II

(Preparatory Acts)

COMMISSION


(Submitted to the Council by the Commission on 29 June 1973)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 99 and 100 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament;

Having regard to the Opinion of the Economic and Social Committee;

Whereas all the Member States have adopted a system of value added tax in accordance with the First and Second Council Directives of 11 April 1967 (1) on the harmonization of the legislation of Member States concerning turnover taxes;

Whereas the Council Decision of 21 April 1970 (2) on the replacement of financial contributions from Member States by the Communities' own resources provides that the budget of the Communities shall, irrespective of other revenue, be financed entirely from the Communities' own resources; whereas these resources are to include those accruing from the value added tax and obtained by applying a common rate of tax on a basis of assessment determined in a uniform manner according to Community rules;

Whereas the actual liberalization of the movement of persons, goods, services and capital and the integration of national economies must be speeded up with a view to the establishment by stages of Economic and Monetary Union;

Whereas the value added tax constitutes a general tax on consumption and was therefore chosen as one of the best measures of the contributing capacity of the Member States; whereas all supplies and imports of goods and all supplies of services should in principle be subject to the tax;

Whereas account should be taken of the objective of abolishing the imposition of tax on importation and the remission of tax on exportation in trade between Member States, and the common system of turnover taxes should be made impartial as regards the origin of goods and services, so that a common market permitting fair competition and resembling a real internal market may be created at the planned time;

Whereas the Member States can remove the territorial criteria for tax collection only if the principle of the impartiality of taxes on consumption, and their contributions to the Communities own resources, are not endangered;

Whereas, to enhance the impartiality of the tax, the meaning of 'taxable person' must be clarified to include persons who occasionally carry out certain transactions;

Whereas the expression 'taxable transactions' has led to difficulties, in particular as regards transactions treated fictively as taxable transactions and works of constructions; whereas these concepts must be clarified;

Whereas the place of taxable transactions has been the subject of conflicts between Member States' laws, in particular as regards the supplies of goods for assembly and the place where a supply of services takes place; whereas the place where a supply of services takes place should be defined as the place where the person supplying the services has his principal place of business so that the laws of the Member States will no longer need to be amended when the objective set out in Article 4 of the First Directive has been attained;

Whereas the concepts of chargeable event and of the charge to tax must be harmonized if the introduction and any subsequent alterations of the Community rate of value added tax are to become operative at the same time in all Member States;

Whereas the basis of calculation of the taxable amount must be so harmonized so that the Community rate of value added tax may be applied to taxable transactions in a comparable manner in all Member States;

Whereas the rates applied by Member States must be such that the tax applied at the preceding stage will in the normal way be deductible;

Whereas a common list of exemptions should be drawn up so that the Community's own resources may be collected in a uniform manner in all Member States; whereas the number of exemptions must be as small as possible, so that value added tax may remain a general tax on consumption;

Whereas the rules governing deductions should be harmonized to the extent that they actually affect the real amounts collected; whereas, in particular, there should be a common list of goods and services in respect of which deductions may not be made and the deductible proportion should be calculated in similar manner in all Member States;

Whereas it should be specified which persons are liable to pay tax, in particular as regards services supplied by a person established in another country; whereas the times at which the amount of tax to be paid is to be assessed and paid should be defined in common terms so that the Community may exercise its rights to its own resources at the same time in all Member States;

Whereas the obligations of taxpayers must be harmonized as far as possible so as to ensure that taxes are collected in uniform manner in all Member States; whereas taxpayers should, in particular, make a periodic omnibus return of their transactions, relating to both inputs and outputs, so that the collection of own resources may be supervised;

Whereas the various special schemes now in force should be harmonized; whereas it has been found that the Member States may be left to choose the special schemes for small undertakings where tax relief cannot be granted to undertakings whose turnover does not exceed a certain amount, so that the own resources should not be affected by divergence between the schemes; whereas it has been found that the tax on second-hand goods should be reduced in order to avoid penalizing certain branches of trade; whereas Member States who select a flat-rate scheme for offsetting input tax for farmers who have not opted for the normal value added tax scheme should apply the scheme on a common basis to prevent the value added tax from acting as a hidden charge varying from country to country and to ensure the uniform collection of own resources is not jeopardized;

Whereas the uniform application of the provisions of this Directive should be ensured, and whereas to this end an effective Community procedure should be laid down by which any necessary implementing measures may be adopted when required; whereas the setting up of a Value Added Tax Committee would enable the Member States and the Commission to cooperate closely and effectively;

HAS ADOPTED THIS DIRECTIVE:

TITLE I

INTRODUCTORY PROVISIONS

Article 1

Member States shall modify their present value added tax systems in accordance with the following Articles.
They shall without delay adopt the necessary laws, regulations and administrative provisions so that the systems as modified may enter into force on 1 January 1975.

TITLE II

FIELD OF APPLICATION

Article 2

The following shall be chargeable to value added tax:

(1) Supplies of goods or services effected for consideration within the territory of the country by a taxable person;

(2) The importation of goods;

(3) Supplies of services as listed in Article 16 (10), effected within the territory of the country to a taxable person by a person established in another country, and supplies of such services effected within the territory of the country to a non-taxable person by a person established outside the Community.

TITLE III

TERRITORY

Article 3

1. 'Territory of the country' means in respect of each Member State, the entire national territory, including territorial waters. It may also extend to the continental shelf.

2. A Member State which, at the date of this Directive, does not apply in toto the principle laid down by paragraph 1 and proposes to continue thus shall so inform the Commission not later than three months after the date of this Directive.

The Commission may, within six months following receipt of such information, consult the Member States on the effects of the request, in particular on the fairness of competition and on the Community's own resources; it shall submit proposals to the Council which, acting by a qualified majority, shall decide thereon within six months.

If no decision is adopted by the Council within that period, the proposed measures shall be adopted by the Commission.

Pending a Community decision the Member State may apply the derogation requested.

TITLE IV

TAXABLE PERSONS

Article 4

1. 'Taxable person' means any person who independently and regularly carries out in any place transactions pertaining to the occupations specified in paragraph 2, or who occasionally carries out one of the transactions specified in paragraph 3, whatever the purposes or results of such occupations or transactions may be.

2. The occupations referred to in paragraph 1 are the activities of producers and traders and persons supplying services, including mining and agricultural activities and activities of the professions.

3. The transactions referred to in paragraph 1 are:

(a) the exploitation of tangible or intangible property for the purpose of obtaining income therefrom on a permanent basis;

(b) the supply of buildings or parts of buildings and the land on which they stand, before first occupation. A building means any structure fixed to the ground;

(c) the supply of building land. 'Building land' means:

— land which is prepared for construction, land on which an incomplete building or a building for demolition stands, and rights to build on top of an existing building;

— land other than as defined above on which the person acquiring it, at the time of such acquisition, undertakes to erect a building within four years.

4. The use of the word 'independently' in paragraph 1 excludes from the tax employed persons and other persons bound to an employer by a contract for the hire of labour or similar contract creating a relationship of employer and employee.

Until such time as the objective set out in Article 4 of the First Council Directive of 11 April 1967 is
attained, each Member State may treat as a single taxable person, persons established in its national territory who are legally independent but are bound to one another by financial, economic or organizational relationships.

5. States, regional and local government authorities, and other bodies governed by public law shall not be considered to be taxable persons as regards their activities pursued as public authorities.

However, where they carry out transactions covered by paragraph 1, they shall be considered to be taxable persons in respect of such transactions. This provision extends to the activities of broadcasting authorities, and of the agricultural intervention agencies in respect of dealings in agricultural products in pursuance of a Regulation on the common organization of the market in the relevant product.

**TITLE V**

**TAXABLE TRANSACTIONS**

**Article 5**

**Supply of goods**

1. ‘Supply of goods’ means the transfer of the right to dispose of tangible property as owner.

The following shall be treated as the property to which they relate:

(a) all rights in rem giving the holder thereof a right of user over immoveable property;

(b) all interests or shares giving the holder thereof de jure or de facto rights of ownership or possession over immoveable property or part thereof.

2. The following shall also be considered as supplies within the meaning of paragraph 1:

(a) the actual handing over of goods, pursuant to a contract for the hire of goods for a certain period, or for the sale of goods on deferred terms, which provides that ownership shall pass at the latest upon payment of the final instalment;

(b) the actual handing over of:

— moveable property, pursuant to a contract for the use of the property for a specified period,

— immoveable property, pursuant to a contract for the use of the property for a specified period, with no possibility of unilateral termination by the user, which provides that the user shall at the end of the contract have the option of purchasing the property, provided that the total of the periodic payments to be made, excluding financing costs, corresponds approximately to the value of the property at the time of handing over to the hirer;

— is a nominal amount bearing no relation to the economic value of the property at the time of the exercise of the option; or

— represents the value of the land as ascertained at the time of formation of the contract and/or the residual value of the buildings at the time of the exercise of the option; or

— is fixed in the light of the real value of the property at the time of the exercise of the option;

(c) the transfer of goods pursuant to a contract under which commission is payable on purchase or sale;

(d) supply under a contract to make up work from customer’s materials, that is to say, the delivery by a contractor to his customer of moveable property made or assembled by the contractor from materials or objects entrusted to him by the customer for this purpose, whether or not the contractor has provided a part of the products used;

(e) the handing over of a work of construction as defined in Article 6;

(f) the transfer, by order made by or in the name of a public authority, of the ownership in property against payment of compensation, where the transfer of such property by private agreement would attract liability to the tax;

(g) the supply of electricity, gas, heat, refrigeration and the like.
3. The following shall be treated as supplies made for consideration:

(a) taxable applications, that is to say the application by a taxable person of goods forming part of his business assets to his own personal use or that of his staff or the disposal thereof free of charge, where the value added tax on the goods in question or the component parts thereof is wholly or partly deductible. However, applications for the purpose of giving samples or making gifts of small value, eligible for classification as general expenses giving tax relief, are not to be considered as taxable transactions;

(b) the application by a taxable person for the purposes of his business of goods produced, manufactured or extracted in the course of such business, save where the value added tax on such goods, had they been acquired from a taxable person, would be wholly or partly deductible;

(c) the application of goods by a taxable person for the purposes of a non-taxable business, where the value added tax on such goods became wholly or partly deductible upon their acquisition or upon their application in accordance with subparagraph (b) above.

