

# Input VAT deduction rights 3/2/25

Businesses, especially those with cross-border operations, are not finding it easy to apply value added tax (VAT).

In the context of domestic as well as cross-border transactions, we have discussed more than once how a customer's free transfer of equipment to a service provider affects the amount of a subsequent supply of services. In practice, there are situations where a service provider lacks some specific equipment he needs for providing services to a customer, and the customer transfers the necessary equipment to the service provider free of charge. Also, there was uncertainty as to whether such a transactional structure affects the customer's right to deduct input VAT on the equipment.

In its recent judgment C-475/23 Voestalpine Giesserei Linz GmbH, the Court of Justice of the European Union (CJEU) has ruled on the right to deduct input VAT in such a transactional structure.

In this article we present the CJEU's perspective on this issue.

## Izlasiet visu īsziņu ne tikai virsrakstu, kļūstot par abonētāju

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