

ECJ Decides on Implications for Right to Deduct VAT Due to Unjustified Extension of Tax Procedure: *Napfény-Toll* (Case C-615/21) (VAT)

13 July 2023

Report from IBFD Knowledge Centre

On 13 July 2023, the Court of Justice of the European Union (ECJ) gave its decision in *Napfény-Toll Kft. v Nemzeti Adó – és Vámhivatal Fellebbviteli Igazgatósága* ([Case C-615/21](#)) based on a number of grounds.

"On those grounds, the Court (Fifth Chamber) hereby rules:

The principles of legal certainty and effectiveness of EU law must be interpreted as not precluding legislation of a Member State or the related administrative practice, under which, in relation to value added tax, the limitation period in respect of the right of the tax authorities to assess that tax is suspended for the whole duration of judicial review, regardless of the number of times the administrative tax procedure has had to be repeated following those reviews and with no ceiling on the cumulative duration of the suspensions of that period, including in cases where the court ruling on a decision of the tax authority concerned taken as part of a repeat procedure, following on from an earlier court decision, finds that that tax authority failed to comply with the guidance contained in that court decision."

For the Advocate General's opinion regarding the case, see [European Union-3, News 2 February 2023](#).

A more substantial report containing details of the ECJ's decision will be published in the ECJ Case Law collection in due course.