

Council Directive 2006/112/EC of 28 November  
2006 on the common system of value added tax

TITLE II

**TERRITORIAL SCOPE**

*Article 5*

For the purposes of applying this Directive, the following definitions shall apply:

- (1) 'Community' and 'territory of the Community' mean the territories of the Member States as defined in point (2);
- (2) 'Member State' and 'territory of a Member State' mean the territory of each Member State of the Community to which the Treaty establishing the European Community is applicable, in accordance with Article 299 of that Treaty, with the exception of any territory referred to in Article 6 of this Directive;
- (3) 'third territories' means those territories referred to in Article 6;
- (4) 'third country' means any State or territory to which the Treaty is not applicable.

*Article 6*

1 This Directive shall not apply to the following territories forming part of the customs territory of the Community:

- a Mount Athos;
- b the Canary Islands;
- c the French overseas departments;
- d the Åland Islands;
- e the Channel Islands.

2 This Directive shall not apply to the following territories not forming part of the customs territory of the Community:

- a the Island of Heligoland;
- b the territory of Büsingen;
- c Ceuta;
- d Melilla;
- e Livigno;
- f Campione d'Italia;
- g the Italian waters of Lake Lugano.

*Article 7*

1 In view of the conventions and treaties concluded with France, the United Kingdom and Cyprus respectively, the Principality of Monaco, the Isle of Man and the United Kingdom Sovereign Base Areas of Akrotiri and Dhekelia shall not be regarded, for the purposes of the application of this Directive, as third countries.

2 Member States shall take the measures necessary to ensure that transactions originating in or intended for the Principality of Monaco are treated as transactions originating

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in or intended for France, that transactions originating in or intended for the Isle of Man are treated as transactions originating in or intended for the United Kingdom, and that transactions originating in or intended for the United Kingdom Sovereign Base Areas of Akrotiri and Dhekelia are treated as transactions originating in or intended for Cyprus.

*Article 8*

If the Commission considers that the provisions laid down in Articles 6 and 7 are no longer justified, particularly in terms of fair competition or own resources, it shall present appropriate proposals to the Council.