

Council Directive 2006/112/EC of 28 November
2006 on the common system of value added tax

TITLE VIII

RATES

CHAPTER 1

Application of rates

Article 93

The rate applicable to taxable transactions shall be that in force at the time of the chargeable event.

However, in the following situations, the rate applicable shall be that in force when VAT becomes chargeable:

- (a) in the cases referred to in Articles 65 and 66;
- (b) in the case of an intra-Community acquisition of goods;
- (c) in the cases, concerning the importation of goods, referred to in the second subparagraph of Article 71(1) and in Article 71(2).

Article 94

1 The rate applicable to the intra-Community acquisition of goods shall be that applied to the supply of like goods within the territory of the Member State.

2 Subject to the option under Article 103(1) of applying a reduced rate to the importation of works of art, collectors' items or antiques, the rate applicable to the importation of goods shall be that applied to the supply of like goods within the territory of the Member State.

Article 95

Where rates are changed, Member States may, in the cases referred to in Articles 65 and 66, effect adjustments in order to take account of the rate applying at the time when the goods or services were supplied.

Member States may also adopt all appropriate transitional measures.

CHAPTER 2

Structure and level of rates

Section 1

Standard rate

Article 96

Member States shall apply a standard rate of VAT, which shall be fixed by each Member State as a percentage of the taxable amount and which shall be the same for the supply of goods and for the supply of services.

[^{F1}Article 97

The standard rate shall not be lower than 15 %.]

Textual Amendments

- F1** Substituted by [Council Directive \(EU\) 2018/912 of 22 June 2018 amending Directive 2006/112/EC on the common system of value added tax as regards the obligation to respect a minimum standard rate.](#)

Section 2

Reduced rates

Article 98

1 Member States may apply either one or two reduced rates.

2 The reduced rates shall apply only to supplies of goods or services in the categories set out in Annex III.

[^{F2}The reduced rates shall not apply to electronically supplied services with the exception of those falling under point (6) of Annex III.]

3 When applying the reduced rates provided for in paragraph 1 to categories of goods, Member States may use the Combined Nomenclature to establish the precise coverage of the category concerned.

Textual Amendments

- F2** Substituted by [Council Directive \(EU\) 2018/1713 of 6 November 2018 amending Directive 2006/112/EC as regards rates of value added tax applied to books, newspapers and periodicals.](#)

Article 99

1 The reduced rates shall be fixed as a percentage of the taxable amount, which may not be less than 5 %.

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2 Each reduced rate shall be so fixed that the amount of VAT resulting from its application is such that the VAT deductible under Articles 167 to 171 and Articles 173 to 177 can normally be deducted in full.

[^{F3} By way of derogation from paragraphs 1 and 2 of this Article, and in addition to the rates referred to in paragraph 1 of Article 98, Member States which, on 1 January 2017, applied, in accordance with Union law, reduced rates lower than the minimum laid down in this Article or granted exemptions with deductibility of the VAT paid at the preceding stage to the supply of certain goods referred to in point (6) of Annex III, may also apply the same VAT treatment where that supply is supplied electronically, as referred to in point (6) of Annex III.]

Textual Amendments

F3 Inserted by [Council Directive \(EU\) 2018/1713 of 6 November 2018 amending Directive 2006/112/EC as regards rates of value added tax applied to books, newspapers and periodicals.](#)

Article 100

On the basis of a report from the Commission, the Council shall, starting in 1994, review the scope of the reduced rates every two years.

The Council may, in accordance with Article 93 of the Treaty, decide to alter the list of goods and services set out in Annex III.

Article 101

By 30 June 2007 at the latest the Commission shall present to the European Parliament and the Council an overall assessment report on the impact of reduced rates applying to locally supplied services, including restaurant services, notably in terms of job creation, economic growth and the proper functioning of the internal market, based on a study carried out by an independent economic think-tank.

Section 3

Particular provisions

[^{F4} *Article 102*

After consultation of the VAT Committee, each Member State may apply a reduced rate to the supply of natural gas, electricity or district heating.]

Textual Amendments

F4 Substituted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)

Article 103

1 Member States may provide that the reduced rate, or one of the reduced rates, which they apply in accordance with Articles 98 and 99 is also to apply to the importation of works of art, collectors' items and antiques, as defined in points (2), (3) and (4) of Article 311(1).

2 If Member States avail themselves of the option under paragraph 1, they may also apply the reduced rate to the following transactions:

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- a the supply of works of art, by their creator or his successors in title;
- b the supply of works of art, on an occasional basis, by a taxable person other than a taxable dealer, where the works of art have been imported by the taxable person himself, or where they have been supplied to him by their creator or his successors in title, or where they have entitled him to full deduction of VAT.

Article 104

Austria may, in the communes of Jungholz and Mittelberg (Kleines Walsertal), apply a second standard rate which is lower than the corresponding rate applied in the rest of Austria but not less than 15 %.

