23/8

Proposal for a second directive for the harmonization among Member States of turnover tax legislation, concerning the form and the methods of application of the common system of taxation on value added

(submitted by the Commission to the Council)

Supplement to

BULLETIN

of the European Economic Community

No. 5 — 1965

EXECUTIVE SECRETARIAT OF THE COMMISSION
OF THE EUROPEAN

Pages 26-35

Proposal for a second directive for the harmonization among Member States of turnover tax legislation, concerning the form and the methods of application of the common system of taxation on value added

(submitted by the Commission to the Council)

The Council of the European Economic Community

Having regard to the provisions of the Treaty setting up the European Economic Community and in particular to those of Articles 99 and 100 thereof;

Having regard to the provisions of the first Directive for the harmonization among Member States of turnover tax legislation adopted by the Council on ....., and in particular those of Articles 1, 2 and 3 thereof;

Having regard to the proposal of the Commission;

Having regard to the opinion of the Economic and Social Committee;

Having regard to the opinion of the European Parliament;

Whereas the replacement of turnover taxes now current in Member States by a common system of taxation on value added is intended in particular to achieve two main purposes, namely, first, neutrality of tax effects on competition both nationally and on the Community level, and secondly, the establishment, during a first stage, of one of the preconditions for the abolition of taxation on imports and exemption for exports in trade among Member States —

hereafter called "abolition of fiscal boundaries" — which is envisaged as the ultimate aim of turnover tax harmonization;

Whereas the common system of taxation on value added is initially to be applied during a period when fiscal boundaries still subsist and it is, in these circumstances, possible to concede to Member States far-reaching discretion in the determination of tax rates or differential tax rates;

Whereas the temporary subsistence of fiscal boundaries does not, as such, preclude the continued existence, for the time being, of certain differences in the methods of taxing value added in Member States, but whereas it is nevertheless highly desirable to limit these differences to the extent possible, lest the achievement of the ultimate aim require further major changes in national legislation;

Whereas it was found necessary to make provision for the possibility of deviating from the common methods of application in certain special cases where the introduction of the new system raises particularly serious difficulties in certain Member States;

Whereas this right of deviation must, however, obviously not lead to regulations which might entail disturbances in the conditions of competition among Member States and divergent regulations must not, on the other hand, be allowed to compromise the achievement of the ultimate aim, whence it is necessary to provide for prior consultation between the Commission and Member States in certain cases, so as to forestall the afore-mentioned consequences;

Whereas the common system of taxation on value added, to be as unadulterated and as neutral as possible and to achieve maximum simplicity, must have the broadest possible scope, which means that an attempt must be made to achieve complete generalization of the tax, this being in any case implicit in the very nature of the tax conceived as a general consumption tax on goods and services;

Whereas in this view it is highly expedient to encompass within the scope of the tax all economic activities in the field of services no less than in the fields of production and distribution and thus to extend the levy of the tax as far as the stage preceding end-use;

Whereas, to make the system simple and neutral in application and to keep the general tax rate within reasonable limits, it is therefore necessary to oppose in principle any claims for preferential and exceptional treatment in any particular field;

Whereas the system of taxation on value added certainly leaves room for a differentiation of tax rates by which the tax burden on certain goods and services may, in case of need, be diminished or increased for social or economic reasons, but whereas the system does not readily lend itself to the introduction of zero rates, so that it is highly desirable strictly to limit cases of exemption and to afford such relief as is deemed necessary by reducing of the tax rates to the minimum that still allows of the normal deduction of the tax paid at the preceding stage, the result, for the rest, being generally the same as that now achieved by exemptions in cumulative multi-stage systems;

Whereas it was found feasible to leave Member States free to determine their own system of taxation for the large category of services having no bearing on the price of goods as well as their own arrangements for taxing small firms, subject, in this latter case, to prior consultations;

Whereas it was found necessary to make special provisions with respect to taxation on value added in agriculture, such that they shall not disturb the common market for the majority of agricultural products which is to be created on 1 July 1967 with the introduction of common prices, and whereas, therefore, the Commission is directed to submit relevant proposals to the Council forthwith;

Whereas there is need for a fairly large number of detailed provisions dealing with interpretation, exceptions and certain details of application, and for a list of services subject to the Community system, which provisions and list are contained, respectively, in Annex A and Annex B;

Has adopted the present directive :

Article 1

1. Member States shall levy a turnover tax, to be termed "tax on value added" or "TVA" in this directive.

2. Tax on value added shall be charged on

a) the delivery of goods and the performance of services effected by a taxpayer

against remuneration and within the country,

b) the import of goods.