4. In the case of a transfer by way of contribution to a company, or otherwise, or a transmission of a totality of assets or part thereof for no consideration, the recipient may be treated by the Member States as the successor to the business and the personality of the transferor.

Article 6

Works of construction

For the purposes of Article 5 (2) (e), ‘works of construction’ means:

(a) all works relating to buildings, bridges, roads, ports and other structures fixed to the ground, such as:
   — demolition;
   — construction, including foundations, supply of principal materials, fitting out;
   — incorporation of moveable property in immovable property, including all installation works;
   — extension, modification and renovation;
   — repairs and maintenance, other than day-to-day maintenance;

(b) work on preparing and improving land, such as foundation for work on industrial and residential developments, division into plots, levelling, installation of water supply and sewers, electricity supply installations, supporting-walls, planting of gardens.

Article 7

Supply of services

1. ‘Supply of services’ means any transaction which does not constitute a supply of goods within the meaning of Article 5.

Such transactions include, inter alia:

— the assignment of intangible property;
— the observance of an obligation to refrain from an act or to tolerate an act or situation;
— the performance of a service in pursuance of an order made by or in the name of a public authority.

2. The following shall be treated as supplies of services for consideration:

(a) the use of goods forming part of the assets of a business for purposes not connected with the business, where the value added tax on such goods is wholly or partly deductible;

(b) the supply of services as between persons considered to be a single taxable person within the meaning of the second subparagraph of Article 4 (4), save where the value added tax on such services, were they to be supplied by another taxable person, would be wholly deductible.

Article 8

Imports

‘Importation of goods’ means the entry of goods into the territory of the country as defined in Article 3.
TITLE VI
PLACE OF TAXABLE TRANSACTIONS

Article 9
Supply of goods

The place of supply shall be deemed to be:

(a) in the case of goods dispatched or transported either by the supplier or by the person to whom they are supplied or by a third person: the place where the goods are at the time when dispatch or transport to the person to whom they are supplied begins. Where the contract provides that the goods are to be installed or assembled, with or without a trial run, by or on behalf of the supplier, the place of supply shall be deemed to be the place where the goods are installed or assembled.

(b) in the case of goods not dispatched or transported: the place where the goods are when the supply takes place.

Article 10
Supply of services

1. The place where the service is supplied shall be deemed to be the place where the business of the person providing the service is established or, in the absence of such a place, the place where he has his permanent address.

2. However:

(a) the place of supply of services connected with immovable property and of services for preparing and coordinating works of construction, such as the services of architects and of firms providing on-site supervision of works, shall be the place where the property is situated;

(b) the place where transport services are supplied shall be the place where transport takes place, ascertained having regard to the distance covered.

TITLE VII
CHARGEABLE EVENT AND THE CHARGE TO TAX

Article 11

1. (a) 'Chargeable event' means the occurrence by virtue of which the legal conditions are fulfilled for the tax to become due.

(b) The tax becomes 'chargeable' when

— the tax authority becomes entitled to claim the tax, notwithstanding that the time of payment be deferred; and

— conversely, the taxable person becomes liable to discharge the tax, such liability arising at the same time as the tax authority becomes entitled to claim as aforesaid.

2. In respect of supplies of goods and services, the chargeable event occurs at the time when the goods are delivered or the services are performed.

The tax shall become chargeable at the time of the chargeable event. However, where in respect of a supply of goods or services a payment is to be made on account before the goods are delivered or performance the services has been completed, the tax shall become chargeable on receipt of the payment and on the amount received.

Moreover, Member States may provide that the tax shall not become chargeable until:

(a) in respect of supplies by small undertakings covered by Article 25 and supplies to non-taxable persons, the time of receipt of payment for the goods or services;

(b) in respect of supplies between taxable persons, the time of issue of the invoice provided for in Article 23 (3);

3. As regards imported goods, the chargeable event occurs at the time when the goods enter the territory of the country as defined in Article 3.

The tax shall become chargeable at the time of the chargeable event.

However, where goods are subject, on importation, to the Common Customs Tariff duties, to agricultural levies or to charges having equivalent effect, the tax shall become chargeable at the same time as such common duties, charges and levies.

Where on importation goods are placed under a transit, bonded warehouse or temporary importation arrangement under customs and/or fiscal supervision, with suspension of customs duties and/or charges, Member States may provide that the tax shall become chargeable only when the goods are declared for free circulation.
TITLE VIII

TAXABLE AMOUNT

Article 12

A. Within the territory of the country

1. The taxable amount shall be:

(a) in respect of supplies of goods and services, other than those referred to in (b), (c) and (d) below, the price, expressed as a sum of money which has been or is to be obtained by the supplier, where such price constitutes the sole consideration for the supply;

(b) in respect of supplies under Articles 5 (3) and 7 (2), and supplies by way of exchange, and, generally, where the price expressed as a sum of money is not the sole consideration for the supply of goods or services, the 'open market value' of the subject of the relevant supply.

'Open market value' of goods or services means the amount which a customer at the marketing stage at which the supply takes place would have to pay to a supplier at arm's length within the territory of the country at the time of the supply, under conditions of fair competition, to obtain the goods or services in question;

(c) in respect of the supplies specified in Article 5 (2) (b), the total of the periodic payments plus any sum to be paid on exercising the option;

(d) in respect of supplies of buildings and land, other than as referred to in Article 4 (3) (b) and (c), purchased for the purpose of resale by a taxable person to a non-taxable person or to a taxable person for whom the value added tax on the building or land in question is not deductible, the taxable amount may be the difference between the selling price and the purchase price.

2. The taxable amount shall include:

(a) taxes, duties, levies and charges, excluding the value added tax;

(b) incidental expenses such as commission, packing, transport and insurance costs charged by the supplier to the purchaser even where such costs are the subject of a separate agreement.

3. The taxable amount shall not include:

(a) price reductions granted by way of discount for advance payment;

(b) price discounts and rebates allowed to the customer and accounted for at the time of the supply;

(c) interest to be paid on deferred or delayed payments;

(d) returnable packing costs;

(e) amounts paid in the name or for account of the customer and credited in the supplier's books to a suspense account.

4. In respect of the supplies specified in Article 5 (2) (f), the amount of compensation paid, excluding reemployment allowance, shall be deemed to be the taxable amount.

B. Importation of goods

1. The taxable amount shall be:

(a) the price, expressed as a sum of money paid or to be paid by the importer, where this sum is the sole consideration for importation;

(b) the 'open market value', where no price is paid or where the price paid is not the sole consideration for the importation.

'Open market value' of imported goods means the amount, excluding value added tax, which an importer at the marketing stage at which the importation takes place would have to pay to a supplier at arm's length in the country from which the goods are exported at the time when the tax becomes chargeable, under conditions of fair competition, to obtain the goods in question.

2. The taxable amount shall include:

(a) the taxes, duties, levies and charges due outside the country of importation and those due by reason of importation, excluding the value added tax;
(b) incidental expenses, such as commission, packing, transport and insurance costs, arising up to the place of destination within the territory of the country.

3. The taxable amount shall not include those factors which are not included under the internal system, as provided in point A 3 (a) to (d).

4. The taxable amount in respect of goods temporarily exported and then reimported by the exporter after repairs, modifications, adaptations or manual operations have been carried out for his account in another country shall be the cost of labour and of any materials or parts supplied, plus the taxes, duties, levies, charges and incidental expenses mentioned at point B 2 (a) and (b).

5. The taxable amount in respect of goods imported subject to Common Customs Tariff ad valorem duties shall in no case be lower than the value for customs purposes defined in Council Regulation (EEC) No 803/68 of 27 June 1968, plus such of the factors listed in point B 2 (a) and (b) as are not already included therein.

C. Miscellaneous provisions

1. The taxable amount shall be reduced to an appropriate extent in the case of supplies of goods or services which remain unpaid in whole or in part or which are cancelled, or where the price is reduced after the supply takes place. The Member States shall lay down the rules for applying this provision.

2. Where a Member State proposes to maintain or introduce standard or minimum rates for certain transactions in order to prevent fraud or to simplify the calculation and collection of the tax, it shall consult the Value Added Tax Committee in accordance with the procedure laid down in Article 31.

3. Where the factors for determining the taxable amount are expressed in a currency other than that of the Member States where valuation takes place, the exchange rate shall be determined in accordance with Article 12 of Council Regulation (EEC) No 803/68 of 27 June 1968.

TITLE IX

RATES

Article 13

1. The rate applicable to taxable transactions shall be that in force at the time of the chargeable event. However, in the cases provided for in the last subparagraph of Article 11 (3), the rate applicable shall be that in force at the time of release for free circulation.

2. The standard rate of value added tax shall be fixed by each Member State as a percentage of the taxable amount and shall be the same for supplies of goods and for supplies of services.

3. In certain cases, supplies of goods or services may be made subject to increased or reduced rates. Each reduced rate shall be so fixed that the amount of value added tax resulting from the application thereof shall be such as in the normal way to permit the deduction therefrom of the whole of the value added tax deductible under Article 17.

4. The rate applicable in respect of imported goods shall be the rate applicable to supplies of like goods within the territory of the country.

