ces marchandises doivent être classées dans la sous-position 6212 10 00 du tarif douanier commun.

Arrêt du 29 janvier 1998 dans l'affaire C-315/96 (Lopex Export GmbH/Hauptzollamt Hamburg-Jonas)

Application de l'article 13 du règlement (CEE) n° 1715/90 du Conseil du 20 juin 1989 relatif au classement des marchandises dans la nomenclature douanière

Un règlement modifiant la nomenclature douanière et ayant pour effet un changement de nomenclature pour certains produits n'est pas invalide en raison du fait qu'il n'a été assorti d'aucun régime transitoire pour son application.



DG XXI in the Parliament

TAXES

Taxation of energy products

COM(97) 30 — Proposal for a Council directive to be discussed by the Economic and Monetary Affairs Committee (EMAC), restructuring the Community framework for the taxation of energy products.

VAT Committee

COM(97) 325 — VAT Committee proposal to be discussed by the Economic and Monetary Affairs Committee (EMAC) — Draft report presented by Mr Langen on 22 January 1998.

Excise duties

COM(97) 326 — Proposal for a Council directive to the Economic and Monetary Affairs Committee (EMAC), amending Directive 92/12/EEC on the general arrangements for products subject to excise duty and on the holding, movement and monitoring of such products. This proposal concerns the terms of reference of the Excise Committee and how they might be amended to provide more flexibility.

Rapporteur: Bill Miller, PSE/UK. Consultation procedure. Proposal for a Council directive to change the

Excise Committee's status from an advisory to a legislative committee in order to ensure the harmonisation of the Community provisions on excise duties. Ongoing discussion in EMAC. Mr Miller has tabled amendments to the Commission's proposals, mainly concerning the obligation for the Commission to present a report to the European Parliament (EP) on the activities of the Excise Committee on a yearly basis as well as the Commission's legislative powers for the computerisation of controls.



TVA sur les services de télécommunication

Le rapport sur la proposition de directive modifiant le lieu de taxation des services de télécommunication élaboré par M. Cox (PE A-4-376/97) a été discuté au sein du comité des affaires économiques et monétaires (Emerging Markets Advisory Committee — EMAC), le 3 juillet et le 3 novembre 1997. La Commission n'a pas accepté l'essentiel des propositions du PE qui recommandait que la proposition soit retirée. La proposition est renvoyée à l'EMAC pour chercher un compromis acceptable par le PE et la Commission.

Taxation du commerce électronique

COM(97) 157 final du 16 avril 1997

Projet de rapport élaboré par M^{me} Mann sur la communication de la Commission intitulée «Une initiative européenne sur le commerce électronique» qui devra être discuté au cours de la session de l'EMAC des 4 et 5 mars 1998.

Fiscalis

The Fiscalis programme to reinforce the functioning of the indirect taxation system of the internal market should be discussed in the forthcoming debates in the EP plenary session of 16 to 20 February 1998 (Rapporteur: Carlo Secchi, PPE/IT. Co-decision procedure).

Common system of VAT

The common system of VAT (VAT Committee — amendment of Direc-

tive 77/388/EEC) is to be discussed in the forthcoming debates in the EP plenary session of 9 to 13 March 1998 (Rapporteur: Werner Langen, PPE/D. Consultation procedure).

SLIM

At the EP meeting of 20 and 21 January 1998, the Committee on Economic and Monetary Affairs and Industrial Policy (Rapporteur: Mr Murphy) and the Committee on External Economic Relations (Rapporteur: Mr Valdivielso de Cue) adopted opinions in favour of the Commission report. Considering these opinions, the Committee on Legal Affairs and Citizens' Rights (Rapporteur: Mr Crowley) has adopted an amended draft report.



DG XXI in the world

Visite de M. Monti en Pologne

M. Monti, membre de la Commission responsable du marché intérieur, de la fiscalité et de l'union douanière, ainsi que M. Vanden Abeele, directeur général de la DG XXI, se sont rendus à Varsovie les 26 et 27 janvier 1998, afin d'y rencontrer les plus hautes autorités polonaises.

M. Balcerowicz, vice-premier ministre et ministre des finances, et M. Monti ont, à l'occasion de cette visite, adopté une déclaration politique qui comporte un soutien aux administrations douanière et fiscale dans le cadre de la préparation de la Pologne à l'adhésion à l'Union européenne.

Suivi de la stratégie de préadhésion

Les services de la DG XXI ont reçu individuellement, au cours des mois de janvier et de février 1998, les attachés douaniers de chacun des dix pays candidats d'Europe centrale et orientale, dans le cadre de la stratégie de préadhésion.

EC-Malta Customs Cooperation Committee

The second meeting of the EC-Malta Customs Cooperation Committee was held in Brussels on 20 February 1998.

