

**COUNCIL IMPLEMENTING DECISION****of 7 November 2014****extending the application of Implementing Decision 2011/335/EU authorising the Republic of Lithuania to apply a measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax**

(2014/795/EU)

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 <sup>(1)</sup> (the VAT Directive), and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) By letter registered with the Secretariat-General of the Commission on 16 May 2014, Lithuania requested authorisation for a measure derogating from Article 287(11) of the VAT Directive in order to continue to exempt certain taxable persons whose annual turnover is no higher than the equivalent in national currency of EUR 45 000 at the conversion rate on the day of its accession to the Union ('the measure'). The measure would release those taxable persons from certain or all of the obligations in relation to value added tax (VAT) referred to in Chapters 2 to 6 of Title XI of the VAT Directive.
- (2) By letter dated 6 June 2014, the Commission informed the other Member States of the request made by Lithuania. By letter dated 12 June 2014, the Commission notified Lithuania that it had all the information necessary to consider the request.
- (3) A special scheme for small enterprises is already available to Member States under Title XII of the VAT Directive. The extended measure derogates from Title XII of the VAT Directive only in so far as the taxable person's annual turnover threshold for the special scheme is higher than that allowed for Lithuania under Article 287(11) of the VAT Directive, which is EUR 29 000.
- (4) By Council Implementing Decision 2011/335/EU, <sup>(2)</sup> Lithuania was authorised, as a derogating measure, to exempt taxable persons whose annual turnover is no higher than EUR 45 000 until 31 December 2014. Given that this threshold has resulted in reduced VAT obligations for smaller businesses, Lithuania should be authorised to extend the measure for a further limited period. Taxable persons may still opt for the normal VAT arrangements.
- (5) From information provided by Lithuania, the extension of the derogation will only have a negligible impact on the overall amount of tax revenue collected at the final stage of consumption.
- (6) The derogation has no impact on the Union's own resources accruing from VAT,

HAS ADOPTED THIS DECISION:

*Article 1*

In the second paragraph of Article 2 of Implementing Decision 2011/335/EU, the date '31 December 2014' is replaced by '31 December 2017'.

*Article 2*

This Decision shall apply from 1 January 2015.

<sup>(1)</sup> OJ L 347, 11.12.2006, p. 1.<sup>(2)</sup> Council Implementing Decision 2011/335/EU of 30 May 2011 authorising the Republic of Lithuania to apply a measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 150, 9.6.2011, p. 6.).

*Article 3*

This Decision is addressed to the Republic of Lithuania.

Done at Brussels, 7 November 2014.

*For the Council*  
*The President*  
P. C. PADOAN

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