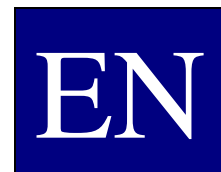




**COUNCIL OF  
THE EUROPEAN UNION**



Brussels, 16 March 2010  
6945/10 (Presse 46)

## **Council approves measure to clamp down on fraud in CO<sub>2</sub> emission allowance trading**

The Council today<sup>1</sup> adopted a directive allowing member states to implement, on an optional and temporary basis, a reversal of liability for the payment of VAT (value-added tax) on greenhouse gas emission allowance trading ([5984/6/10 REV 6](#) + [6606/10 ADD 1](#)).

The aim is to close off certain forms of tax fraud, in particular so-called carousel schemes whereby supplies are traded several times by different suppliers without VAT being paid to the tax authorities. Applying a "reverse charge" principle, the draft directive will allow, until 30 June 2015, liability for the payment of VAT on emission allowances and services to be shifted from the supplier (as normally required by EU rules) to the customer.

The directive stems from a proposal from the Commission that covered not only CO<sub>2</sub> and other greenhouse gas emission allowances, but also mobile phones and electronic circuit devices, which are also exposed to carousel fraud. The Council will continue to work on those other elements of the proposal with a view to reaching an agreement as soon as possible.

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<sup>1</sup> The decision was taken, without discussion, at a meeting of the Economic and Financial Affairs Council.

# **P R E S S**

In the meantime, the Commission declared that in the event of a founded request by a member state before June 2010, under article 395 of directive 2006/112 (VAT directive), it would present a proposal for a derogation allowing for application of the reverse charge mechanism to mobile phones and electronic circuit devices.

Moreover, member states that are at present authorised to apply the reverse charge mechanism to mobile phones and electronic circuit devices will be allowed to continue to do so until agreement is reached on a new decision or new directive.

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