TITLE X

EXEMPTIONS

Article 14

Exemptions within the territory of the country

A. Exemptions for certain activities in the public interest

1. Member States shall exempt the following:

(a) the supply of services, other than passenger transport, and supplies of goods incidental thereto, by public postal and telecommunications services;
(b) the supply of hospital and medical services, and supplies of goods incidental thereto, by medical establishments run by:

— bodies governed by public law; or
— non-profit-making organizations; or
— private charitable organizations;

(c) the supply of medical services in the lawful exercise of the medical and like professions;

(d) supplies of human blood and milk;

(e) the supply of services by dental technicians in their professional capacity and supplies of prostheses by dentists and dental technicians;

(f) services supplied by independent professional groups of a medical or like nature to their members for the purposes of their exempted activities;

(g) the supply of services directly relating to welfare assistance and social security and supplies of goods incidental thereto, by:

— bodies governed by public law; or
— non-profit-making organizations; or
— private charitable organizations;

(h) the supply of services for the protection or education of children and young persons, and supplies of goods incidental thereto, by:

— bodies governed by public law; or
— non-profit-making organizations; or
— private charitable organizations;

(i) the supply of services, and supplies of goods incidental thereto, having an educational purpose or being directly connected with education or vocational training or retraining, by:

— bodies governed by public law; or
— private educational establishments placed under the supervision of the competent public authorities and authorized to prepare students for a qualification from a school or university or a professional qualification, recognized or approved by the State;

(j) the supply of services, and supplies of goods incidental thereto, by non-profit-making sport or physical training organizations to their members; this exemption shall apply only to operations directly connected with the pursuit of sport and physical training activities by amateurs;

(k) the supply of services by theatres, cinema-clubs, concert-halls, museums, libraries, public parks, botanical or zoological gardens, educational exhibitions, and operations within the framework of activities in the public interest of a social, cultural or educational nature, by:

— bodies governed by public law; or
— non-profit-making organizations; or
— private charitable organizations.

2. (a) 'Non-profit-making organization' means an organization meeting the following requirements:

(aa) it shall not have as its object the making of profits;

(bb) it shall assign any profits made to the improvement and continuance of the services which it provides;

(cc) it shall obtain no material advantages for persons other than the customers or users of the organization; this provision shall be without prejudice to the employment by the organization of wage- or salary-earning staff.

(b) 'Private charitable organization' means an organization whose activities are directed to the public good or to benevolent ends, and which meets one of the following requirements:

(aa) its prices shall be approved by the competent public authorities; or

(bb) its profits shall be assigned to promoting the public interest or benevolent ends in accordance with rules to be laid down under national laws.
B. Other exemptions

Member States shall exempt:

(a) insurance and re-assurance transactions and services relating thereto supplied by insurance brokers and insurance agents;

(b) the supply of services by undertakers and supplies of goods incidental thereto;

(c) supplies of goods and services to organizations responsible for constructing, installing and maintaining cemeteries, graves and monuments commemorating war dead;

(d) the letting of immovable property, excluding:
   (1) the provision of accommodation in hotels and similar establishments, holiday camps and camping sites;
   (2) the letting of immovable property for industrial or commercial uses, such as factories, shops and sections of buildings, and contracts for the supply of cold storage facilities;
   (3) the hiring of safes, and contracts for the supply of parking facilities;

(e) supplies of goods having formed part of the assets of a business exempted under this Article, and of second-hand goods within the meaning of Article 26, on the acquisition of which, by virtue of Article 17 (6), value added tax did not become deductible;

(f) dealings in debts, shares, debentures and other securities, excluding all documents establishing title to goods and all rights, interests and shares covered by Article 5 (1) (a) and (b);

(g) the supply of new postage stamps valid for use on letters posted in the territory of the country, excluding supplies by dealers in stamps for collectors;

(h) dealings in currency other than for collection, and in gold to be used as coin, and credit transfers;

(i) supplies of tax marks, discs, bands or stamps issued by other countries to be fixed to goods for export to such countries or on invoices or bills of lading accompanying such exports;

(j) the making of advances and the granting of credit;

(k) gaming and lotteries;

(l) supplies of buildings or parts thereof and of the land pertaining thereto, after first occupation, by a taxable person for whom the value added tax on the building is not deductible or to whom Article 12A (1) (d) does not apply. For the purposes of this exemption flat-rate farmers, as defined in Article 27, shall be deemed to be taxable persons subject to the normal scheme;

(m) supplies of land, other than building land as defined in Article 4 (3) (c).

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Article 15

Exemptions of imported goods

The Member States shall exempt the following:

1. Final importation of goods the supply of which by a taxable person within the territory of the country would be exempted under Articles 14A (1) (d), 14B (c), (f), (g), (h) and (i), or 16 (4) to (7);

2. Importation of goods under a declaration for the transit or bonded warehouse arrangements, supplies of goods still subject to such arrangements and supplies of services incidental to such importation or supplies;

3. Importation of goods under a declaration for the temporary importation arrangement which thereby qualify for exemption from customs duties or would qualify therefor if they were imported from a third country, supplies of such goods still subject to such arrangement and supplies of services incidental to such importation or supplies; however, to avoid serious distortions of competition, the exemption may be revised subject to consultation in accordance with Article 31;
4. Final importation of goods qualifying for non-tariff exemption from customs duties on which would qualify therefor if they were imported from a third country, but excluding the importation of goods in respect of which exemption from value added tax would distort competition to the detriment of the internal market;

5. Reimportation of goods in the state in which they were exported, under the conditions and within the limits laid down in respect of exemption from customs duties, or which would qualify therefor if they were imported from a third country; this provision shall also apply to the reimportation of motor vehicles which have had to be repaired in another Member State;

6. Importation of goods:
   (a) under diplomatic and consular arrangements, which qualify for exemption from customs duties or would qualify therefor if they were imported from a third country;
   (b) by international organizations recognized as such by the public authorities of the host country, in accordance with the terms of headquarters agreements;

7. Importation of goods in the personal luggage of travellers, under the conditions and within the limits laid down by Community rules;

8. Importation of goods in small consignments, under the conditions and within the limits laid down by Community rules;

9. Importation of used goods not qualifying for exemption as specified above where the owner can prove that value added tax was finally paid on the acquisition thereof in another Member State at least six months earlier. Member States may, however, collect value added tax by applying to the market value of the goods a rate equal to the difference between the national rate and that in the other Member State as ruling on the day of importation;

10. Importation by sea fishing undertakings of their catches, unprocessed or after undergoing preservation for marketing;

11. The supply of services, other than transport services as defined in Article 16 (13), in connection with the importation of goods, and the value of which is included in the taxable amount in accordance with Article 12B (2) (b).

Article 16

Exemption of exports and like transactions and international transport

The Member States shall, subject to the conditions and limits laid down by Community rules, exempt the following:

1. Goods consigned or transported out of the territory of the country as defined in Article 3 by or on behalf of the vendor;

2. Goods consigned or transported out of the territory of the country as defined in Article 3 by or on behalf of a purchaser established in another country, subject to conditions to be laid down by each Member State;

3. Goods consigned or transported to an export warehouse under customs control, or delivered to such warehouse;

4. Goods for the fuelling and provisioning of sea-going vessels, in accordance with rules to be laid down by each Member State, excluding supplies to vessels which, regardless of tonnage or flag, do not carry passengers for reward and are not used in the course of commercial, industrial or fishing activities;

5. The supply, modification, repair, chartering and hiring of sea-going vessels, and the supply, repair and hiring of objects — including fishing equipment — incorporated or used therein, excluding vessels not qualified for the exemption provided for at point 4;

6. The supply, modification, repair, chartering and hiring of aircraft used by airlines on international routes, and the supply, repair and hiring of objects incorporated or used thereon;
7. Goods for the fuelling and provisioning of aircraft as referred to in point 6;

8. Operations carried out within ports for the direct needs of sea-going vessels other than pleasure boats, and services of pilots, tugs and salvage vessels;

9. Operations carried out in international airports for the direct needs of aircraft as referred to in point 6;

10. Supplies of the following services, upon condition that the person supplying the service proves that the customer:

   — is established outside the Community; or

   — is a taxable person established in the Community but in a country other than that of the person supplying the service;

   (a) assignments of patents, trade marks and like rights, and the granting of licences;

   (b) work on moveable tangible property, other than work under a contract to make up work within the meaning of Article 5 (2) (d);

   (c) advertising services;

   (d) the hiring out of moveable tangible property other than motor vehicles, aircraft and ships;

   (e) services of consultants, engineers and planning offices, and similar services;

   (f) Obligations to refrain from carrying on or exercising, in whole or in part, a business activity or a right included in this paragraph 10;

   (g) banking and financial transactions not specified in Article 14;

11. Services supplied by brokers and other intermediaries, acting in the name and for account of another person, where they form part of transactions specified in this Article, and other usual services directly relating to exportation as defined in points 1, 2 and 3;

12. Supplies of goods and services to diplomatic and consular missions accredited to each Member State, or to international organizations recognized as such by the host Member State.

   This exemption shall apply under the conditions and within the limits laid down by each Member State until common rules are adopted in accordance with the procedure laid down in Article 31.

   The benefit of the exemption may be granted by means of a drawback procedure;

13. Supplies of services in:

   (a) the transport of goods from another country to the first place of destination;

   (b) the transport of goods which are being carried to a destination outside national territory, or to an export bonded warehouse or in transit;

   (c) international passenger transport by sea or air, subject to the time limit set in Article 28.

   By way of derogation from (a) and (b) above, the transport of goods accompanying passengers or connected with the transport of passengers, such as luggage, motor vehicles, shall be exempted only where the transport of such passengers is itself exempted.

TITLE XI
DEDUCTIONS

Article 17

Existence and scope of the right to deduct

1. The right to deduct shall arise at the time when the deductible tax becomes chargeable.
2. Where goods and services are to be used for the purposes of his taxable business, the taxable person shall be entitled to deduct from the tax which he is liable to pay:

(a) value added tax invoiced to him in accordance with Article 23 (3) in respect of goods or of services supplied to him;

(b) value added tax due or paid in respect of goods imported and declared in accordance with Article 24;

(c) value added tax due under Articles 5 (3) (b) and 7 (2) (b);

(d) value added tax due from a person to whom services have been supplied in one or other of the circumstances described in Article 2 (3).

3. Member States shall also grant to taxable persons the right to deduct or to be refunded value added tax invoiced to them in respect of goods and services supplied to them for the purposes:

(a) of occupations or transactions covered by Article 4 (2), carried out in another country, where these occupations or transactions would be taxed if carried out in the territory of the country; or

(b) of occupations which are exempt under Article 16.