3. The term "within the country" shall be understood to mean the territory in which the Member State concerned applies TVA and which, in principle, should encompass the whole of the national territory (1).

Article 2

The term "taxpayer" within the meaning of Article 1, paragraph 2,a, shall be understood to mean anyone who on his own account carries out an activity of production, trade or performance of services, whether he does so regularly or occasionally, with or without intent to earn a profit (2).

Article 3

1. The term "delivery of goods" shall be understood to mean the transfer of the title to dispose of any tangible good as owner (3).

2. The following shall be deemed taxable deliveries :

a) the actual handing over of a good by virtue of a hire-purchase contract (4);

b) the conveyance of title to property against payment of a compensation, by virtue of official requisition;

c) a taxpayer's withdrawal of a good from his firm for private use, or for use as a gift (5);

d) in certain cases, a taxpayer's use, for purposes of his firm, of a good produced or extracted by himself or on his account by a third person (6);

e) the transfer of a good by virtue of a contract for purchase or sale on commission;

f) the consignment of made-to-order work, that is, the contractor's delivery to his client of a movable good which the contractor has manufactured from materials furnished to him by the client to this end, regardless of whether the contractor has, or has not, furnished some part of these materials (7);

g) the consignment of construction work including work to incorporate a movable into an immovable good (7);

3. Regardless of legal or contractual provisions, a delivery shall be deemed to be located :

a) in case the good is despatched or transported by the supplier, the buyer or a third person, at the place where the good is located at the moment when its despatch or transport to the buyer begins;

b) in case the good is not despatched or transported, at the place where the good is located at the moment of transfer of the title to dispose of the good as owner.

4. The operative fact, that is, the creation of the tax liability, takes place at the moment of delivery. In case of a delivery involving advance payments, the operative fact exists already at the moment of invoicing or, at the latest, at the moment of cash receipt, with reference to the amount of this invoice or this receipt (8).

Article 4

1. The term "service" shall be understood to mean any transaction other than a delivery of goods in the meaning of Article 3 (9).

2. The provisions of this Directive regarding the taxation of services shall apply only to the services enumerated in Annex B (10).

3. A service shall in principle be deemed to be located at the place where the service rendered, the right assigned or granted, or the good leased is to be used or exploited (11).

4. The operative fact, that is, the creation of the tax liability, takes place at the moment of the performance of the service. In case of services of indeterminate duration, or of those lasting longer than a certain period or involving advance payments, the operative fact exists already at the moment of invoicing or, at the latest, at the moment of cash receipt, with reference to the amount of this invoice or this receipt.

Article 5

1. The term "import" shall be understood to mean the introduction of a good into

(1) See Annex A, point 1.
(2) See Annex A, point 2.
(3) See Annex A, point 3.
(4) See Annex A, point 4.
(5) See Annex A, point 5.
(6) See Annex A, point 6.
(7) See Annex A, point 7.
(8) See Annex A, point 8.
(9) See Annex A, point 9.
(10) See Annex A, point 10.
(11) See Annex A, point 11.

the territory in which the Member State concerned applies TVA.

2. As regards imports, the operative fact is the introduction of the good into the territory in which the Member State concerned applies TVA. This provision does not, however, preclude the operative fact and/or the due date ot TVA being linked with the operative fact and/or the due date ot customs duties and, as the case may be, of other taxes, dues and levies to which the imported good is subject [12].

Article 6

The tax base shall be as follows [13]:

a) for deliveries and services, everything which constitutes the counterpart for the delivery of the good or for the service, including all expenses and taxes, except TVA itself [14];

b) for the transactions mentioned in Article 3, paragraph 2, *c* and *d*, the purchase price of the goods or similar goods, or, failing a purchase price, their cost of production;

c) for the import of goods, their customs value as assessed for purposes of the application of ad valorem duties, plus all duties, taxes, dues and other levies payable on the import, except TVA itself. The same tax base shall be applicable when the good is free of customs duties or is not subject to ad valorem duties [15].

Article 7

1. The standard rate of TVA shall be fixed by each Member State as a percentage of the tax base, which percentage shall be the same for delivery of goods and performance of services.

2. Certain transactions may, however, be made subject to increased or reduced rates. Every reduced rate shall be so calculated that the amount of TVA due by virtue of the application of this rate normally allows of deduction of the whole TVA levied at the preceding stage [16].