EU-Russia Cooperation Council

Following the entry into force of the partnership and cooperation agree-

ment (PCA) with Russia, the first meeting of the Cooperation Council was held on 27 January 1998 in Brussels. It was agreed that both sides would strengthen cooperation in the customs field on the basis of the joint statement endorsed by Mr Santer, President of the Commission, and Mr Chernomyrdin in July 1997.

Table ronde Ukraine

Une table ronde sur les actions douanières en Ukraine a été organisée le 15 décembre 1997.

Groupe de travail «Lutte contre la fraude» (ASEM)

Le groupe de travail «Lutte contre la fraude» de l'ASEM s'est réuni à Bruxelles les 6 et 7 février.

EC-Canada customs cooperation and mutual administrative assistance agreement

A customs cooperation and mutual administrative assistance agreement between the EC and Canada entered into force on 1 January 1998.

Other agreements on customs cooperation and/or mutual assistance

The EC has taken the first steps to negotiate agreements on customs

cooperation and mutual administrative assistance in customs matters with China and Hong Kong by sending them draft proposals. Negotiations and mutual assistance are still in progress with Chile and Mercosur (Argentina, Brazil, Paraguay and Uruguay) and on global agreements with South Africa, Egypt, Lebanon, etc.

Precursor control agreements

The Community and Chile initialled an agreement on precursor control on 3 December 1997. Precursors are the 22 scheduled substances or essential chemicals listed in Tables I or II of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 of which the Community is a contracting party. These chemicals are commonly used for the manufacture of licit products such as plastics or pharmaceuticals, but they may also be diverted to the illicit manufacture of narcotic drugs or psychotropic substances, namely heroin, cocaine and synthetic drugs. The Community is pursuing negotiations for the conclusion of similar agreements with the ASEAN countries of which four (Indonesia, Malaysia, Philippines, Thailand) have responded positively.





In the Council

CUSTOMS UNION

Common Customs Tariff

Proposal for a Council regulation amending the Common Customs Tariff, autonomously according a temporary exemption from customs duties for certain gas turbines. Currently under discussion in the economic questions group (EQG-CCT).

Mutual assistance

The ad hoc economic question group is currently considering the draft document on mutual administrative assistance in customs matters. This draft document is the result of the first round of discussions between the Commission and Chile held in July 1997. It is expected that negotiations with Chile will be completed within the first semester of 1998 since there seem to be no major problems.

The Commission presented to the Council a recommendation to be authorised to negotiate on behalf of the European Community a mutual administrative assistance agreement with Cyprus. Such an agreement would constitute a very important tool in combating fraud against customs legislation in the respective territories. Indeed, the agreement would provide a legal basis allowing both parties to

exchange information and to cooperate in inquiries if a breach of customs legislation is suspected.

Tariff quotas

A Commission proposal to amend Regulation (EC) No 1808/95 would result in a more efficient use of tariff quotas for handicraft products and tighter control procedures (COM(97) 640).

TAXES

Excise duties

Danish request to the financial questions group for a derogation (COM(97) 631) under Article 8(4) of Directive 92/81/EEC (the mineral oil structures directive). Agreed.

VAT reduced rates

The financial questions group (FQG) discussed in its meeting on 26 January 1998 the Commission communication, 'Job creation: Possibility of a reduced VAT rate on labour-intensive services for an experimental period and on an optional basis' (SEC(97) 2089), and the Commission report on the scope of reduced VAT rates (COM(97) 559). While taking note of the report, the Council working group did not reach agreement in defining its position on the communication. Discussions will continue,

at a later stage, in Coreper and Ecofin.

VAT on gold

The UK Presidency dedicated the first financial questions group meeting of their Presidency, on 12 January 1998, to the Commission proposal for a Council directive on gold (COM(92) 441 final). The Presidency presented Member States with a redraft of a technical note previously discussed under the Irish Presidency in September 1996. At present, gold transactions are, in principle, taxable at the normal VAT rate throughout the European Community. However, some Member States apply an exemption to certain gold transactions or apply reduced VAT rates. In order to attain a harmonised tax treatment of investment gold transactions within the European Community and to avoid that the gold trade is lost to third countries where supply of gold is exempted from tax or taxed at lower rates, the proposal suggests that investment gold transactions be exempted from VAT. Investment gold is defined as gold bars or gold wafers of a purity of at least 995 thousandths, and certain gold bullion coins of a purity of at least 900 thousandths. The next meeting of the FQG is scheduled for 9 February 1998.



The Official Journal L series — Law

CUSTOMS UNION

Transit

Decision No 4/97 of the EC-EFTA Joint Committee on Common Transit of 17 December 1997 amending Annex VIII to Appendix II to the Convention of 20 May 1987 on a common transit procedure, with respect to the scope of the flat-rate guarantee. Published in OJ L 5, 9.1.1998, p. 34.

Decision No 5/97 of the EC-EFTA Joint Committee on Common Transit

of 17 December 1997 relating to the renewal of the ban on the use of the comprehensive guarantee, made by Decision Nos 1/96 and 2/96 of the Joint Committee. Published in OJ L 5, 9.1.1998, p. 36.

