

Council Decision of 14 March 2005 authorising the Republic of Cyprus to apply a measure derogating from Article 11 of the Sixth Directive 77/388/EEC on the harmonisation of the laws of the Member States relating to turnover taxes (2005/259/EC)

*Article 2*

The open market value may be applied only when all the following conditions are met:

1. The consideration paid is less than the open market value of the supply;
2. The recipient of the supply does not have a right to deduct in full;
3. The person making the supply and the recipient are connected by family, business or legal ties, as defined in national legislation;
4. A number of facts make it possible to conclude that these family, business or legal ties have influenced the determination of the taxable amount provided for in Article 11(A)(1)(a) of Directive 77/388/EEC.