3. The rate applied to imports of a good shall be the same as the rate applied within the country to deliveries of a like good.

Article 8

1. Exemption from TVA shall be granted, in conditions to be determined by each Member State, for deliveries of goods despatched or transported outside the territory within which the Member State concerned applies TVA [17].

2. Exemption from TVA may be granted, in conditions to be determined by each Member State, for services in connection with taxable goods despatched or transported outside the territory within which the Member State concerned applies TVA.

3. Each Member State may, subject to consultations as under Article 13, grant such other exemptions as it deems necessary [18].

Article 9

1. A taxpayer shall be entitled to deduct from TVA calculated on his turnover:

a) the amount of TVA for which he is charged with respect to goods delivered to him and services rendered to him [19],

b) TVA paid for imported goods,

to the extent to which the goods and services referred to under *a)* and *b)* are used for the purposes of his firm;

c) TVA which he has paid with respect to withdrawals as under Article 3, paragraph 2, *d*.

2. TVA levied on goods and services used for non-taxable or exempted transactions shall not be deductible. Deduction is allowable, however, with respect to deliveries of goods and to services which would be taxable within the country but are not taxable because effected abroad, or which are exempted by virtue of Article 8, paragraphs 1 and 2.

As regards goods and services used both in transactions creating a claim for deduction and in transactions creating no claim for deduction, deduction shall be allowable only with respect to that proportion of TVA which corresponds to the value of the first-named transactions (pro rata rule) [20].

3. TVA levied on the acquisition of goods and services shall be deductible from TVA due for the period in the course

(12) See Annex A, point 12.
(13) See Annex A, point 13.
(14) See Annex A, point 14.
(15) See Annex A, point 15.
(16) See Annex A, point 16.
(17) See Annex A, point 17.
(18) See Annex A, point 18.
(19) See Annex A, point 19.
(20) See Annex A, point 20.

of which the invoice for these goods and services is received (immediate deduction) [21].

In the case of partial deduction in accordance with paragraph 2, the amount to be deducted shall be provisionally determined on the basis of the general pro rata applicable to the preceding year and shall be adjusted at the end of the year, once the pro rata proportion for the year of acquisition has been calculated. With respect to capital goods, the adjustment shall be spread over a five-year period, including the year in which the goods were acquired, and shall relate each year to only one fifth of the tax levied on the capital goods concerned [22].

4. Certain goods and certain services may be excluded from the system of deduction, and especially such goods and services as are apt to be used exclusively or partially for the private purposes of the taxpayer or his staff.

5. Whenever in any one monthly, quarterly or half-yearly period of declaration the amount of deductions exceeds the amount of TVA calculated on turnover, the excess shall be carried forward to the following period. At the end of the calendar year any such excess then outstanding shall be refunded [23].

Article 10

1. Every taxpayer shall keep accounts in sufficient detail to allow of the application of TVA and of inspection by the tax administration.

2. Every taxpayer shall make out an invoice for deliveries of goods, as well as for services, to another taxpayer [24].

This invoice shall contain the following details [25]:

a) the personal name, or the name of the firm, and the address of the supplier and the client;

b) the nature, quantity and customary commercial designation of the goods delivered or of the services rendered;

c) the date of the invoice as well as that of the delivery or the service, or, as the case may be, the period over which the delivery or service is spread;

d) the net price and the tax corresponding to each relevant tax rate, as well as exemptions, if any [26].

3. Every taxpayer shall every month file a declaration containing, for the transactions of the preceding month, all the information necessary for the calculation of the tax and the deductions to be made. However, each Member State is free to authorize certain taxpayers for practical reasons to file their declarations quarterly, half-yearly or yearly. During the first six months of each year every taxpayer shall, if need be, make a declaration concerning the preceding year's transactions for purposes of the calculation of such rectification as may be necessary.

4. When filing his monthly, quarterly, half-yearly or yearly declaration, every taxpayer shall pay the corresponding amount of TVA to the tax collector.

5. Rules for declarations and payments of TVA with respect to imports shall be established by each Member State.

Article 11

Each Member State is free, subject to consultation in accordance with Article 13, to apply to small firms, with respect to which the application of the normal TVA system would encounter difficulties, such particular arrangements as may be most suitable in the light of national requirements and possibilities [27].

Article 12

1. The agricultural products to be enumerated in a common list shall be taxed at a reduced rate or possibly at differential reduced rates, in accordance with Article 7, paragraph 2.