4. Each Member State shall refund to any taxable person established in another country who supplies no goods or services within its territory the value added tax invoiced to him in respect of goods and services supplied to him in the said territory, where the value added tax on such goods or services would be deductible, if the taxable person in question carried on his business within its territory.

The refund shall be made upon application from the taxable person. No application shall be made in respect of an amount of tax lower than 100 units of account, but several invoices may together form the subject of a single application.

5. As regards goods and services used both for transactions covered by paragraphs 2 and 3, in respect of which value added tax is deductible, and for transactions in respect of which value added tax is not deductible, only such proportion of the value added tax shall be deductible as is attributable to the former transactions (general proportion rule).

This proportion shall be determined, in accordance with Article 19, for all the transactions carried out by the taxable person.

However, to ensure that the tax is applied consistently, Member States may:

(a) authorize the taxable person to determine a proportion for each sector of his business, provided that separate accounts are kept for each sector;

(b) compel the taxable person to determine a proportion for each sector of his business and to keep separate accounts for each sector;

(c) authorize or compel the taxable person to make the deduction on the basis of the actual use of all or part of the goods and services.

6. Value added tax on the following shall not be deductible:

(a) expenditure on accommodation, lodging, restaurants, food, drink, entertainment and passenger transport, unless incurred by an undertaking whose principal or subsidiary business is the pursuit of such activities;

(b) expenditure on luxuries;

(c) entertainment expenditure;

(d) goods relating to the expenditure and costs listed in (a), (b) and (c) above, and supplies of services in connection with such property, expenditure and costs.

Article 18

Rules for exercising the right to deduct

1. To exercise his right to deduct, the taxable person must:

(a) in respect of deductions under Article 17 (2) (a), hold a detailed invoice, drawn up in accordance with Article 23 (3);

(b) in respect of deductions under Article 17 (2) (b), hold an import document, specifying him as consignee and permitting calculation of the amount of tax due;
(c) in respect of deductions under Article 17 (2) (c) and (d), comply with the formalities established by each Member State;

2. The taxable person shall effect the deduction by subtracting from the total amount of value added tax due for a given tax period the total amount of the tax in respect of which, during the same period, the right to deduct has arisen and can be exercised under paragraph 1 (immediate deduction).

However, as regards taxable persons who carry out occasional transactions as provided in Article 4 (3) (b) and (c), the right to deduct shall be exercised only at the time of the supply.

Where by error or omission the taxable person does not make the deduction at the right time, he may exercise his right to deduct at any time up to and including 31 December of the year following that in which the deduction should have been made in accordance with the first subparagraph. The deduction shall in such case be made in accordance with the provisions in force at the time when the deduction should have been made. It may be exercised when the return provided for in Article 23 (7) is made.

3. Where for a given tax period, the amount of authorized deductions exceeds the amount of tax due the Member States may either make a refund or carry the excess forward to the following period.

However, upon application from the taxable person, the excess amount at 31 December shall be refunded to the taxable person within three months.

Article 19

Calculation of the deductible proportion

1. The proportion deductible under the first subparagraph of Article 17 (5) shall be made up of a fraction having:

— as numerator, the total amount, exclusive of value added tax, of turnover per calendar year attributable to transactions in respect of which value added tax is deductible under Article 17 (2) and (3);

— as denominator, the total amount, exclusive of value added tax, of turnover per calendar year attributable to transactions included in the numerator and to transactions in respect of which value added tax is not deductible.

The proportion shall be determined each calendar year, fixed as a percentage and rounded up to the next unit.

2. By way of derogation from paragraph 1, there shall be excluded from the calculation of the deductible proportion, amounts of turnover attributable to transactions specified in Article 14B (f), to the sale of capital goods used by the taxable person for the purposes of his business, and to incidental real estate or financial transactions, except where these operations form part of the regular business activity of the taxable person.

3. The provisional proportion for a calendar year shall be that calculated on the basis of the preceding year’s transactions. In the absence of any such transactions to refer to, or where they were insignificant in amount, deductible proportion shall be estimated provisionally, under supervision of the tax authorities, by the taxable person from his own forecasts. Deductions made on the basis of such provisional proportion shall be adjusted when the final proportion is fixed during the next calendar year.

Article 20

Adjustments of deductions

1. The taxable person shall adjust the initial deduction:

(a) where that deduction was higher or lower than that to which he was entitled under Articles 17, 18 and, if applicable, 26;

(b) where the difference between the final proportion and the provisional proportion defined in Article 19 exceeds 10 points;

(c) where after the return is made some change occurs in the factors used to determine the amount to be deducted, in accordance Article 18 (2), in particular where purchases are cancelled or price reductions are obtained; however, adjustments shall not be required in cases of destruction, loss or theft of property, duly proved or confirmed, or in the cases specified in Article 5 (3);

(d) where, instead of being taxed in the normal way, he becomes subject to one of special schemes provided for in Articles 25 (1) (a) and 27. Member States shall take all necessary measures to ensure that the taxable person does not unduly benefit under these special schemes from deductions made under the normal scheme.
2. As regards capital goods, adjustment shall be spread over five years beginning with that in which the property is acquired. The annual adjustment shall be made only in respect of one fifth of the tax imposed on the goods. The adjustment shall be made on the basis of the variations in the final proportion for the four years following the year of acquisition in relation to the final proportion for the year of acquisition. However no adjustment need be made where the difference is less than 10 points.

verified by the tax authority and this may lead to reassessment of the amount to be paid. In the absence of a return, the amount may be assessed by the authority.

2. Liability to pay tax means the obligation to pay the amount of the tax at the end of the period prescribed by law following either the submission of the return or assessment of the amount of tax due.

TITLE XII

PERSONS LIABLE FOR PAYMENT OF TAX

Article 21

Persons liable to pay tax to the tax authority

The following shall be liable to pay value added tax:

1. Under the internal system:

(a) taxable persons who carry out taxable transactions, and agents of taxable persons established in another country who carry out taxable transactions;

(b) persons to whom services covered by Article 2 (3) are supplied;

(c) any person who mentions the value added tax on an invoice or other document in that behalf;

2. On importation: the person specified as consignee in the import documents or, in the absence of such documents or specification, the importer. The consignee, the declarant and his agent shall be jointly liable for tax.

TITLE XIII

ASSESSMENT OF THE AMOUNT OF TAX TO BE PAID AND LIABILITY FOR PAYMENT OF THE TAX

Article 22

1. The amount of tax to be paid shall be assessed by the tax authority on the basis of the return made by the person liable for payment. Such return may be

OBLIGATIONS OF PERSONS LIABLE FOR PAYMENT

Article 23

Obligations under the internal system

1. Every taxable person shall state when his activity as a taxable person commences, changes or ceases.

2. Every taxable person shall keep sufficiently detailed accounts to permit application of the value added tax and inspection by the tax authority.

3. (a) Every taxable person shall issue an invoice in respect of all goods and services supplied by him to another taxable person, and shall keep a copy thereof.

   Every taxable person shall likewise issue an invoice in respect of payments on account made to him by another taxable person before the supply of goods or services is effected or completed.

   (b) The invoice shall state clearly the price exclusive of tax and the corresponding tax at each rate as well as any exemptions.

   (c) Where a Member State has made provision as authorized by Article 11 (2) (b), the invoice shall be issued within 30 days following the chargeable event.

4. Every taxable person subject to the normal tax systems shall each month submit a return setting out the supplies in respect of which tax has become chargeable during the preceding month together with
all information required to calculate the tax and the deductions to be made, including the total amount of the relevant supplies and the total amount of exempted supplies.

5. Taxable persons subject to the special schemes provided for in Articles 25 and 27 may be authorized by Member States to submit quarterly, half-yearly or annual returns setting out the same information as required under paragraph 4.

6. Every taxable person shall pay the net amount of the value added tax when submitting the return.

7. During the first six months of each year the taxable person shall submit a return covering all supplies made in the preceding year and setting out all the information required for any adjustment.

8. Every person who to whom a service covered by Article 2 (3) is supplied shall declare to his national tax authority the object of the service, the price which has been or is to be paid and the amount of tax chargeable, and shall, where appropriate, pay the amount thereof.

9. Member States may where necessary impose other obligations should this prove necessary for the collection of the tax or the prevention of fraud.

10. Member States may release from certain obligations taxable persons who make only exempt supplies.

**Article 24**

**Obligations in respect of imports**

Detailed rules relating to accounts and payments to be made on the basis thereof in respect of imported goods shall be laid down by each Member State.

Member States may provide *inter alia* that the value added tax on goods imported by certain categories of taxable persons, payable by reason of importation, need not be paid at the time of importation, upon condition that the tax be mentioned, as a tax due by reason of importation, in the periodic returns to be submitted by the taxable person under Article 23 (4).

**TITLE XV**

**SPECIAL SCHEMES**

**Article 25**

**Special scheme for small undertakings**

1. Where the application of the normal tax scheme to small undertakings would give rise to difficulties, each Member State may, under such conditions and within such limits as it may prescribe, and subject to consultation with the Value Added Tax Committee as provided for in Article 30, apply:

   (a) until such time as the objective specified in Article 4 of the First Directive (67/227/EEC of 11 April 1967) is attained;

   (aa) exemption from tax for taxable persons whose annual turnover does not exceed 4,000 units of account; and

   (bb) if appropriate, graduated tax relief for taxable persons whose annual turnover exceeds the maximum amount fixed by that State for total exemption but does not exceed 12,500 units of account;

   (b) simplified procedures for charging and collecting the tax, provided that the amount of tax to be paid shall not thereby be reduced.

2. The relevant turnover for the purposes of the application of paragraph 1 (a) shall be the total pre-tax amount of the supplies of goods and services defined in Articles 5 and 7, including exempt supplies and supplies made in another country.

   However, disposals of tangible or intangible investment property which formed part of the fixed assets of the undertaking, supplies of buildings and of building land, the transactions specified in Article 14 B (d) and (f) and the letting of buildings shall be disregarded in calculating the turnover.

3. Paragraph 1 (a) shall not apply to taxable persons whose main or subsidiary business consists of real property transactions, nor to the transactions specified in the second subparagraph of paragraph 2.

