

Council Directive 2006/112/EC of 28 November
2006 on the common system of value added tax

TITLE X

DEDUCTIONS

CHAPTER 3

Restrictions on the right of deduction

Article 177

After consulting the VAT Committee, each Member State may, for cyclical economic reasons, totally or partly exclude all or some capital goods or other goods from the system of deductions.

In order to maintain identical conditions of competition, Member States may, instead of refusing deduction, tax goods manufactured by the taxable person himself or goods which he has purchased within the Community, or imported, in such a way that the tax does not exceed the amount of VAT which would be charged on the acquisition of similar goods.