

Tax Flash

Imposition of more favorable penalties upon issuance of tax assessment acts regarding tax cases up to 31.12.2013

January 2018

On January 3, 2018, Circular No. 1003/2018 (the “Circular”) was issued regarding the application of art. 49 of L. 4509/2017, providing for interpretative guidelines to the tax authorities with respect to the imposition of more favorable penalties upon the issuance of tax assessment acts.

More favorable penalties for tax periods up to 31.12.2013

- For tax penalty assessment acts concerning tax periods up to 31.12.2013, the more favorable penalty for the taxpayer will be imposed between **(a)** the penalties calculated under the previously applicable L. 2523/1997 and **(b)** the penalties calculated under the new Code of Tax Procedures (CTP) in case of an inaccurate or non submission of a tax return or in cases of infringements related to VAT and withholding taxes plus the late payment interest of the CTP, which is calculated as from 01.01.2014 until the issuance of the act.

Pursuant to the previously applicable regime for periods up to 31.12.2013, the penalties of L. 2523/1997 were solely applicable, resulting in many cases to a higher burden for the taxpayer.

For the calculation of the more favorable penalty, the penalties for procedural infringements should not be taken into account (article 54 of the CTP).

Scope of application

- The above more favorable penalty regime concerns tax assessment acts issued as of 01.01.2018. For acts, which have been issued but have not been notified to the taxpayer on 01.01.2018, the imposition of the more favorable penalty regime applies after their notification to the latter.

Pending cases

- The above provisions are also applicable to any pending cases on 01.01.2018 (indicatively, before the Dispute Resolution Directorate (DRD) or the administrative courts or the Supreme Administrative Court).

The more favorable penalty regime is applicable on the basis of the decision of the DRD or the court, as the case might be.

The application of the above is also possible in pending cases for which the taxpayer does not wish the continuation of the administrative or juridical proceedings, on the condition that the taxpayer will accept the respective tax assessment act or the administrative or court decision.

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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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