2. The Commission shall submit to the Council, not later than 1 April 1966, proposals concerning:

a) the common list of agricultural products and the reduced rates applicable to these products;

[21] See Annex A, point 21.
[22] See Annex A, point 22.
[23] See Annex A, point 23.
[24] See Annex A, point 24.
[25] See Annex A, point 25.
[26] See Annex A, point 26.
[27] See Annex A, point 27.

b) methods of applying taxation on value added such that they do not impair the functioning of the common organization of agricultural markets nor, in particular, of the price systems involved therein;

c) transitional measures which Member States may apply until the abolition of fiscal boundaries.

The Council shall take its decision prior to 1 January 1967.

Article 13

1. In cases when a Member State is to engage in consultations in accordance with the provisions of this Directive itself or of Annex A thereto, the Member State shall refer the matter to the Commission in good time to enable it to examine in advance, together with the Member States, whether the measures proposed by the Member State concerned are not such as to distort the conditions of competition among Member States and to render subsequent harmonization more difficult.

2. After consultation with the Member States, the Commission shall address to the Member State concerned an appropriate recommendation, if any.

3. If the Member States does not comply with the recommendation addressed to it, the Council shall, by qualified majority and upon a proposal of the Commission, adopt such measures as may be necessary to obtain the objectives named in paragraph 1 of this Article, without prejudice to the procedures provided for in the Treaty.

Article 14

The provisions contained in the Annexes are integral parts of the present Directive.

Article 15

The present Directive is addressed to all Member States.

ANNEX A

Detailed Provisions

1. (referring to Article 1, paragraph 3)

If a Member State intends to apply TVA in an area not fully coinciding with the national territory, this Member State shall engage in consultations in accordance with Article 13.

2. (referring to Article 2)

The term "activity of production, trade or performance of services" shall be understood in the broad sense as encompassing all possible economic activities, including, therefore, those of mining and quarrying, agriculture, and the liberal professions.

Should a Member State propose, in the framework of this Directive, not to tax certain activities, it will be better to provide for exemptions rather than to exclude the persons exercising these activities from the scope of the tax.

Member States have full discretion in interpreting the words "carries out an activity of... occasionally".

The expression "On his own account" is intended particularly to preclude taxation of wage and salary earners bound to their employer by a labour contract, including persons working in their own home. This wording also leaves each Member State free to treat persons who are independent from a juridical point of view but interlinked by economic, financial or organizational ties not as separate taxpayers, but as one single taxpayer. However, a Member State proposing to adopt such treatment, shall engage in consultations as under Article 13.

The state, provinces, municipalities and other bodies in public law are in principle not to be regarded as liable to the tax, to the extent that they exercise activities deriving from their functions as public authorities. However, should these bodies exercise activities of an industrial or commercial nature such as could be exercised by private enterprise, then they are liable to the tax with respect to these activities.

Should a Member State propose, under Article 2, paragraph 3 of the Directive of...,

to limit the scope of TVA to the stage up to and including wholesale trade, this State should engage in consultations as under Article 13 with respect to the rules of delimitation which are to be introduced in national legislation in this connection.

3. (referring to Article 3, paragraph 1)

The term "tangible goods" shall be understood to encompass both movable and immovable tangible goods.

Deliveries of electricity, gas, heat, cold and similar goods which are regarded as tangible goods in the economy, are to be treated as deliveries of goods.

4. (referring to Article 3, paragraph 2, a)

The term "hire-purchase" shall be understood to mean a contract providing for rent of a good during a certain time, and containing a clause to the effect that ownership of the good is to be acquired on payment of the last instalment due. However, for fiscal purposes this contract shall not be considered as being partly a letting and partly a sales contract, but shall, from the moment of its conclusion, be regarded as a sale involving taxable delivery.

5. (referring to Article 3, paragraph 2, c)

As regards the withdrawal of a good purchased by a taxpayer, Member States are free not to apply the tax but instead to disallow the deduction or to rectify the assessment in case the deduction has already been allowed. Withdrawals for publicity gifts of small value and for samples, which may be imputed to overhead costs for fiscal purposes, should not be treated as taxable deliveries. Furthermore, the provisions of Article 9, paragraph 2, shall not be applicable to such withdrawals.

6. (referring to Article 3, paragraph 2, d)

This provision is to be applied only in order to establish tax equality, on the one hand, for goods purchased and intended for the purposes of the firm and creating no claim for immediate and full deduction, and on the other hand, for goods manufactured or extracted by the firm itself or on its account by a third person and also used for the same purposes.

