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All editorial correspondence should be addressed to
Timothy Lyons, The Managing Editor,
24 Old Buildings, Lincoln's Inn, London WC2A 3UJ

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From the Managing Editor

EDITORIAL

It is a pleasure to welcome on to the Advisory Editorial Board Peter Cullen of the Europa Institute of the University of Edinburgh. His appointment further strengthens the links between the *Journal* and academia. I have no doubt that his experience in EC law will greatly assist us all to view tax from an EC perspective.

Just before this issue went to press, the importance of maintaining such a perspective was emphasised by an English judgment concerning insurance premium tax. The levying of the tax at 17.5%, rather than 4%, when provided by travel agents or tour operators, amongst others, was struck down as a prohibited state aid. (The most recent Finance Bill provides for the higher rate to apply eventually to all travel insurance.) The increase in UK excise duty on beer, effected by the Finance (No.2) Act 1997, has been challenged as well and this is discussed in the note on national excise duties and the internal market.

The importance of the internal market is plainly not limited to excise duty. It is of great significance in the context of VAT. In a welcome contribution from the Commission, Tino Eggermont reminds us that the rewards for simplification and modernisation of VAT "are considerable in terms of promoting free trade and strengthening the European economy." The importance of the ECJ in achieving these objectives and the implications for the budgets of member-states in doing so are clearly shown by Stephen Coleclough's contribution on the *ARO* case, in which both the Netherlands and Belgium wanted to tax one supply. Of course, it is not only cases affecting cross-border transactions that affect national budgets. The scope of VAT exemptions may also be material, as appears from Professor Dasse's discussion of the *SDC* case.

In case anyone were tempted to look only to the impact of EC law on taxation, we carry two notes highlighting the importance of the European Convention on Human Rights, one from Fay Lau. We are also pleased to have an article on certain aspects of UK domestic law in the light of the important *Bricom* decision refusing treaty relief in respect of profits apportioned to a company under the UK's controlled foreign companies's regime. I should like to take this opportunity of encouraging readers to respond to David Hind's request for further contributions in this area.

From the Managing Editor

I am grateful to Amanda Hardy for the book reviews. Books for review are always welcome. Contributions for the next issue should be submitted by 30th June 1998.

Timothy Lyons

24 Old Buildings
Lincoln's Inn
London WC2A 3UJ

April 1998