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COUNCIL IMPLEMENTING DECISION

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

(2011/335/EU)

(OJ L 150, 9.6.2011, p. 6)

Amended by:

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**COUNCIL IMPLEMENTING DECISION****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****(2011/335/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 ⁽¹⁾ (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 19 November 2010, Lithuania requested authorisation for a measure derogating from Article 287(11) of the VAT Directive in order to exempt taxable persons whose annual turnover is no higher than EUR 45 000 (the measure). The measure would release those taxable persons from certain or all of the value added tax (VAT) obligations referred to in Chapters 2 to 6 of Title XI of the VAT Directive.
- (2) In accordance with the second subparagraph of Article 395(2) of the VAT Directive, the Commission informed the other Member States by letter dated 21 January 2011 of the request made by Lithuania. By letter dated 25 January 2011, the Commission notified Lithuania that it had all the information necessary to consider the request.
- (3) A special scheme for small enterprises is an option which is already available to Member States under Title XII of the VAT Directive. The 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 currently allowed for Lithuania under Article 287(11) of the VAT Directive, which is EUR 29 000.
- (4) A higher threshold for the special scheme is a simplification measure as it may significantly reduce the VAT obligations of the smallest businesses, whilst that special scheme is optional for taxable persons and allows businesses to opt for the normal VAT arrangements.

⁽¹⁾ OJ L 347, 11.12.2006, p. 1.

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- (5) In its proposal for a Directive simplifying valued added tax obligations of 29 October 2004⁽¹⁾, the Commission included provisions aimed at allowing Member States to set the annual turnover ceiling for the VAT exemption scheme at up to EUR 100 000 or the equivalent in national currency, with the possibility of updating this amount each year. The request submitted by Lithuania is in line with this proposal.
- (6) The derogation will have no impact on the Union's own resources accruing from VAT and will only have a negligible effect on the overall amount of VAT revenue of Lithuania collected at the stage of final consumption,

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from Article 287(11) of Directive 2006/112/EC, the Republic of Lithuania is authorised to exempt from VAT 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 European Union.

Article 2

This Decision shall take effect on the day of its notification.

It shall apply from 1 January 2012 until the date of entry into force of a Directive amending the amounts of the annual turnover ceilings below which taxable persons may qualify for VAT exemption or until ►**M1** 31 December 2017 ◀, whichever date is earlier.

Article 3

This Decision is addressed to the Republic of Lithuania.

⁽¹⁾ OJ C 24, 29.1.2005, p. 8.