[^{F5}Article 104a

Cyprus may apply one of the two reduced rates provided for in Article 98 to the supply of liquid petroleum gas (LPG) in cylinders.]

Textual Amendments

- F5** Inserted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

[^{F6}Article 105

- 1 Portugal may apply one of the two reduced rates provided for in Article 98 to the tolls on bridges in the Lisbon area.
- 2 Portugal may, in the case of transactions carried out in the autonomous regions of the Azores and Madeira and of direct importation into those regions, apply rates lower than those applying on the mainland.]

Textual Amendments

- F6** Substituted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

^{F7}CHAPTER 3

[^{F7}Temporary provisions for particular labour-intensive services]

^{F7}Article 106

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^{F7}Article 107

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^{F7}Article 108

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Textual Amendments

- F7** Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

CHAPTER 4

Special provisions applying until the adoption of definitive arrangements

Article 109

Pending introduction of the definitive arrangements referred to in Article 402, the provisions laid down in this Chapter shall apply.

Article 110

Member States which, at 1 January 1991, were granting exemptions with deductibility of the VAT paid at the preceding stage or applying reduced rates lower than the minimum laid down in Article 99 may continue to grant those exemptions or apply those reduced rates.

The exemptions and reduced rates referred to in the first paragraph must be in accordance with Community law and must have been adopted for clearly defined social reasons and for the benefit of the final consumer.

Article 111

Subject to the conditions laid down in the second paragraph of Article 110, exemptions with deductibility of the VAT paid at the preceding stage may continue to be granted in the following cases:

- (a) by Finland in respect of the supply of newspapers and periodicals sold by subscription and the printing of publications distributed to the members of corporations for the public good;
- (b) by Sweden in respect of the supply of newspapers, including radio and cassette newspapers for the visually impaired, pharmaceutical products supplied to hospitals or on prescription, and the production of, or other related services concerning, periodicals of non-profit-making organisations^[F6:]
- (c) ^[F5]by Malta in respect of the supply of foodstuffs for human consumption and pharmaceuticals.]

Textual Amendments

- F5** Inserted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)
- F6** Substituted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

Article 112

If the provisions of Article 110 cause for Ireland distortion of competition in the supply of energy products for heating and lighting, Ireland may, on specific request, be

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authorised by the Commission to apply a reduced rate to such supplies, in accordance with Articles 98 and 99.

In the case referred to in the first paragraph, Ireland shall submit a request to the Commission, together with all necessary information. If the Commission has not taken a decision within three months of receiving the request, Ireland shall be deemed to be authorised to apply the reduced rates proposed.

Article 113

Member States which, at 1 January 1991, in accordance with Community law, were granting exemptions with deductibility of the VAT paid at the preceding stage or applying reduced rates lower than the minimum laid down in Article 99, in respect of goods and services other than those specified in Annex III, may apply the reduced rate, or one of the two reduced rates, provided for in Article 98 to the supply of such goods or services.

Article 114

1 Member States which, on 1 January 1993, were obliged to increase their standard rate in force at 1 January 1991 by more than 2 % may apply a reduced rate lower than the minimum laid down in Article 99 to the supply of goods and services in the categories set out in Annex III.

[^{F6}The Member States referred to in the first subparagraph may also apply such a rate to children's clothing and children's footwear and housing.]

2 Member States may not rely on paragraph 1 to introduce exemptions with deductibility of the VAT paid at the preceding stage.

Textual Amendments

F6 Substituted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

[^{F6}Article 115

Member States which, at 1 January 1991, were applying a reduced rate to children's clothing, children's footwear or housing may continue to apply such a rate to the supply of those goods or services.]

Textual Amendments

F6 Substituted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

^{F7}Article 116

Textual Amendments

F7 Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

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Article 117

F71

2 Austria may apply one of the two reduced rates provided for in Article 98 to the letting of immovable property for residential use, provided that the rate is not lower than 10 %.

Textual Amendments

F7 Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

Article 118

Member States which, at 1 January 1991, were applying a reduced rate to the supply of goods or services other than those specified in Annex III may apply the reduced rate, or one of the two reduced rates, provided for in Article 98 to the supply of those goods or services, provided that the rate is not lower than 12 %.

The first paragraph shall not apply to the supply of second-hand goods, works of art, collectors' items or antiques, as defined in points (1) to (4) of Article 311(1), subject to VAT in accordance with the margin scheme provided for in Articles 312 to 325 or the arrangements for sales by public auction.

Article 119

For the purposes of applying Article 118, Austria may apply a reduced rate to wines produced on an agricultural holding by the producer-farmer, provided that the rate is not lower than 12 %.

Article 120

Greece may apply rates up to 30 % lower than the corresponding rates applied in mainland Greece in the departments of Lesbos, Chios, Samos, the Dodecanese and the Cyclades, and on the islands of Thassos, the Northern Sporades, Samothrace and Skiros.