4. Taxable persons totally exempted from tax shall not be entitled to deduct tax invoiced to them
or to mention the tax on invoices issued by them or any other documents in that behalf. They may, however, opt for the normal value added tax scheme and, where applicable, qualify for the graduated relief provided for in paragraph 1 (a).

5. Without prejudice to the application of paragraph 1 (b), taxable persons who qualify for graduated relief shall be treated as taxable persons subject to the normal value added tax scheme.

Article 26

Special scheme for second-hand goods

1. 'Second-hand goods' means used moveable property which can be re-used as it is or after repair, excluding original works of art created by the hand of the artist, antiques, collectors' items, and stamps and coins being collectors' items.

2. By way of derogation from Articles 17 and 18:

(a) where second-hand goods are supplied by a non-taxable person to a taxable person for resale the taxable person shall be entitled to deduct the value added tax calculated on the purchase price of such goods at the rate in force at the time of acquisition, save where the taxable person is subject to the special scheme provided for in Article 25 (1) (a);

(b) where a taxable person supplies second-hand goods the value added tax on which is by virtue of Article 17 (6) not deductible, the recipient shall likewise be entitled to deduct the value added tax calculated as in (a) above where he is a taxable person and intends to resell the goods in question.

3. The deductions provided for in paragraph 2 shall not exceed 4/5 of the amount of tax due on the resale. The initial deduction shall, where necessary, be adjusted at the time of resale.

4. Member States may make the application of the provisions referred to in paragraphs 2 and 3 subject to special administrative obligations.

Article 27

Common flat-rate scheme for farmers

1. Where the application to farmers of the normal value added tax scheme, or the simplified scheme provided for in Article 25 (1) (b), would give rise to difficulties, Member States may apply to farmers the common flat-rate scheme provided for in the following paragraphs.

2. For the purposes of this Article, the following definitions shall apply:

— 'farmer': a taxable person carrying on any of the productive activities listed in Annex A on an agricultural, forestry or fisheries undertaking operated by him;

— 'agricultural, forestry or fisheries undertaking': an undertaking considered to be such by the Member State concerned;

— 'flat-rate farmer': a farmer subject to the flat-rate scheme provided for in paragraphs 7 et seq;

— 'agricultural products': goods produced by an agricultural, forestry or fisheries undertaking in a Member State as a result of the activities listed in Annex A;

— 'agricultural service': any service as set out in Annex B supplied by a farmer personally and/or by means of the equipment normally available on the agricultural, forestry or fisheries undertaking operated by him;

— 'value added tax charge on inputs': the respective amounts in each Member State of (a) the total value added tax, calculated in accordance with paragraph 3 below, attaching to the goods and services purchased by all agricultural and fisheries undertakings and (b) the like total in respect of all forestry undertakings, where such tax would be deductible under Article 17 by a farmer subject to the normal value added tax scheme;

— 'fixed offsetting percentages': the percentages fixed by Member States in accordance with paragraph 4, and applied by them in the cases
specified in paragraph 7, to enable flat-rate farmers to offset at a fixed rate the value added tax charge on inputs.

3. The Commission shall be responsible for calculating the level of the value added tax charge on inputs in each Member State, using the common method of calculation set out in Annex C. Such calculation shall be based on macro-economic statistics for the preceding two years supplied by the Member States for the purposes of the common method of calculation set out in Annex C.

The calculations shall be updated by the Commission every three years and also whenever in any Member State the rates in force or the lists of goods and services subject to such rates are so changed as to be likely to affect the level of the input charge in the Member State concerned.

The levels of input charge so calculated, rounded down to the nearest tenth of one per cent, shall be so fixed in accordance with the procedure laid down in Article 31 that they may be adopted:

— for the first time, not later than 30 September 1974;
— for each three-yearly updating: not later than 30 September of the third year;
— in the case of changes likely to affect the level of the charge as soon as possible.

Member States shall supply the Commission with the macro-economic statistics and other data required for the common method of calculation:

— for the first time, not later than 30 May 1974;
— for each three-yearly updating, not later than 30 June of the third year;
— in the case of changes likely to affect the level of the charge, as soon as possible.

4. Member States shall fix, at levels not exceeding 90% of the levels of input charge adopted in accordance with paragraph 3, two fixed offsetting percentages as follows:

(a) the first to offset the input charge in respect of agricultural and fisheries undertakings, and applicable to supplies by a flat-rate farmer of agricultural products from such undertakings and of agricultural services;
(b) the second to offset the input charge on forestry undertakings, and applicable to supplies by a flat-rate farmer of agricultural products from such undertakings.

Member States may, subject to consultation with the Value Added Tax Committee as provided for in Article 30, vary the offsetting percentage provided for in (a) above by reference to subdivision of agriculture or by treating separately agriculture proper and fisheries. In such case they shall fix different fixed offsetting percentages for agricultural products from each such subdivision or from agriculture proper and from fisheries. None of these different fixed offsetting percentages shall exceed the level of the fixed percentage provided for under (a).

5. In order that flat-rate farmers may gradually transfer to the normal value added tax scheme or, as the case may be, to the simplified scheme provided for in Article 25 (1) (b), the fixed offsetting percentages applied in each Member State shall not exceed:

— from the fourth year following the entry into force of this Directive, 80% of the value added tax charge on inputs adopted in accordance with paragraph 3;
— from the seventh year following the entry into force of this Directive, 70% of the value added tax charge on inputs adopted in accordance with paragraph 3.

6. Member States may release flat-rate farmers from the obligations imposed upon them by Article 23.

7. Flat-rate farmers shall be entitled, subject as provided in the following paragraphs, to offset the value added tax charge on inputs by applying to the price, exclusive of tax, of the agricultural products and agricultural services supplied by them the fixed percentage provided for in paragraph 4. This offsetting shall exclude all other forms of deduction.

8. As regards supplies of agricultural products and agricultural services by a flat-rate farmer to a taxable person other than a flat-rate farmer, the fixed
percentage shall be paid, according as the Member States shall provide:

(a) either by the taxable person to whom the goods or services are supplied; or

(b) by the public authorities.

12. The following transactions shall not qualify for the flat-rate scheme:

(a) commercial distribution by a flat-rate farmer or:

— supplies of agricultural products which have been processed with means not normally employed on an agricultural, forestry or fisheries undertaking; or

— supplies, in excess of limits to be determined by the Member States subject to consultation with the Value Added Tax Committee as provided in Article 30, of goods not produced in the agricultural, forestry or fisheries undertaking of the flat-rate farmer in question;

(b) services provided by the flat-rate farmer on a regular basis and/or by means of equipment not normally associated with an agricultural, forestry or fisheries undertaking of the type operated by him.

In respect of these transactions the flat-rate farmer shall be subject to the normal value added tax scheme or, as the case may be, to the simplified scheme provided for in Article 25 (1) (b).

Detailed rules for the application of this paragraph shall be adopted by the Member States.

13. The following shall be excluded from the flat-rate scheme and shall be subject to the normal value added tax scheme or, as the case may be, to the simplified scheme provided for in Article 25 (1) (b):

(a) farmers who also carry on a non-agricultural occupation in respect of which they are already subject to the normal value added tax scheme or to the simplified scheme provided for in Article 25 (1) (b);

(b) farmers operating an agricultural, forestry or fisheries undertaking the annual turnover of which exceeds 50 000 units of account;

(c) any agricultural, forestry or fisheries undertaking legally constituted as a partnership or company.

14. Each Member State may exclude from the flat-rate scheme certain categories of farmers, and farmers to whom the normal value added tax
scheme, or as the case may be the simplified scheme provided for in Article 25 (1) (b), can be applied without giving rise to administrative difficulties.

15. Every flat-rate farmer may opt, subject to the rules and conditions to be laid down by each Member State, for application of the normal value added tax scheme or, as the case may be, the simplified scheme provided for in Article 25 (1) (b).

16. The Commission shall, before the end of the sixth year following the entry into force of this Directive, present to the Council new proposals concerning the application of the value added tax to transactions in respect of agricultural products and services.

17. The Annexes A, B and C referred to in this Article may be amended in accordance with the procedure laid down in Article 31.

TITLE XVI

TRANSITIONAL PROVISIONS

Article 28

1. The exemption provided for in Article 16 (13) (c) shall apply until 1 January 1977.

The Commission shall in due course make to the Council proposals concerning the application of the tax scheme to transactions in respect of agricultural products and services.


However, those Member States which have exercised the right conferred under the last indent of this Article regarding exemption with refund of any tax paid at the preceding stage, may maintain in force the exemptions existing on 1 April 1973 or, on the date on which Council Directive No 67/228/EEC of 11 April 1967 came into force, until such date as shall be fixed by the Council on a proposal from the Commission. Such date not to be later than that on which the charging of tax on imports and the remitting of tax on exports in trade between the Member States are abolished. The Member States shall adopt the necessary provisions to ensure that taxable persons declare the real turnover, calculated in conformity with this Directive, in respect of such exempt transactions.

3. Member States which avail themselves of the provisions of the second subparagraph of paragraph 2 shall supply to the Commission in every two years, and for the first time before 30 June 1975, with such information as will enable it to determine whether the grounds on which the exemptions referred to in that subparagraph have been maintained in force still obtain. The Commission shall take such information into account in the reports provided for in Article 32 and will make proposals in such reports for the adaptation by stages of the abovementioned exemptions to the obligations resulting from the achievement of Economic and Monetary Union.

TITLE XVII

VALUE ADDED TAX COMMITTEE

Article 29

1. A Value Added Tax Committee, hereinafter called 'the Committee', is hereby set up and shall consist of representatives of the Member States with a representative of the Commission as Chairman.

2. The Committee shall establish its own rules of procedure.

Article 30

In addition to the consultations made compulsory by Articles 25 and 27, the Committee may examine any question relating to the application of any Community act concerning the value added tax, raised by the Chairman either on his own initiative or at the request of the representative of a Member State.

Article 31

1. Without prejudice to Articles 12, 15, 16 and 27, the measures necessary for applying this Directive shall be adopted in accordance with the procedure laid down in paragraphs 2 and 3.

