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Newsflash

5 March 2020

Clearing of charges deadline according to the new provisions for legal entities' administrators' and management's joint liability.

Law 4646/2019 amended the provisions on joint liability of the administrators and members of management for the legal entities' debts and tax and social security liabilities. In particular:

Requirements

- According to the new provisions, the executive presidents, managers, directors, administrators, managing directors, executive directors and liquidators of legal entities, as well as the persons who exercise de facto management or administration of the legal entity, are severally and jointly liable for the payment of income tax, withholding or attributable tax, Value Added Tax (VAT) and Unified Real Estate Ownership Tax (UREOT) of the legal entity, as well as for the interests, penalties, surcharges and any administrative penalties imposed, provided that the debts were incurred during their term of office and are due to their culpability. Indicative cases proving the lack of culpability may be determined by a joint decision of the Minister of Finance and the Governor of Independent Authority for Public Revenue (IAPR).
- The new provisions are effective as of the publication date of the law (i.e. 12 December 2019), but also apply to debts that have been established to jointly and severally liable persons prior to the law's enforcement date.

Clearing of charges

- Where measures were enforced for debts due prior to the law coming into force (i.e. prior to 12 December 2019), the jointly liable persons may request for the charges to be cleared by filing an **application** to the competent Authority, provided that they are no longer considered as liable persons under the new conditions of the law.

- The above application may be submitted by **12 March 2020**.
- An application can be also filed for cases that are pending before the Directorate for Dispute Resolution or the competent Courts, as well as for cases with pending deadline for filing an administrative or court appeal or a petition of cassation. Moreover, an application can be filed for cases which have been already heard, but an irrevocable court decision has not yet been issued or a non-irrevocable decision has been issued but not yet been notified to the taxpayer.

CPA Law comments

- Given that the deadline for the submission of the above application is going to expire soon, relevant instructions or the respective joint decision of the Minister of Finance and the Governor of IAPR to determine the indicative cases proving the lack of culpability, have yet to be issued.

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This Newsflash aims to provide the reader with general information on the above mentioned matters. No action should be taken without first obtaining professional advice specially relating to the factual circumstances of each case.

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