7. (referring to Articles 3, paragraph 2, f and g)

Member States which, for specific national reasons, consider the transactions described under *f)* and *g)* not as deliveries but as services, are free to classify them as services, subject to the explicit condition of applying to them the standard tax rate for deliveries.

The term "construction work" shall apply in particular to :

a) the construction of buildings, bridges, roads, ports, etc. in fulfilment of a works contract;

b) earth works, and the making of gardens;

c) installation of plant and equipment (central heating, baths, telephone exchanges, shop counters, refrigerated show-cases, etc.);

d) repairs to buildings, other than current maintenance.

8. (referring to Article 3, paragraph 4)

In cases where there is an obligation to deliver an invoice, the operative fact may be connected with the moment when the invoice is delivered or, at the latest, with the moment when it should have been delivered.

9. (referring to Article 4, paragraph 1)

The definition of the term service given in this provision implies that, among others, the following should also be counted as services :

a) cession of incorporeal goods;

b) fulfilment of an obligation to refrain from doing something;

c) performance of a service by virtue of official requisition;

d) work done to a movable good other than made-to-order work within the meaning of Article 3, paragraph 2, *f.* such as repairs, the services of a laundry, etc.

The definition of services in this paragraph does not prejudge the right of Member States to tax certain services performed by a taxpayer as "services to self", whenever this should be found necessary in order to prevent distortions in competition.

10. (referring to Article 4, paragraph 2)

Member States shall as far as possible abstain from exempting any of the services enumerated in Annex B.

As regards other services, Member States shall be free to apply, without prior consultation, either the provisions of this Directive concerning the taxation of services or any other system.

11. (referring to Article 4, paragraph 3)

A service shall be deemed to be located within the country of the performer of the service so long as the performer of the service does not prove that the service rendered, the right assigned or granted, or the good leased is used or exploited abroad.

Services consisting of a repair or some other material work done to a tangible good shall be deemed to be used or exploited at the place where the good is intended to be, wholly or mainly, used or exploited.

Transport services shall be deemed to be used or exploited within the territory of the Member State where the transport takes place, and, when transport takes place in the territory of two or more Member States, within the territories of these Member States in proportion to the respective distances covered in each.

For services performed in intra-Community relations, it is provided that, notwithstanding anything to the contrary laid down in Article 4, paragraph 3 :

a) services performed by brokers, forwarding and other agents, and other intermediaries shall be deemed to be located at the place where the intermediary concerned wholly or mainly performs the service;

b) publicity services shall be deemed to be located at the place of the establishment on whose account the service was ordered.

In case a service is deemed to be located in a Member State other than that where the establishment performing the service is situated,

a) the latter Member State may consider the service to be located at the place of this establishment whenever the performer of the service cannot prove that TVA due in the other Member State has already been paid; the application of this provision does not, however, preclude taxation by that other Member State;

b) the beneficiary of the service may be held jointly responsible for payment of the tax due, whenever this beneficiary is liable to TVA, without prejudice to other measures which the Member State to which the tax is due might adopt to ensure payment.

The criteria laid down in these provisions for the determination of the location of a service shall be without prejudice to the criteria used for the abolition of restrictions on the freedom to provide services within the meaning of Articles 59 to 66 of the Treaty.

12. (referring to Article 5, paragraph 2)

Without prejudice to the provisions of Article 1, paragraph 2, *b*, Article 5, Article 6, *c*, Article 7, paragraph 3, and Article 10, paragraph 5, each Member State may, subject to consultations in accordance with Article 13, apply to the collection of TVA on imports the rules governing collection of customs duties, including levies, provided the character of the tax is preserved.

13. (referring to Article 6)

A Member State which levies TVA only up to and including the stage of wholesale trade may provide that, for a taxpayer's sale of goods at retail, the tax base shall be reduced by a certain percentage; however, this reduced base shall not be less than the purchase price or cost of production increased, as the case may be, by all duties, taxes, dues and other levies to which the good is subject, except TVA itself, even in case of suspended payment.

It is left to Member States to define the concept of "sale of goods at retail" in accordance with national conceptions.

14. (referring to Article 6, a)

The term "counterpart" shall be understood to mean everything given in counterpart for a delivery of goods or a service, that is, not only agreed sums of money including incidental expenses (for packing, transport, insurance, etc.), but also, for example, the value of goods given in exchange or, in case of requisition, the amount of compensation actually received.