2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken, considering in particular the consequences thereof both on the fairness of competition at national and international level and on own resources. The Committee shall deliver its Opinion
on such measures within a time-limit which may be set by the Chairman according to the urgency of the matter. Opinions shall be delivered by a majority of 41 votes, the votes of the Member States being weighted in accordance with Article 148 (2) of the Treaty. The chairman shall not vote.

3. (a) The Commission shall adopt the proposed measures where they are in accordance with the Opinion of the Committee.

(b) Where the measures are not in accordance with the Opinion of the Committee, or in the absence of such Opinion, the Commission shall without delay make to the Council proposals concerning the measures to be taken. The Council shall act by a qualified majority.

(c) If, three months after the proposal was made to the Council, the Council does not act, the proposed measures shall be adopted by the Commission.

TITLE XVIII
MISCELLANEOUS PROVISIONS

Article 32
For the first time on 1 January 1976 and thereafter every two years, the Commission shall, after consulting the Member States, send the Council a report on the application of the common value added tax system in the Member States.

Article 33
At the appropriate time the Council, acting on a proposal from the Commission and in accordance with the interests of the common market, shall adopt further Directives on the common value added tax system, in particular to restrict progressively or to repeal measures taken by the Member States by way of derogation from the system, in order to achieve complete parallelism of the national value added tax systems and thus permit the attainment of the objective stated in Article 4 of the First Directive.

Article 34

(a) the fourth subparagraph of Article 2;

(b) Article 5.

Article 35

Article 36
This Directive is addressed to the Member States.
ANNEX A

LIST OF ACTIVITIES IN AGRICULTURAL PRODUCTION

I. CROP PRODUCTION

1. General agriculture, including wine-growing.
2. Growing of fruit (including olives) and of vegetables, flowers and ornamental plants, both in the open and under glass.
3. Production of mushrooms, spices, seeds and propagating materials; nurseries.

II. STOCK FARMING USING THE LAND

1. General stock farming
2. Poultry farming
3. Rabbit farming
4. Beekeeping
5. Silkworm farming
6. Snail farming

III. FORESTRY

IV. FISHERIES

1. Fresh water fishing
2. Fish farming
3. Breeding of mussels, oysters and other molluscs and crustaceans
4. Frog farming

V. Where a farmer processes, using means normally employed in an agricultural, forestry or fisheries undertaking, products deriving essentially from his agricultural production, such processing shall also be regarded as agricultural production.
LIST OF AGRICULTURAL SERVICES

— Field work, reaping and mowing, threshing, baling, collecting, harvesting, sowing and planting,
— Packing and preparation for market, for example drying, cleaning, grinding, disinfecting and ensilage of agricultural products,
— Storage of agricultural products,
— Stock minding, rearing and fattening,
— Hiring out of agricultural machinery,
— Technical assistance,
— Destruction of weeds and pests, dusting and spraying of crops and land,
— Operation of irrigation equipment,
— Lopping, tree felling and other forestry services.
ANNEX C

COMMON METHOD OF CALCULATION (*)

I. For the purposes of calculating the value added tax charge on inputs in a Member State for, respectively, all agricultural and fisheries undertakings and all forestry undertakings, the following shall be taken into account:

(1) The value of the total final production, exclusive of value added tax, of respectively the classes 'agricultural products and game' and 'wood in the rough' as set out below at points III and IV, plus the output of the processing activities referred to in point V of Annex A;

(2) Total inputs in respect of the production and output referred to in (1);

(3) Gross fixed asset production in connection with the activities listed in Annex A.

II. The respective value added tax charges on inputs shall be expressed as the relationship between the sum of the total value added tax deductible under Article 17 of the Directive attaching to inputs as referred to in point I (2) and to gross fixed asset production as referred to in point I (3), and the value of total final production, exclusive of value added tax, as referred to in point I (1).

III. AGRICULTURAL PRODUCTS AND GAME

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(*) The classification in this Annex is that used in the SOEC Economic Accounts for Agriculture.
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<tr>
<td>Grain sorghum</td>
<td>10.07.95</td>
</tr>
<tr>
<td>Canary seed</td>
<td>10.07.96</td>
</tr>
<tr>
<td>Cereals, not elsewhere specified (excluding rice)</td>
<td>10.07.99</td>
</tr>
<tr>
<td>Rice (in the husk or paddy)</td>
<td>10.06.11</td>
</tr>
</tbody>
</table>

**Pulses**

<table>
<thead>
<tr>
<th>Type</th>
<th>SOEC code number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dried peas and fodder peas</td>
<td>07.05.11</td>
</tr>
<tr>
<td>Dried peas (other than for fodder)</td>
<td></td>
</tr>
<tr>
<td>Dried peas (excluding chick peas)</td>
<td></td>
</tr>
<tr>
<td>Chick peas</td>
<td></td>
</tr>
<tr>
<td>Fodder peas</td>
<td></td>
</tr>
<tr>
<td>Haricot beans, broad and field beans</td>
<td>07.05.15</td>
</tr>
<tr>
<td>Haricot beans</td>
<td></td>
</tr>
<tr>
<td>Broad and field beans</td>
<td>07.05.95</td>
</tr>
<tr>
<td>Other pulses</td>
<td></td>
</tr>
<tr>
<td>Lentils</td>
<td>07.05.91</td>
</tr>
<tr>
<td>Vetches</td>
<td>12.03.31</td>
</tr>
<tr>
<td>Lupins</td>
<td>12.03.49</td>
</tr>
<tr>
<td>Dried pulses not elsewhere classified, pulse mixtures and cereal and pulse mixtures</td>
<td>07.05.97</td>
</tr>
</tbody>
</table>

**Roots (brassicas group for fodder)**

<table>
<thead>
<tr>
<th>Type</th>
<th>SOEC code number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potatoes</td>
<td></td>
</tr>
<tr>
<td>Potatoes (excluding seed potatoes)</td>
<td></td>
</tr>
<tr>
<td>New potatoes</td>
<td>07.01.13</td>
</tr>
<tr>
<td></td>
<td>07.01.15</td>
</tr>
<tr>
<td>Main crop potatoes</td>
<td>07.01.17</td>
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<tr>
<td></td>
<td>07.01.19</td>
</tr>
<tr>
<td>Seed potatoes</td>
<td>07.01.11</td>
</tr>
<tr>
<td>Sugar beet</td>
<td>12.04.11</td>
</tr>
<tr>
<td>Mangolds and fodder beet; swedes, fodder carrots and fodder turnips; other roots and fodder brassicas</td>
<td></td>
</tr>
<tr>
<td>Mangolds and fodder beet</td>
<td></td>
</tr>
<tr>
<td>Swedes, fodder carrots, fodder turnips</td>
<td>12.10.10</td>
</tr>
<tr>
<td>Swedes</td>
<td></td>
</tr>
<tr>
<td>Fodder carrots, fodder turnips</td>
<td></td>
</tr>
<tr>
<td>Fodder cabbages and kales</td>
<td>12.10.99</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>
### Industrial crops

**Oil seeds and oleaginous fruit (excluding olives)**

- Colza and rape seed: 12.01.91
- Winter colza: —
- Summer colza: —
- Rape: —
- Sunflower Seed: 12.01.95
- Soya beans: 12.01.40
- Castor seed: 12.01.50
- Linseed: 12.01.61 12.01.69
- Sesame, hemp, mustard and poppy seed
  - Sesame seed: 12.01.97
  - Hemp seed: 12.01.94
  - Mustard seed: 12.01.92
  - Oil poppy and poppy seed: 12.01.93

**Fibre plants**

- Flax: 54.01.10
- Hemp: 57.01.10

**Unmanufactured tobacco (including dried tobacco)**

- 24.01.10
- 24.01.90

**Hops**

- 12.06.00

**Other industrial crops**

- Chicory roots: 12.05.00

**Medicinal plants, aromatics, spices and plants for perfume extraction**

- Saffron: 09.10.31
- Caraway: 07.01.82

**Medicinal plants, aromatics, spices and plants for perfume extraction not elsewhere specified**

- 09.09 (11-13-15-17-18)
- 09.10 (11-20-51-55-71)
- 12.07 (10-20-30-40-50-60-70-80-91-99)

