

6. QUESTIONS CONCERNING THE APPLICATION OF EU VAT PROVISIONS

- 6.4 Origin: Denmark**
References: Articles 168, 178 and 201
Subject: Deduction of import VAT paid by representatives – deferred from the 93rd meeting
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The VAT Committee **almost unanimously** confirms that a taxable person designated as liable for the payment of import VAT pursuant to Article 201 of the VAT Directive shall not be entitled to deduct it if both of the following conditions are met:

- (1) he does not obtain the right to dispose of the goods as owner;
- (2) the cost of the goods has no direct and immediate link with his economic activity.

This shall be the case even if that taxable person holds a document fulfilling the conditions for exercising the right of deduction laid down in Article 178(e) of that Directive.

It is noted that this guideline shall be without prejudice to situations where the importation is related to the supply of goods covered by Article 14(2)(c) of the VAT Directive.