

6. QUESTIONS CONCERNING THE INTERPRETATION OF THE COMMUNITY VAT PROVISIONS

- 6.1 Origin: Danmark**
References: Article 8(1)(c)
Subject: VAT rules applicable to sales of goods on board international means of transport following the abolition of tax-free sales
(Document XXI/98/1623 – Working Paper No 272)

As regards supplies on-board aircraft of goods to be carried away, the Committee **unanimously** agrees that, where the “part of a transport of passengers effected in the Community” referred to in Article 8(1)(c) includes stopovers between its point of departure and its point of arrival, this transport shall be regarded as a single journey on condition that, except in the case of force majeure, the means of transport used and the flight number remains the same throughout the journey and that each stopover is of a short duration.

8. NEW EC LEGISLATION – MATTERS CONCERNING THE IMPLEMENTATION OF RECENTLY ADOPTED COMMUNITY VAT PROVISIONS

- 8.1 Origin: Commission**
References: Council Directive 98/80/EC of 12 October 1998
Subject: Questions linked to the application of Council Directive 98/80/EC of 12 October 1998 (Special Scheme for Investment Gold)
(Document XXI/98/1930 – Working Paper No 274)

[1] Definitions (Point A of Article 26b)

All the delegations agree that, for the application of the definition in Article 26b(A)(i), the weights accepted by the bullion markets include at least the following weights:

Unit	Weights traded
Kg	12,5/1
Gram	500/250/100/50/20/10/5/2,5/2/(1)
Ounce (1oz = 31,1035 g)	100/10/5/1 ¹ /2 ¹ /4
Tael (1 tael = 1,913oz.) ¹	10/5/1
Tola (10 tolas = 3,75oz.) ²	10

All delegations agree to use the market value of gold coins and of the gold contained in them on 1 April of each year, to check compliance with the condition mentioned in the fourth indent of Article 26b(A)(ii).

[2] Special arrangements applicable to investment gold transactions (Point B of Article 26b)

[a] A **large majority** of delegations agree that the exemption of Article 26b(B), first paragraph, is restricted to supplies of goods and does not cover transactions qualifying as supplies of services. Accordingly, Article 8(1) determines the place of supplies of investment gold exempted under Article 26b(B).

[b] When investment gold represented by certificates for allocated or unallocated gold is physically located in another Member State than the Member State where the certificate is handed over to the buyer, **almost all** delegations consider that Article 22(9)(a), third indent, allows Member States to release the supplier from his obligations in the Member State where the gold is physically located, provided that he is carrying out in that Member State none of the transactions referred to in Article 22(4)(c).

¹ Tael = a traditional Chinese unit of weight. The nominal fineness of a Hong Kong tael bar is 990 but in Taiwan 5 and 10 tael bars can be 999,9 fine.

² Tola = a traditional Indian unit of weight for gold. The most popular sized bar is 10 tola, 999 fineness.