

Statute of Limitations (SOLs) & VD Program_Recent Developments

SOLs of tax assessments: a few more steps towards certainty

Recently, the Supreme Administrative Court issued decision No. 2935/2017 ruling that information from domestic bank accounts does not constitute supplementary (new) data. Taking into consideration that the tax authorities were in the position to gain access and examine in due time said information, their right to conduct income-tax related audits on such basis is therefore limited to 5 years (instead of 10 years, which was the case until now).

In light of the above, the 10-year SoL based on supplementary data shall apply mostly in cases of foreign bank information received in the context of Automatic Exchange of Information agreements (including CRS).

Further, the Legal Council of the State (opinion No. 268/2017) has taken the view that the 20-year SoL for cases of tax evasion applies only for calendar years 2012 and onwards.

The following table summarises the SoLs as currently applicable:

Calendar years	Prescription period
2011 ¹ onwards	5-year period (standard rule)
2006 ² -2013	10-year period (based on supplementary data)
2012 onwards	20-year period (in case of tax evasion) ³

¹ The calendar year 2011 will be prescribed on 31 December 2017

² The calendar year 2006 will be prescribed on 31 December 2017

³ The basic tax evasion rule has as follows: the concealment of taxable income/ real estate taxes, by failure to file tax returns or by filing inaccurate tax returns, or by entering in the accounting books fictitious expenses with the intention of the taxpayer not to pay the corresponding tax exceeding Euro 100,000 on an annual basis (threshold of Euro 50,000 in case of VAT/withholding tax evasion)

On 1 December 2017 the Independent Authority for Public Revenues issued guidelines (Circular POL. 1191/2017, 1192/2017 & 1194/2017) embracing the recent Supreme Administrative Court Decision, as well as the relevant opinions expressed by the Legal Council of State (No. 265/2017 & No. 268/2017).

Greek Voluntary Disclosure Program (“VD Program”): what happens next?

The last extension for the Greek VD Program, which was provided under Law 4499/2017, expired on 25 November 2017.

The Ministry of Finance announced that the VD Program was proven successful from a revenue point of view; therefore, based on Greek press reports, the Ministry officials consider the introduction of a new permanent voluntary disclosure mechanism with higher, however, penalty rates than the ones applicable under the previous VD Program.

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