

## **NEW RULES**FOR VAT RATES

## **Current rules** New rules System based on System based on general rules exceptions Uniform application across the EU. No uniform application of rules. Example Some EU countries apply reduced Under the new rules, every country VAT rates for childrens' clothes of will be able to apply a reduced below 5%, while others are not VAT rate to childrens' clothes. allowed to do so.

The new rules will give **ALL EU** countries

flexibility to apply the

following **reduced rates**to products and services:

0/0

**2** separate rates to be set between

5%

and the standard rate

**1** rate to be set between

0%

and the reduced rates

1 rate of

0%

This means that all goods currently enjoying rates different from the standard rate can continue to do so.

Selected items from the list of goods and services to which reduced VAT rates cannot be applied, according to the new rules:



Precious metals



Alcoholic beverages



Gambling



Smartphones



Financial services



Fuel



Weapons



Tobacco products



Household appliances



Consumer eletronics