Value added tax VAT: exemption on the final importation of certain goods

1994/0197(CNS) - 15/09/1994 - Legislative proposal

The proposal for a directive aimed to amend Article 14(1)(d) of Directive 77/388/EEC which stipulated that the Member States should exempt the final importation of goods qualifying for exemptions from customs duties other than those provided for in the Common Customs Tariff or those that would be likely to qualify if they were imported from a third country. The aim was to achieve the greatest possible parallelism between the system for customs duties and that for VAT. To this end, the Commission proposed replacing Directive 83/191/EEC and opted for another legislative technique, in place of reproducing almost all of the customs text in the fiscal field, namely referral back to the customs regulation. As a result, the directive stipulated that the Member States should grant VAT exemptions for certain final importations of goods under the same conditions and limits as those laid down by the customs provisions. However, the Commission maintained in its proposal most of the specific fiscal provisions that currently applied with respect to the customs provisions. Consequently, certain imports likely to give rise to customs duties on imports were excluded from the tax exemption: this was the case for example for educational, scientific and cultural materials. Furthermore, the Member States could exclude from exemption from VAT certain goods affected by customs duties: this was the case for goods of negligible value imported by way of mail order. The proposal also stipulated that the tax exemption for certain imports of goods was subject to specific conditions: for example, articles intended for disabled persons. Finally, the possibility of maintaining certain specific tax exemptions resulting from international agreements was maintained.