# Value added tax VAT: special scheme for gold (amend. Directive 77/388/EEC)

1992/1262(CNS) - 27/10/1992 - Legislative proposal

The proposal for a directive amended the sixth Directive on VAT (77/388/EEC) and sought to introduce a special system for gold, the main elements of which would be as follows: - introduction of two distinct systems: one for 'financial gold' and one for 'industrial gold' ; - financial gold (gold in central banks, gold certificates and gold accounts) will be exempt by entitlement to deduction (introduction of a 'zero' rate) , provided that the transaction does not involve any physical shipment; otherwise tax will apply; - VAT on industrial gold (gold used as an intermediate product in certain industrial processes and in jewellery-making) will be taxed by Member States not at the point of sale but at the original point of purchase (the so-called 'reverse charge' system).