The preceding provision does not preclude that any Member State which considers it necessary in the interest of more

neutrality of tax effects on competition, may, if need be, exclude from the tax base such incidental expenses as arise beyond the location of delivery as defined in Article 3, paragraph 3, and may tax these incidental expenses instead as the counterpart of a service.

Expenses paid in the name, for account and on the order of the buyer and carried in the books of the supplier in contra accounts shall not enter into the tax base.

Similarly, customs duties and other dues, taxes, etc., on imports, paid in their own name by agents and other intermediaries in customs clearence, including forwarding agents, may be excluded from the tax base for their services.

15. (referring to Article 6, c)

After the abolition of customs duties in intra-Community trade, each Member State can apply to imports of goods within such trade a tax base corresponding as closely as possible to the tax base adopted for deliveries within the country.

16. (referring to Article 7, paragraph 2)

To the extent of recourse to the provisions of this paragraph with respect to transport services as under Annex B, point 5, these provisions shall be so applied as to safeguard equal treatment for different mean of transport.

17. (referring to Article 8, paragraph 1)

Exemption under this provision is intended to apply to the delivery of a good exported directly, that is, to the last delivery prior to despatch or transport of the good outside the country. Member States are free, however, to extend exemption also to delivery at the preceding stage.

18. (referring to Article 8, paragraph 3)

To the extent of recourse to the provisions of this paragraph with respect to transport services as under Annex B, point 5, these provisions shall be so applied as to safeguard equal treatment for different means of transport.

19. (referring to Article 9, paragraph 1 a)

In cases provided for in Article 3, paragraph 4, second sentence, and in Article 4, second sentence, deductions may be effected as of receipt of the invoice even if the goods are not yet delivered or the services not yet performed.

20. (referring to Article 9, paragraph 2)

The pro rata rule shall in principle be applied on the basis of the general turnover proportions as determined for the whole of a taxpayer's transactions. Exceptionally, a taxpayer may be authorized by the administration to apply special turnover proportions for certain sections of his activities.

21. (referring to Article 9, paragraph 3)

During a certain transitional period each Member State shall be free to apply deductions for capital goods in annual instalments (pro rata temporis deductions).

22. (referring to Article 9, paragraph 3)

Member States have discretion to fix certain tolerances in order to limit the occurrence of cases of rectification arising from changes in the annual turnover proportions in relation to the initial turnover proportions underlying deductions with respect to capital goods.

23. (referring to Article 9, paragraph 5)

Member States are free to adopt special provisions to the effect that any excess accumulated by taxpayers whose business is mainly in export shall be refunded before the end of the calendar year.

24. (referring to Article 10, paragraph 2)

Member States shall themselves fix, in accordance with their established practice and on the basis of usage and custom in different branches of the economy, the time limits within which invoices are to be delivered to buyers.

25. (referring to Article 10, paragraph 2)

Each Member State may, in special cases, provide for waivers to the provisions of the second sentence of this paragraph, but these waivers should be strictly limited.

26. (referring to Article 10, paragraph 2 d)

Notwithstanding any other measures to be taken by Member States to enforce payment of the tax and to prevent tax evasion, every person, whether a taxpayer or not, shall pay the amount of TVA he records in any invoice.

27. (referring to Article 11)

To the extent of recourse to the provisions of this Article with respect to transport services as under Annex B, point 5, these provisions shall be so applied as to safeguard equal treatment for different means of transport.

ANNEX B

List of services referred to in Art. 4, par. 2

1. Assignment of patents, trade marks and similar rights, as well as the granting of licence concerning these rights.

2. Work done to tangible goods and on behalf of a taxpayer, other than provided for in Article 3, paragraph 2, *f.*

3. Services in preparation, or concerned with the progress, of construction work, such as the services of architects, on-site supervision of construction work, etc.

4. Commercial advertising.

5. Transport of goods and their storage, together with ancillary services.

6. Leasing of movable tangible goods to a taxpayer.

7. Making personnel available to a taxpayer.

8. Banking transactions on behalf of a taxpayer.

9. Services of consultants, engineers, planning bureaux and similar offices, in the technical, economic and scientific field.

10. Fulfilment of an obligation not to exercise, wholly or partly, a professional activity or a right enumerated in this list.

11. Services of brokers, independent intermediaries, commercial agents and forwarding agents in connection with transactions involving goods or the services enumerated in this list.