Community Customs Code

Commission Regulation (EC) No 75/98 of 12 January 1998 amending Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No

2913/92 establishing the Community Customs Code (text with EEA relevance). Published in OJ L 7, 13.1.1998, pp. 3-24.

The main objectives of the new provisions are to simplify customs requirements on certain movements of goods, to abolish an accounting requirement laid on the Member States and to establish new control arrangements for certain fishery products.



Contingents et suspensions tarifaires

Règlement (CE) n° 77/98 du Conseil du 9 janvier 1998 relatif à certaines modalités d'application de l'accord de coopération entre la Communauté européenne et l'ancienne République yougoslave de Macédoine (JO L 8 du 14.1.1998, p. 1).

TAXES

Sixième directive TVA du Conseil n° 77/388/CEE

Décision du Conseil du 19 décembre 1997 autorisant les Pays-Bas à proroger l'application d'une mesure dérogatoire à l'article 21 de la sixième directive TVA (JO L 8 du 14.1.1998, p. 16).

Décision du Conseil du 19 décembre 1997 autorisant le Royaume-Uni à proroger l'application d'une mesure dérogatoire à l'article 28 sexies de la sixième directive TVA (JO L 8 du 14.1.1998, p. 24).



Tax news in the Union

Bulletin on statutory contributions and charges

The *Bulletin on statutory contributions and charges* provides a factual summary of the recent developments in the field of taxes and social contributions in each Member State of the European Union. It is published biannually by DG XXI, task force on statutory contributions and charges. The next issue of the bulletin will appear in April-May 1998.

The latest issue was published in November 1997. Besides the 1998 budgets, it covers in particular, the following developments:

- in France, a reduction of the statutory working week from 39 to 35 hours by the year 2000 and a draft law on the development of youth employment which is expected to create 350 000 posts in sectors related to the public sector;
- in Ireland, the government's plans to introduce a single low rate of corporation tax for trading profits, with a higher rate of tax for non-trading profits. The details of this new corporation tax regime will be announced in the forthcoming budget;
- in Italy, as part of the government's tax reform, a draft law on corporate income taxation will introduce two different tax rates for business income; a draft law on personal income tax and regional business tax will introduce a new regional tax (IRAP) to replace to current local income tax and several other taxes and contributions, notably for the health service.

Copies of the bulletin can be obtained from the task force unit's secretariat:
Tel. (32-2) 295 43 56;
Fax (32-2) 296 29 46.



Seminars, conferences, colloques

Séminaire «Douane 2000 — Transit»

Ce séminaire s'est tenu du 28 au 30 janvier 1998 à Valence (Espagne) et avait pour objet l'élaboration des modalités de mise en œuvre et d'application des dispositions et des mesures opérationnelles prévues par le «plan d'action pour le transit en Europe».

Pour de plus amples informations, veuillez contacter M. Vergnolle, DG XXI/B.7

Tél. (32-2) 295 53 14

Séminaire «Fiscalité et Internet: nouveau défi de délocalisation fiscale dans le cadre des échanges commerciaux et financiers?»

Cette journée d'étude s'est déroulée le 13 février 1998 à l'université catholique de Louvain et était organisée par le CEFI (Centre européen de fiscalité UCL-ESSF).

Pour de plus amples informations, vous pouvez contacter M. Burgio, DG XXI/SEC

Tél. (32-2) 295 18 75

Programme Matthaeus

Du 2 au 4 février s'est tenue, à Paris, dans le cadre du programme Matthaeus, la première réunion des responsables des centres nationaux de formation des fonctionnaires des douanes. L'objectif de ces réunions périodiques est de constituer un véritable «réseau de la formation douanière dans la Communauté», apte à mettre en œuvre le tronc commun de formation douanière, prescrit par la décision du Parlement européen et du Conseil du 19 décembre 1996 qui a créé le programme «Douane 2000».





Publications

Recueil de jurisprudence de la Cour — Arrêts en matière fiscale et douanière (1996) — Volume IV



AOB

Tariff quotas and ceilings

Management details of the current balance of every tariff quota and ceiling managed by DG XXI is available on the Internet from the Europa website. This information covers tariff quotas and ceilings open in the current year and the past year, and is updated every day. Explanations in 10 languages are available on hypertext. The details include the initial volume, the current balance and relevant dates.

The full address for this service is:

<http://europa.eu.int/en/comm/dg21/tariff/public/infos/qotwelco.htm>



AMT FÜR AMTLICHE VERÖFFENTLICHUNGEN
DER EUROPÄISCHEN GEMEINSCHAFTEN

OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

OFFICE DES PUBLICATIONS OFFICIELLES
DES COMMUNAUTÉS EUROPÉENNES

L-2985 Luxembourg

ISBN 92-828-2894-4



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