

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

TITLE XV

**FINAL PROVISIONS**

CHAPTER 1

**Transitional arrangements for the taxation of trade between Member States**

*Article 402*

1 The arrangements provided for in this Directive for the taxation of trade between Member States are transitional and shall be replaced by definitive arrangements based in principle on the taxation in the Member State of origin of the supply of goods or services.

2 Having concluded, upon examination of the report referred to in Article 404, that the conditions for transition to the definitive arrangements are met, the Council shall, acting in accordance with Article 93 of the Treaty, adopt the provisions necessary for the entry into force and for the operation of the definitive arrangements.

*Article 403*

The Council shall, acting in accordance with Article 93 of the Treaty, adopt Directives appropriate for the purpose of supplementing the common system of VAT and, in particular, for the progressive restriction or the abolition of derogations from that system.

*Article 404*

Every four years starting from the adoption of this Directive, the Commission shall, on the basis of information obtained from the Member States, present a report to the European Parliament and to the Council on the operation of the common system of VAT in the Member States and, in particular, on the operation of the transitional arrangements for taxing trade between Member States. That report shall be accompanied, where appropriate, by proposals concerning the definitive arrangements.