

# Procedure file

Basic information		
CNS - Consultation procedure Directive	<a href="#">1992/1262(CNS)</a>	Procedure completed
Value added tax VAT: special scheme for gold (amend. Directive 77/388/EEC)		
Subject 2.70.02 Indirect taxation, VAT, excise duties		

Key players			
European Parliament			
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2122</a>	12/10/1998
	<a href="#">Economic and Financial Affairs ECOFIN</a>	<a href="#">2112</a>	06/07/1998

Key events			
26/10/1992	Legislative proposal published	COM(1992)0441	Summary
20/11/1992	Committee referral announced in Parliament		
24/02/1994	Vote in committee		Summary
23/02/1994	Committee report tabled for plenary, 1st reading/single reading	A3-0117/1994	
07/03/1994	Debate in Parliament		Summary
10/03/1994	Decision by Parliament	T3-0150/1994	Summary
12/10/1998	Act adopted by Council after consultation of Parliament		
12/10/1998	End of procedure in Parliament		
17/10/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1992/1262(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC before Amsterdam E 099
Stage reached in procedure	Procedure completed

Committee dossier		ECON/3/04251			
Documentation gateway					
Legislative proposal		COM(1992)0441 <a href="#">OJ C 302 19.11.1992, p. 0009</a>	27/10/1992	EC	Summary
Economic and Social Committee: opinion, report		<a href="#">CES0473/1993</a> <a href="#">OJ C 161 14.06.1993, p. 0025</a>	28/04/1993	ESC	
Committee report tabled for plenary, 1st reading/single reading		A3-0117/1994 <a href="#">OJ C 091 28.03.1994, p. 0007</a>	24/02/1994	EP	
Text adopted by Parliament, 1st reading/single reading		T3-0150/1994 <a href="#">OJ C 091 28.03.1994, p. 0209-0239</a>	10/03/1994	EP	Summary
Final act					
<a href="#">Directive 1998/80</a> <a href="#">OJ L 281 17.10.1998, p. 0031</a> Summary					

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

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). ?

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

The Committee on Economic and Monetary Affairs backed its rapporteur, Mr BEAZLEY (PPE, UK) and voted not to apply VAT to all forms of investment gold, i.e. irrespective of whether or not the commodity is actually delivered, whereas the Commission text made provision for an exemption solely for transactions which do not result in physical delivery. The rapporteur felt that action was needed which took account of traditions and practices in the Member States and prevented the fraud which had been identified in certain countries in the Community.

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The European Parliament adopted the BEAZLEY report on the value added tax scheme for gold.?

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

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.?