### Fresh vegetables

**Cabbages for human consumption**

- Cauliflowers: 07.01.21
- Other cabbages: 07.01.22
- Brussels sprouts: 07.01.26
- White cabbages: 07.01.23
- Red cabbages: 07.01.23
<table>
<thead>
<tr>
<th>Vegetable Category</th>
<th>SOEC code number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savoy cabbages</td>
<td>07.01.27</td>
</tr>
<tr>
<td>Green cabbages</td>
<td></td>
</tr>
<tr>
<td>Cabbages not elsewhere specified</td>
<td></td>
</tr>
<tr>
<td>Leaf and stalk vegetables other than cabbages</td>
<td></td>
</tr>
<tr>
<td>Celery and celeriac</td>
<td>07.01.51</td>
</tr>
<tr>
<td></td>
<td>07.01.53</td>
</tr>
<tr>
<td></td>
<td>07.01.97</td>
</tr>
<tr>
<td>Leeks</td>
<td>07.01.68</td>
</tr>
<tr>
<td>Cabbage lettuces</td>
<td>07.01.31</td>
</tr>
<tr>
<td></td>
<td>07.01.33</td>
</tr>
<tr>
<td>Endives</td>
<td>07.01.36</td>
</tr>
<tr>
<td>Spinach</td>
<td>07.01.29</td>
</tr>
<tr>
<td>Asparagus</td>
<td>07.01.71</td>
</tr>
<tr>
<td>Witloof chicory</td>
<td>07.01.34</td>
</tr>
<tr>
<td>Artichokes</td>
<td>07.01.73</td>
</tr>
<tr>
<td>Other leaf and stalk vegetables</td>
<td></td>
</tr>
<tr>
<td>Corn salad</td>
<td>07.01.36</td>
</tr>
<tr>
<td>Cardoons and edible thistle</td>
<td>07.01.37</td>
</tr>
<tr>
<td>Fennel</td>
<td>07.01.91</td>
</tr>
<tr>
<td>Rhubarb</td>
<td></td>
</tr>
<tr>
<td>Cress</td>
<td></td>
</tr>
<tr>
<td>Parsley</td>
<td>07.01.97</td>
</tr>
<tr>
<td>Brocoli</td>
<td></td>
</tr>
<tr>
<td>Leaf and stalk vegetables not elsewhere specified</td>
<td></td>
</tr>
<tr>
<td>Vegetables grown for fruit</td>
<td></td>
</tr>
<tr>
<td>Tomatoes</td>
<td>07.01.75</td>
</tr>
<tr>
<td></td>
<td>07.01.77</td>
</tr>
<tr>
<td>Cucumbers and gherkins</td>
<td>07.01.83</td>
</tr>
<tr>
<td></td>
<td>07.01.85</td>
</tr>
<tr>
<td>Melons</td>
<td>08.09.10</td>
</tr>
<tr>
<td>Aubergines, marrows and pumpkins, courgettes</td>
<td>07.01.95</td>
</tr>
<tr>
<td>Sweet capsicum</td>
<td>07.01.93</td>
</tr>
<tr>
<td>Other vegetables grown for fruit</td>
<td>07.01.97</td>
</tr>
<tr>
<td>Root and tuber crops</td>
<td></td>
</tr>
<tr>
<td>Kohlrabi</td>
<td>07.01.27</td>
</tr>
<tr>
<td>Turnips</td>
<td>07.01.54</td>
</tr>
<tr>
<td>Carrots</td>
<td></td>
</tr>
<tr>
<td>Garlic</td>
<td>07.01.67</td>
</tr>
<tr>
<td>Onions and shallots</td>
<td>07.01 (62-63-66)</td>
</tr>
<tr>
<td>Beetroot (red beet)</td>
<td></td>
</tr>
<tr>
<td>Salsify and scorzonera</td>
<td>07.01.56</td>
</tr>
<tr>
<td>Other root and tuber crops (chives, radishes, French turnips, horse radishes)</td>
<td>07.01.59</td>
</tr>
<tr>
<td>Pod vegetables</td>
<td>07.01.41</td>
</tr>
<tr>
<td>Green peas</td>
<td>07.01.43</td>
</tr>
<tr>
<td>SOEC code number</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td>07.01.45</td>
</tr>
<tr>
<td></td>
<td>07.01.47</td>
</tr>
<tr>
<td>Other pod vegetables</td>
<td>07.01.49</td>
</tr>
<tr>
<td>Cultivated mushrooms</td>
<td>07.01.87</td>
</tr>
</tbody>
</table>

Fresh fruit, including citrus fruit (excluding grapes and olives)

<table>
<thead>
<tr>
<th>Fresh fruit</th>
<th>SOEC code number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dessert apples and pears</td>
<td>08.06 (13-15-17)</td>
</tr>
<tr>
<td>Dessert apples</td>
<td>08.06 (13-15-17)</td>
</tr>
<tr>
<td>Dessert pears</td>
<td>08.06 (13-15-17)</td>
</tr>
<tr>
<td>Cider apples and perry pears</td>
<td>08.06.11</td>
</tr>
<tr>
<td>Cider apples</td>
<td>08.06.11</td>
</tr>
<tr>
<td>Perry pears</td>
<td>08.06.11</td>
</tr>
<tr>
<td>Stone fruit</td>
<td>08.07.32</td>
</tr>
<tr>
<td>Peaches</td>
<td>08.07.32</td>
</tr>
<tr>
<td>Apricots</td>
<td>08.07.32</td>
</tr>
<tr>
<td>Cherries</td>
<td>08.07.32</td>
</tr>
<tr>
<td>Plums (including greengages, mirabelles and quetsches)</td>
<td>08.07 (71-75)</td>
</tr>
<tr>
<td>Other stone fruit</td>
<td>08.07.90</td>
</tr>
<tr>
<td>Nuts</td>
<td>08.05.31</td>
</tr>
<tr>
<td>Walnuts</td>
<td>08.05.31</td>
</tr>
<tr>
<td>Hazel nuts</td>
<td>08.05.31</td>
</tr>
<tr>
<td>Almonds</td>
<td>08.05.31</td>
</tr>
<tr>
<td>Chestnuts</td>
<td>08.05.31</td>
</tr>
<tr>
<td>Other nuts (excluding tropical nuts)</td>
<td>08.05.70</td>
</tr>
<tr>
<td>Pistaches</td>
<td>08.05.70</td>
</tr>
<tr>
<td>Nuts not elsewhere specified</td>
<td>08.05.97</td>
</tr>
<tr>
<td>Other tree fruits</td>
<td>08.03.10</td>
</tr>
<tr>
<td>Figs</td>
<td>08.03.10</td>
</tr>
<tr>
<td>Quinces</td>
<td>08.03.10</td>
</tr>
<tr>
<td>Other tree fruits, not elsewhere specified (excluding tropical fruit)</td>
<td>08.09.90</td>
</tr>
<tr>
<td>Strawberries</td>
<td>08.08 (11-15)</td>
</tr>
<tr>
<td>Berries</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Black currants and red currants</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Black currants</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Red currants</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Raspberries</td>
<td>08.08.49</td>
</tr>
<tr>
<td>Gooseberries</td>
<td>08.08.49</td>
</tr>
<tr>
<td>Other berries (eg cultivated blackberries)</td>
<td>08.09.90</td>
</tr>
<tr>
<td>Citrus fruit</td>
<td>08.02 (21-22-24-27)</td>
</tr>
<tr>
<td>Oranges</td>
<td>08.02 (21-22-24-27)</td>
</tr>
<tr>
<td>Mandarines and clementines</td>
<td>08.02 (21-22-24-27)</td>
</tr>
<tr>
<td>Figs</td>
<td>08.03.10</td>
</tr>
<tr>
<td>Quinces</td>
<td>08.03.10</td>
</tr>
<tr>
<td>Other tree fruits, not elsewhere specified (excluding tropical fruit)</td>
<td>08.09.90</td>
</tr>
<tr>
<td>Strawberries</td>
<td>08.08 (11-15)</td>
</tr>
<tr>
<td>Berries</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Black currants and red currants</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Black currants</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Red currants</td>
<td>08.08.41</td>
</tr>
<tr>
<td>Raspberries</td>
<td>08.08.49</td>
</tr>
<tr>
<td>Gooseberries</td>
<td>08.08.49</td>
</tr>
<tr>
<td>Other berries (eg cultivated blackberries)</td>
<td>08.09.90</td>
</tr>
<tr>
<td>Citrus fruit</td>
<td>08.02 (21-22-24-27)</td>
</tr>
<tr>
<td>Oranges</td>
<td>08.02 (21-22-24-27)</td>
</tr>
<tr>
<td>Mandarines and clementines</td>
<td>08.02 (21-22-24-27)</td>
</tr>
</tbody>
</table>
Lemons
Grapefruit
Other citrus fruit
Citrons
Limes
Bergamots
Citrus fruit not elsewhere specified

Grapes and olives

Grapes
Table grapes
Other grapes (for wine making, fruit juice production and processing into raisins)

Olives
Table olives
Other olives (for olive oil production)

Other crop products

Fodder crops (*1)

Nursery products
Fruit trees and bushes
Vine slips
Ornamental trees and shrubs
Forest seedlings and cuttings

Vegetable materials used primarily for plaiting
Osier, rushes, rattans
Reeds, bamboos
Other vegetable materials used primarily for plaiting

Flowers, ornamental plants and Christmas trees
Flower bulbs, corms and tubers
Ornamental plants
Cut flowers, branches and foliage
Christmas trees
Perennial plants

Seeds
Agricultural seeds (*)

Flower seeds

SOEC code number

08.02.50
08.02.70
08.02.90
—
—
—

08.04 (21-23)
08.04 (25-27)

07.01.78
07.01.79
07.03.13

12.10.99 1

06.02 (19-40-51-55)
06.02 (10-30)
06.02 (71-75-79-98)
06.02.60

14.01 (11-19-51-59)
14.01 (31-39)

14.01.90

06.01.10
06.01 (31-39)
06.03 (11-15-90)
06.04 (20-40-50)
06.04.90
06.02.92

06.02.95
12.03 (11-19-35-39-44-46-84-86-89)
12.03.31
12.03.49 1

12.03.81

(*1) Eg Hay, clover (excluding brassicas).
(1) Excluding cereal seeds, rice seeds and seed potatoes (011.1, 011.2, 011.4).
Products gathered in the wild (1)

SOEC code number

<table>
<thead>
<tr>
<th>Products</th>
<th>SOEC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals (excluding rice)</td>
<td>07.01</td>
</tr>
<tr>
<td>Rice</td>
<td>08.05.97</td>
</tr>
<tr>
<td>Pulses</td>
<td>08.08.31</td>
</tr>
<tr>
<td>Root crops</td>
<td>08.08.35</td>
</tr>
<tr>
<td>Industrial crops</td>
<td>08.08.49</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>08.08.90</td>
</tr>
<tr>
<td>Fruit and citrus fruit</td>
<td>13.03.12</td>
</tr>
<tr>
<td>Grapes and olives</td>
<td>14.02</td>
</tr>
<tr>
<td>Other crops</td>
<td>14.03.00</td>
</tr>
<tr>
<td>Crop products not elsewhere specified</td>
<td>14.04.00</td>
</tr>
<tr>
<td></td>
<td>14.05</td>
</tr>
<tr>
<td></td>
<td>15.16.10</td>
</tr>
<tr>
<td></td>
<td>23.06.10</td>
</tr>
<tr>
<td></td>
<td>23.06.30</td>
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<tr>
<td></td>
<td>13.01.00</td>
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</table>

By-products from cultivation (2) of:

