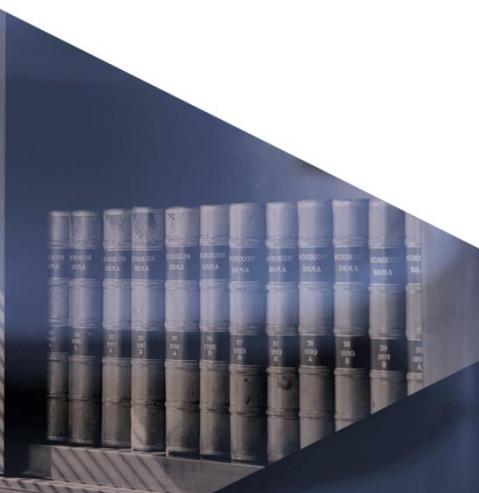




Tax Law Newsletter

February 2019

Greek Supreme Administrative Court issues landmark decision in favor of taxpayers on case handled by our office (VAT Marinopoulos pilot case)

A photograph of a row of law books on a shelf, with a pen resting on top of them.

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Greek Supreme Administrative Court issues landmark decision in favor of taxpayers on case handled by our office (VAT Marinopoulos pilot case)

The Greek Supreme Administrative Court delivered on February 20th its much anticipated decision (No 355/2019) in the framework of a pilot case raising issues of general interest, according to which reduction of the taxable amount and, thus, recovery of the corresponding VAT on bad debts is possible, in the light of EU VAT law in case, among others, of partial or total non-payment of the consideration due to rehabilitation procedures of the customer pursuant to articles 106β-106θ of the Greek Insolvency Code.

Our law office paved the way for this favorable development for the business by initiating court cases for a number of big companies on the issue and by representing the litigant party (a leading multinational company in the food and beverages industry) before the Supreme Administrative Court in this pilot case procedure. The decision secures recovery of VAT of a substantial amount related to the part (50%) of the total claim of the litigant which was written off in the framework of a restructuring agreement of a customer (Marinopoulos Group of Companies).

The Court upheld in full our argumentation, on the basis of the relevant provisions of the EU VAT Directive with extensive reference to the recent CJEU case-law on the matter.

This decision overrules the long-standing negative position of the Greek Tax Authorities according to which the right on VAT bad debt relief was provided, under Greek VAT law, only in case of special liquidation but not in case of rehabilitation procedures or other cases of proven insolvency of a client according to law.

This pilot judgement clearly represents a favorable result and enhances the chances of taxpayers to successfully pursue refund of VAT related to the part of debt that was finally cancelled as a result of rehabilitation procedure or may be considered as definitely non-collectible based on law and the evidence provided by the taxpayer.



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The present newsletter contains general information only and is not intended to provide specific professional advice or services.

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