

Tax Flash

“Acceleration of credit balance refund without audit”

October 2014

The criteria of eligibility set by the Ministerial Circular are quite strict, but in any case, it is recommended to monitor the issuance of a Ministerial Circular determining the beneficiary enterprises

In the context of enhancing market liquidity, Ministerial Circular POL 1212/2014 (FEK B' 2602/30-09-2014) has been issued with the purpose of **immediate, by priority and without audit** VAT refund.

In particular:

- It concerns enterprises subject to VAT that perform exempt transactions or transactions taxable outside Greece and have the right to deduct input VAT, at a percentage of at least 50% of their total turnover during the previous accounting period.
- The requested VAT refund amount during the previous calendar year should reach up to 20% of the total requested amount from all the enterprises during the previous calendar year.
- Specific criteria are set that should be cumulatively met so as for the enterprises to benefit from the above accelerated VAT refund procedure and are related to the degree of compliance of the requested enterprises with their tax obligations during the last four (4) preceding tax years (e.g. no serious infringements such as tax evasion should have been committed etc.).

To be noted that a list of enterprises that meet the aforementioned criteria will be established in January of each year, whilst those ceasing to meet such criteria will be deleted at any time during each year. Especially for tax refund claims submitted prior to 1.1.2014, such list will be issued in due course.

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*This information is intended only as a general update for interested persons and should not be used as a basis for decision making. For further details please contact PwC:
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In any case, the head of the competent tax office may request that a tax audit takes place prior to the refund if strong indications of non-compliance with the abovementioned criteria exist.

Strict criteria/ requirements for eligibility (e.g. tax audit for at least three (3) tax years, etc.) are set by the Ministerial Circular, whilst the time frame of the credit balance refunds, as well as the list of eligible enterprises are to be determined.