SOEC code number

<table>
<thead>
<tr>
<th>Products</th>
<th>SOEC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals (excluding rice)</td>
<td>07.01</td>
</tr>
<tr>
<td>Rice</td>
<td>08.05.97</td>
</tr>
<tr>
<td>Pulses</td>
<td>08.08.31</td>
</tr>
<tr>
<td>Root crops</td>
<td>08.08.35</td>
</tr>
<tr>
<td>Industrial crops</td>
<td>08.08.49</td>
</tr>
<tr>
<td>Fresh vegetables</td>
<td>08.08.90</td>
</tr>
<tr>
<td>Fruit and citrus fruit</td>
<td>13.03.12</td>
</tr>
<tr>
<td>Grapes and olives</td>
<td>14.02</td>
</tr>
<tr>
<td>Other crops</td>
<td>14.03.00</td>
</tr>
<tr>
<td>Crop products not elsewhere specified</td>
<td>14.04.00</td>
</tr>
<tr>
<td></td>
<td>14.05</td>
</tr>
<tr>
<td></td>
<td>15.16.10</td>
</tr>
<tr>
<td></td>
<td>23.06.10</td>
</tr>
<tr>
<td></td>
<td>23.06.30</td>
</tr>
<tr>
<td></td>
<td>13.01.00</td>
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</tbody>
</table>

Grape must and wine

SOEC code number

<table>
<thead>
<tr>
<th>Products</th>
<th>SOEC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grape must</td>
<td>22.04.00</td>
</tr>
<tr>
<td>Wine</td>
<td>22.05.00</td>
</tr>
<tr>
<td></td>
<td>22.05.00</td>
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<tr>
<td></td>
<td>22.05.00</td>
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<tr>
<td></td>
<td>23.05.00</td>
</tr>
</tbody>
</table>

Olive oil

SOEC code number

<table>
<thead>
<tr>
<th>Products</th>
<th>SOEC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pure olive oil (4)</td>
<td>15.07.06</td>
</tr>
<tr>
<td>Olive oil, unrefined (4)</td>
<td>15.07.07</td>
</tr>
<tr>
<td>By-products of olive oil extraction (5)</td>
<td>23.04.05</td>
</tr>
</tbody>
</table>

Cattle

SOEC code number

<table>
<thead>
<tr>
<th>Products</th>
<th>SOEC Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic cattle</td>
<td>01.02</td>
</tr>
<tr>
<td>Calves</td>
<td>—</td>
</tr>
<tr>
<td>Other cattle, less than 1 year old</td>
<td>—</td>
</tr>
<tr>
<td>Heifers</td>
<td>—</td>
</tr>
<tr>
<td>Cows</td>
<td>—</td>
</tr>
<tr>
<td>Male breeding animals</td>
<td>—</td>
</tr>
<tr>
<td>1 to 2 years old</td>
<td>—</td>
</tr>
<tr>
<td>More than 2 years old</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) Eg wild mushrooms, cranberries, bilberries, blackberries, wild raspberries, etc.
(2) Eg straw, beet and cabbage tops, pea and bean husks.
(3) Eg wine lees, argol, etc.
(4) The distinction between these two products is based on the method of processing rather than on different production stages.
(5) Eg olive oil cakes and other residual products of olive oil extraction.
<table>
<thead>
<tr>
<th>SOEC code number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.03 (11-15-17)</td>
<td>Cattle for slaughtering and fattening</td>
</tr>
<tr>
<td></td>
<td>1 to 2 years old</td>
</tr>
<tr>
<td></td>
<td>More than 2 years old</td>
</tr>
<tr>
<td>01.01 (11-15-19)</td>
<td>Pigs</td>
</tr>
<tr>
<td>01.01.31</td>
<td>Domestic pigs</td>
</tr>
<tr>
<td>01.01.50</td>
<td>Piglets</td>
</tr>
<tr>
<td></td>
<td>Young pigs</td>
</tr>
<tr>
<td></td>
<td>Pigs for fattening</td>
</tr>
<tr>
<td></td>
<td>Sows and gilts for breeding</td>
</tr>
<tr>
<td></td>
<td>Breeding boars</td>
</tr>
<tr>
<td>01.04 (11-13)</td>
<td>Equines</td>
</tr>
<tr>
<td>01.01.90</td>
<td>Horses</td>
</tr>
<tr>
<td>01.06.99</td>
<td>Donkeys</td>
</tr>
<tr>
<td>01.01.50</td>
<td>Mules and hinnies</td>
</tr>
<tr>
<td>01.04.15</td>
<td>Sheep and goats</td>
</tr>
<tr>
<td>01.04.15</td>
<td>Domestic sheep</td>
</tr>
<tr>
<td>01.06.30</td>
<td>Domestic goats</td>
</tr>
<tr>
<td>01.05 (10-91)</td>
<td>Poultry, rabbits, pigeons and other animals</td>
</tr>
<tr>
<td>01.05.93</td>
<td>Hens, cocks, cockerels, pullets, chicks</td>
</tr>
<tr>
<td>01.05.95</td>
<td>Ducks</td>
</tr>
<tr>
<td>01.05.97</td>
<td>Geese</td>
</tr>
<tr>
<td>01.05.98</td>
<td>Turkeys</td>
</tr>
<tr>
<td>01.06.10</td>
<td>Guinea-fowl</td>
</tr>
<tr>
<td>01.06.10</td>
<td>Domestic rabbits</td>
</tr>
<tr>
<td>01.06.30</td>
<td>Domestic pigeons</td>
</tr>
<tr>
<td></td>
<td>Other animals</td>
</tr>
<tr>
<td></td>
<td>Bees</td>
</tr>
<tr>
<td></td>
<td>Silkworms</td>
</tr>
<tr>
<td></td>
<td>Animals reared for fur</td>
</tr>
<tr>
<td>03.03.66</td>
<td>Snails (excluding sea-snails)</td>
</tr>
<tr>
<td>01.06.99</td>
<td>Animals not elsewhere specified</td>
</tr>
<tr>
<td>02.04.99</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Game and game meat</td>
</tr>
<tr>
<td>01.01.39</td>
<td>Game (1)</td>
</tr>
<tr>
<td>01.02.90</td>
<td></td>
</tr>
<tr>
<td>01.03.90</td>
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<tr>
<td>01.04.90</td>
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</tr>
<tr>
<td>01.06.91</td>
<td></td>
</tr>
<tr>
<td>02.04.30</td>
<td>Game meat</td>
</tr>
</tbody>
</table>

(1) Live game includes only specially reared game and other game kept in captivity.
Milk, untreated
- Cow's milk
- Ewe's milk
- Goat's milk
- Buffalo milk

Eggs
- Hen eggs
  - Hatching eggs
  - Other
- Other eggs
  - Hatching eggs
  - Other

Other livestock products
- Raw wool (including animal hair (1))
- Honey
- Silkworm cocoons
- By-products of livestock production (2)
  - Livestock products not elsewhere specified

Agricultural services (3)

Agricultural products almost exclusively imported
- Tropical oil seeds and oleaginous fruit
  - Ground-nuts
  - Copra
  - Palm nuts and kernels
  - Cotton seed
  - Oil seeds and oleaginous fruit not elsewhere specified

Tropical fibre plants
- Cotton
- Other fibre plants
  - Manila hemp
  - Jute
  - Sisal
  - Coir
  - Ramie
  - Fibre plants, not elsewhere specified

SOEC code number

1  04.05.12
2  04.05.16
      04.05.18
    53.01
3  04.06.00
    53.02
4  33.01 (10-20)
    33.02 (93-95)
5  15.15.10
7  43.01 (10-20-30-90)
9  53.02.97

1) If it is a principal product.
2) Eg skins and animal hair and pelts of slaughtered game, wax, manure, liquid manure.
3) Eg services which are normally provided by agricultural holdings themselves, eg ploughing, mowing and reaping, threshing, tobacco drying, sheep-shearing, care of animals.
Other tropical plants for industrial use

<table>
<thead>
<tr>
<th>Description</th>
<th>SOEC code number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>09.01.11</td>
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<tr>
<td>Cocoa</td>
<td>18.01.00</td>
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<tr>
<td>Sugar cane</td>
<td>12.04.30</td>
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<tr>
<td>Tropical fruit</td>
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</tr>
<tr>
<td>Tropical nuts</td>
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</tr>
<tr>
<td>Coconuts</td>
<td>08.01.75</td>
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<tr>
<td>Cashew nuts</td>
<td>08.01.77</td>
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<tr>
<td>Brazil nuts</td>
<td>08.01.80</td>
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<tr>
<td>Pecans</td>
<td>08.05.80</td>
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<tr>
<td>Other tropical fruit</td>
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</tr>
<tr>
<td>Dates</td>
<td>08.01.10</td>
</tr>
<tr>
<td>Bananas</td>
<td>08.01 (31-35)</td>
</tr>
<tr>
<td>Pineapples</td>
<td>08.01.50</td>
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<tr>
<td>Papaws</td>
<td>08.08.50</td>
</tr>
<tr>
<td>Tropical fruit, not elsewhere specified</td>
<td>08.01 (60-99)</td>
</tr>
<tr>
<td>Ivory, unpolished</td>
<td>05.10.00</td>
</tr>
</tbody>
</table>

IV. WOOD IN THE ROUGH

Coniferous timber for industrial uses

Coniferous long timber

- 1 logs
  - 1 fir, spruce, douglas
  - 2 pine, larch

- 2 mine timber
  - 1 fir, spruce, douglas
  - 2 pine, larch

- 3 other long timber
  - 1 fir, spruce, douglas
  - 2 pine, larch

Coniferous ply-wood

- 1 fir, spruce, douglas
- 2 pine, larch

Coniferous firewood

Fir, spruce, douglas
Pine, larch

Leaf-wood for industrial uses

Long timber (leaf-wood)

- 1 logs
  - 1 oak
  - 2 beech
  - 3 poplar
  - 4 other
— 2 mine timber
   (1) oak
   (2) other
— 3 other long timber
   (1) oak
   (2) beech
   (3) poplar
   (4) other

Plywood (leaf)
— 1 oak
— 2 beech
— 3 poplar
— 4 other

Firewood (leaf)
oak
beech
poplar
other

Forestry services (*)

Other products (eg bark, cork, resin)

(*) ie Services which are usually performed by forestry undertakings themselves (eg felling of timber).