



## **Conditions and process of offsetting VAT and Income Tax refund with debt due to Social Security Funds**

Following our Social Security & Employment Law Alert dated 09.04.2014, we would like to inform you that the Ministerial Decision no B/7/11711/884/10.04.2014 (FEK B' 906/11.04.2014) is published and sets conditions and of offsetting VAT and Income Tax refund with debt due to Social Security Funds.

More specifically, upon payment of VAT or Income Tax cleared refunds their offsetting with debt due towards Social Security Funds is mandatory, if those sums to be refunded have not been offset according to the provisions of Law 4174/2013, as in force, and have not been withheld upon issue of clearance certificate and debt certificate.

For the purposes of the offsetting, a two-way information system interface between the transit hub of Social Security Funds (hereinafter KEAO) and the tax information system of Ministry of Finance (hereinafter TAXIS), takes place.

In case of debt towards more than one Social Security Funds, the sum to be refunded is distributed to them according to the proportion of their participation to the total debt sum.

The Ministry of Finance reimburses without any delay the withheld sums and deposits the money in the banking accounts of the Social Security Funds and sends to the their Central Finance Divisions a data file with the reimbursed sums per registry number. Following, Social Security Funds proceed with the necessary actions to update the debtors' records; notify the debtors and send them the corresponding supporting documents.

The implementation of said procedure shall initiate on 1st of July 2014.

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