

**COMMISSION DECISION**  
**of 27 August 2003**  
**concerning a request by Portugal to apply a reduced rate of VAT to the supply of natural gas**

*(notified under document number C(2003) 3086)*

**(Only the Portuguese text is authentic)**

(2003/633/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes — Common system of value added tax: uniform basis of assessment <sup>(1)</sup>, as last amended by Directive 2002/93/EC <sup>(2)</sup>, and in particular Article 12(3)(b) thereof,

Whereas:

- (1) In a letter registered at the Commission on 5 June 2002 Portugal informed the Commission of its intention to reduce the rate of VAT payable on supplies of natural gas.
- (2) In a letter dated 7 August 2002 the Commission requested further information, particularly a copy of the new legal provisions the Portuguese authorities were considering adopting in order to comply with Community law. A reminder was sent on 13 June 2003. The Portuguese authorities sent the draft amendment to their legislation in a communication registered at the Commission on 2 July 2003.
- (3) The measure under consideration is a general measure under which a reduced rate of VAT would be applied to all supplies of natural gas in accordance with Article 12(3)(b) of the Sixth VAT Directive, irrespective of the manner in which they are obtained or supplied (whether supplied domestically, acquired elsewhere in the Community, or imported from outside the Community).

- (4) As the measure is a general one, admitting no exceptions, there is deemed to be no risk of competition being distorted. Therefore, as the conditions laid down in Article 12(3)(b) of the Directive referred to above have been met, Portugal must be authorised to apply the measure in question from the date of notification of this Decision,

HAS ADOPTED THIS DECISION:

*Article 1*

Portugal may apply the measure communicated in the letters of 5 June 2002 and 2 July 2003 concerning the application of a reduced rate of VAT to the supply of natural gas, irrespective of the manner in which it is obtained or supplied.

*Article 2*

This Decision is addressed to the Portuguese Republic.

Done at Brussels, 27 August 2003.

*For the Commission*  
Frederik BOLKESTEIN  
*Member of the Commission*

<sup>(1)</sup> OJ L 145, 13.6.1977, p. 1.

<sup>(2)</sup> OJ L 331, 7.12.2002, p. 27.