II.   QUESTIONS ON THE INTERPRETATION OF THE SIXTH DIRECTIVE

a)   <u>Tax treatment applicable to activities closely related to hospital and medical care Article 13(A)(1)(b)</u>

A **<u>large majority</u>** of the Committee agreed to exemption for:

−   activities associated with the lodging of patients (accommodation and meals) and with the supply of medicines as part of medical care;

−   the supply of prostheses surgically fitted in a hospital;

−   activities associated with the lodging of hospital staff and persons living-in with patients and for such persons in so far as their lodging cannot be compared with a stay in a hotel;

−   the supply by the hospital of meals and beverages in a restaurant open to the public in so far as the operating conditions are not likely to cause distortion of competition;

−   the sale within hospital premises of small objects made, in a therapeutic scope, by patients.

b)   <u>Treatment of the supply of services by musicians and other performing artists</u>

The Committee **<u>unanimously</u>** agreed that it was not possible to lay down a system of Community tax treatment applicable to all artists' services which are subject to contractual provisions in view of the wide variety of clauses that might be included in the contract (working conditions, remuneration, relationship of employer and employee, etc.).

c)   Application of Article 26 to the organisation of language study trips

The Committee **<u>unanimously</u>** agreed that, under the terms of Article 26:

1)   all transactions performed by the travel agent in respect of a journey are to be treated as a single service supplied by the travel agent to the traveller;

2)   the single service is taxable in the Member State in which the travel agent has established his business or has a fixed establishment from which the travel agent has provided the services;

3)   the taxable amount is the travel agent's margin.

Since the terms of Article 26 do not allow a particular type of journey to be excluded, the Committee **<u>unanimously</u>** agreed that language study trips are also covered by the article.