DRAFT LETTER TO BE USED BY PARTIES WHICH HAVE ALREADY SIGNED VERSION 2.1 (a) OR 2.1 OF THE EFET GENERAL AGREEMENT CONCERNING THE DELIVERY AND ACCEPTANCE OF ELECTRICITY

**[LETTERHEAD OF FIRST SIGNATORY]**

[Insert counterparty contact details]

[Insert Date]

Dear [Insert Name(s)],

**Re: EFET General Agreement Concerning the Delivery and Acceptance of Electricity (Version [2.1 (a) / September 21, 2007] or [2.1 / December 20, 2000]) and VAT (amendments to § 14 (*VAT and Taxes*))**

We refer to the European Federation of Energy Traders General Agreement Concerning the Delivery and Acceptance of Electricity entered into between us dated [ ] (the "**General Agreement**")

Capitalised terms used but not defined in this Letter shall have the same meanings as ascribed to them in the General Agreement and all references to a Section (§) in this Letter shall be references to a Section in the General Agreement.

The Council Directive 2013/43/EU, adopted on 22 July 2013, amends the EU’s common VAT system by allowing Member States to implement, on an optional and temporary basis, a shift of liability for the payment of VAT (‘Reverse Charge Mechanism’) regarding, *inter alia*, domestic wholesale gas and electricity transactions. As a result, the domestic reverse charge mechanism is applicable to the gas and electricity suppliers established in the concerned Member State(s,) based on the classification of the suppliers and their customers for wholesale electricity transactions and based on the classification of the customers for wholesale gas transactions.

In order to reflect the implementation of the Reverse Charge Mechanism by Member States, this Letter modifies, supplements and amends the General Agreement, such amendment being effective as of the date of this Letter, as follows:

§ 14, paragraph 1, subsection two, shall be amended in line two by deleting, after the figure “39” the word “or” and replacing it by “,” and by adding after the figure “195” the words “ or 199a” and in line three by adding  after the words “Council Directive 2006/112/EC” the words “(as amended by any subsequent Directives) and in accordance with any associated  national legislation“, so that the full part of this subsection now reads:

"Where, in accordance with EU and/or national legislation, any supplies under an Individual Contract may be Zero-Rated and/or subject to the reverse charge in accordance with Article 38, 39, 195 or *199a* of Council Directive 2006/112/EC  *(as amended by any subsequent Directives) and in accordance with any associated  national legislation,* the following shall apply:"

Except as amended above, the General Agreement shall remain unamended and continue in full force and effect.

This Letter shall be governed by the law governing the General Agreement and the provisions of §22 (***Governing Law and Arbitration***) of the General Agreement, which are expressly incorporated herein by reference, shall apply *mutatis mutandis.*

This Letter shall be duly executed by the authorised representatives of each Party and, when countersigned by you, constitutes a legally binding agreement between us. In order to record your agreement with and to be bound by the terms of this Letter, please sign and return the enclosed copy of this Letter.

Yours faithfully,

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For and on behalf of [ ]

We agree with and consent to amendment of the General Agreement in accordance with the terms contained in this Letter.

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For and on behalf of **[ ]**