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

1992/1262(CNS) - 12/10/1998 - Final act

OBJECTIVE: to supplement the common system of value added tax regarding the special scheme for investment gold. COMMUNITY MEASURE: Council Directive 98/80/EC supplementing the Common System of Value Added Tax and amending Directive 77/388/EEC - special scheme for investment gold. CONTENTS: according to the Sixth VAT Directive (Directive 77/388/EEC, modified most recently by Directive 96/65/EC), operations involving gold are, in principle, taxable, but a transitional derogation permits the Member States to continue to exempt transactions involving gold other than for industrial purposes. In order to establish an approach that is common to all the Member States, the new Directive will lay down a special scheme based on the principle of tax exemption for trading in investment gold. The application of such a special scheme should enhance the international competitiveness of the Community gold market. The Directive defines investment gold as only comprising forms and weights of gold of very high purity as traded in the bullion markets and gold coins the value of which primarily reflects its gold price. The Directive also contains measures to prevent opportunities for tax fraud and tax evasion resulting from the double use of gold for both industrial and investment uses. ENTRY INTO FORCE: 17 October 1998 DEADLINE FOR TRANSPOSITION: 1 January 2000.