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**COUNCIL DIRECTIVE ►C1 2001/4/EC ◀**

**of 19 January 2001**

**amending the sixth Directive (77/388/EEC) on the common system of value added tax, with regard to the length of time during which the minimum standard rate is to be applied**

(OJ L 22, 24.1.2001, p. 17)

Corrected by:

►C1 Corrigendum, OJ L 26, 27.1.2001, p. 40 (2001/41)



**COUNCIL DIRECTIVE ►C1 2001/4/EC ◀**  
**of 19 January 2001**

**amending the sixth Directive (77/388/EEC) on the common system of value added tax, with regard to the length of time during which the minimum standard rate is to be applied**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 93 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>(1)</sup>,

Having regard to the opinion of the Economic and Social Committee<sup>(2)</sup>,

Whereas:

- (1) Article 12(3)(a) of 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>(3)</sup>, hereinafter referred to as the sixth VAT Directive, lays down that the Council is to decide on the level of the standard rate applicable after 31 December 2000.
- (2) While the standard rate of value added tax currently in force in the various Member States, combined with the mechanism of the transitional system, has ensured that this system has functioned to an acceptable degree, it is nonetheless important to prevent a growing divergence in the standard rates of VAT applied by the Member States from leading to structural imbalances in the Community and distortions of competition in some sectors of activity, at least in the period in which a new VAT strategy is being implemented to simplify and modernise current Community legislation on VAT, as set out in the Commission Communication of 7 June 2000.
- (3) It is therefore appropriate to maintain the current minimum standard rate at 15 % for a further period long enough to allow the strategy for simplification and modernisation to be implemented,

HAS ADOPTED THIS DIRECTIVE:

*Article 1*

The first and second subparagraphs of Article 12(3)(a) of the sixth VAT Directive shall be replaced by the following:

- ‘3. (a) 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 the supply of goods and for the supply of services. From 1 January 2001 to 31 December 2005, this percentage may not be less than 15 %.

On a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, the Council shall decide unanimously on the level of the standard rate to be applied after 31 December 2005.’

*Article 2*

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive before 1 January 2001. They shall forthwith inform the Commission thereof.

<sup>(1)</sup> Opinion delivered on 14 December 2000 (not yet published in the Official Journal).

<sup>(2)</sup> Opinion delivered on 29 November 2000 (not yet published in the Official Journal).

<sup>(3)</sup> OJ L 145, 13.6.1977, p. 1. Directive as last amended by Directive 2000/65/EC (OJ L 269, 21.10.2000, p. 44).

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When Member States adopt these measures, they shall contain a reference to this Directive or shall be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

2. Member States shall communicate to the Commission the text of the provisions of national law which they adopt in the field covered by this Directive.

*Article 3*

This Directive shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 2001.

*Article 4*

This Directive is addressed to the Member States.