

COUNCIL IMPLEMENTING DECISION (EU) 2015/2109**of 17 November 2015****authorising the United Kingdom to apply a special measure derogating from Articles 26(1)(a), 168 and 168a of Directive 2006/112/EC on the common system of value added tax**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax ⁽¹⁾, and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Council Decision 2006/659/EC ⁽²⁾ authorised the United Kingdom to apply special simplification measures in order to determine on a flat-rate basis the proportion of non-deductible value added tax (VAT) relating to expenditure on fuel in business cars not exclusively used for business purposes. The system, which is optional for taxable persons, is based on the level of carbon dioxide (CO₂) emissions from the car, as there is a proportional correlation between emissions and fuel consumption and therefore with expenditure on fuel.
- (2) By letter registered with the Commission on 22 May 2015, the United Kingdom requested authorisation to continue to apply the measure.
- (3) The Commission informed the other Member States of the request made by the United Kingdom in a letter dated 5 June 2015. By letter dated 8 June 2015, the Commission notified the United Kingdom that it had all the information necessary to consider the request.
- (4) According to the United Kingdom, the arrangement has effectively led to a simplification, both for taxable persons and the tax administration, of the procedure of collecting VAT in relation to expenditure on fuel for business cars. It is therefore appropriate that the United Kingdom be authorised to apply the measure until 31 December 2018.
- (5) Where the United Kingdom considers that a further extension beyond 2018 is necessary, it should submit a report together with an extension request to the Commission no later than 31 March 2018.
- (6) The derogating measure will have no adverse impact on the Union's own resources accruing from VAT,

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from Articles 26(1)(a), 168 and 168a of Directive 2006/112/EC, the United Kingdom is authorised, from 1 January 2016 until 31 December 2018, to fix on a flat-rate basis the proportion of VAT relating to expenditure on fuel used for private purposes in business cars.

Article 2

The proportion of the tax referred to in Article 1 shall be expressed in fixed amounts, established on the basis of the CO₂ emissions level of the type of vehicle, that reflect fuel consumption. The United Kingdom shall adjust those fixed amounts annually to reflect changes in the average cost of fuel.

⁽¹⁾ OJ L 347, 11.12.2006, p. 1.

⁽²⁾ Council Decision 2006/659/EC of 25 September 2006 authorising the United Kingdom to introduce a special measure derogating from Articles 5(6) and 11(A)(1)(b) of Directive 77/388/EEC on the harmonisation of the laws of the Member States relating to turnover taxes (OJ L 272, 3.10.2006, p. 15).

Article 3

The system set up on the basis of this Decision shall be optional for taxable persons.

Article 4

Any request for extension of the special measure provided for in this Decision shall be submitted to the Commission no later than 31 March 2018 and shall be accompanied by a report which includes a review of the application of this measure.

Article 5

This Decision is addressed to the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 17 November 2015.

For the Council
The President
J. ASSELBORN
