

To the Honourable
Ms Katerina Savvaidou
General Secretariat of Public Works
Ministry of Finance

Cc.: Mr G. Hardouvelis, Minister of Finance
Mr M. Voridis, Ministry of Health

Subject: Tax exemption for pharmaceutical companies

Chalandri, September 3, 2014

Dear Ms Savvaidou,

Based on the circular No POL 1191/12-8-2014 - Tax treatment of the amounts returned in performance of the claw back mechanism and of the escalated percentage on the debts of EOPY (rebate), from the subscribed providers of healthcare services and based on the provisions of article 100 of law 4172/2013" the healthcare providers are entitled to enjoy tax exemptions for the amounts offsetting the rebate and the clawback.

This provision is absolutely correct, given that the amounts being off-set do not constitute revenues for the pharmaceutical companies, consequently no withholding on outstanding invoices should be imposed on the latter. Nevertheless, for pharmaceutical companies, the circular POL 1078/28-3-2012 "Tax treatment of the amount paid (rebate) from pharmaceutical companies and the entrance fee by pharmaceutical companies".

The said circular is **deficient**, since it does not include the clawback, while in parallel, it does not provide for the tax encumbrances imposed on the invoices, for the amounts being off-set with the rebate and the clawback.

Consequently, this discriminating treatment against the pharmaceutical industry must be promptly removed and remedied, with which a medicinal product is excluded from the tax exemptions in question and in parallel, a revised corrective circular must be promptly issued.

For this reason and for the purposes of equal treatment of the providers, we request the alignment of the POL 1078/28-3-2012 with the provisions of POL 1191/12-8-2014 **with retrospective force**, and consequently the equal treatment of the pharmaceutical industry with other healthcare providers.

Yours Sincerely,

N. Kefalas
Vice President

Michalis Himonas
General Manager