Article 121

Member States which, at 1 January 1993, regarded work under contract as the supply of goods may apply to the delivery of work under contract the rate applicable to the goods obtained after execution of the work under contract.

For the purposes of applying the first paragraph, 'delivery of work under contract' shall mean the handing over by a contractor to his customer of movable property made or assembled by the contractor from materials or objects entrusted to him by the customer for that purpose, whether or not the contractor has provided any part of the materials used.

Article 122

Member States may apply a reduced rate to the supply of live plants and other floricultural products, including bulbs, roots and the like, cut flowers and ornamental foliage, and of wood for use as firewood.

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CHAPTER 5

Temporary provisions

^{F8}Article 123

The Czech Republic may, until 31 December 2010, continue to apply a reduced rate of not less than 5 % to the supply of construction work for residential housing not provided as part of a social policy, excluding building materials.]

Textual Amendments

- F8** Substituted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)

^{F9}Article 124

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Textual Amendments

- F9** Deleted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)

Article 125

1 Cyprus may, [^{F8}until 31 December 2010], continue to grant an exemption with deductibility of VAT paid at the preceding stage in respect of the supply of pharmaceuticals and foodstuffs for human consumption, with the exception of ice cream, ice lollies, frozen yoghurt, water ice and similar products and savoury food products (potato crisps/sticks, puffs and similar products packaged for human consumption without further preparation).

^{F72}

Textual Amendments

- F7** Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)
- F8** Substituted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)

^{F9}Article 126

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Textual Amendments

- F9** Deleted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)
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^{F7}Article 127

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Textual Amendments

- F7** Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

[^{F8}Article 128

1 Poland may, until 31 December 2010, grant an exemption with deductibility of VAT paid at the preceding stage in respect of the supply of certain books and specialist periodicals.

^{F7}2

3 Poland may, until 31 December 2010, continue to apply a reduced rate of not less than 3 % to the supply of foodstuffs as referred to in point (1) of Annex III.

4 Poland may, until 31 December 2010, continue to apply a reduced rate of not less than 7 % to the supply of services, not provided as part of a social policy, for construction, renovation and alteration of housing, excluding building materials, and to the supply before first occupation of residential buildings or parts of residential buildings, as referred to in Article 12(1)(a).]

Textual Amendments

- F7** Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)
- F8** Substituted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)

Article 129

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2 Slovenia may, [^{F8}until 31 December 2010], continue to apply a reduced rate of not less than 5 % to the supply of construction, renovation and maintenance work for residential housing not provided as part of a social policy, excluding building materials.

Textual Amendments

- F7** Deleted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)
- F8** Substituted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)

[^{F10}Article 129a

- 1 Member States may take one of the following measures:
- a apply a reduced rate to the supply of COVID-19 *in vitro* diagnostic medical devices and services closely linked to those devices;
 - b grant an exemption with deductibility of VAT paid at the preceding stage in respect of the supply of COVID-19 *in vitro* diagnostic medical devices and services closely linked to those devices.

Only COVID-19 *in vitro* diagnostic medical devices that are in conformity with the applicable requirements set out in Directive 98/79/EC of the European Parliament and

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of the Council⁽¹⁾ or Regulation (EU) 2017/746 of the European Parliament and of the Council⁽²⁾ and other applicable Union legislation shall be eligible for the measures provided for in the first subparagraph.

2 Member States may grant an exemption with deductibility of VAT paid at the preceding stage in respect of the supply of COVID-19 vaccines and services closely linked to those vaccines.

Only COVID-19 vaccines authorised by the Commission or by Member States shall be eligible for the exemption provided for in the first subparagraph.

3 This Article shall apply until 31 December 2022.]

Textual Amendments

F10 Inserted by [Council Directive \(EU\) 2020/2020 of 7 December 2020 amending Directive 2006/112/EC as regards temporary measures in relation to value added tax applicable to COVID-19 vaccines and in vitro diagnostic medical devices in response to the COVID-19 pandemic.](#)

F⁹Article 130

Textual Amendments

F9 Deleted by [Council Directive 2007/75/EC of 20 December 2007 amending Directive 2006/112/EC with regard to certain temporary provisions concerning rates of value added tax.](#)

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- (1) [^{F10}Directive 98/79/EC of the European Parliament and of the Council of 27 October 1998 on *in vitro* diagnostic medical devices (OJ L 331, 7.12.1998, p. 1).]
- (2) [^{F10}Regulation (EU) 2017/746 of the European Parliament and of the Council of 5 April 2017 on *in vitro* diagnostic medical devices and repealing Directive 98/79/EC and Commission Decision 2010/227/EU (OJ L 117, 5.5.2017, p. 176).]

Textual Amendments

- F10** Inserted by Council Directive (EU) 2020/2020 of 7 December 2020 amending Directive 2006/112/EC as regards temporary measures in relation to value added tax applicable to COVID-19 vaccines and *in vitro* diagnostic medical devices in response to the COVID-19 pandemic.