IN THE MATTER OF AN ARBITRATION
UNDER THE RULES OF THE LONDON COURT
OF INTERNATIONAL ARBITRATION n° 4599

BETWEEN:

ATHENS INTERNATIONAL AIRPORT S.A.

(Claimant)

AND

THE HELLENIC REPUBLIC

(Respondent)

The Tribulal

Mr. Theodoros FORTSAKIS

Mr. Nikolaos TATSOS

Mr. Daniel GUTMANN

DISSENTING OPINION

of Professor Theodoros FORTSAKIS

(FINAL AWARD OF FEBRUARY 6, 2006)

In the matter of the Tribunal's Final Award of February 6, 2006 (No 4599), Professor Fortsakis is dissenting with the majority of the Tribunal as follows:

H. DISCUSSION

[1] **Does article 99 par. 1 (a) of the Greek Income Tax Code apply in case a where a corporation distributes profits to its shareholders, where such profits have not been taxed due:**

a) to the existence of a tax exemption

b) to the existence of a tax loss deriving from accelerated depreciation.

1. When distributed profits are tax exempt, upon their distribution they are taxed as provided by par. 1 of Article 18 par.1 of Law 2166/1993 (Article 99 par. 1 a of Greek Income Tax Code), and the loss (if any), generated because of the distribution, is not carried forward, as provided by par. 3 of the same Article 18 of the same law 2166/1993 (Article 106 par. 2 of G.I.T.C.).

2. In that respect Article 99 par. 1 (a) and Article 106 par. 2 form part of a system. This is because the same law introduced them in order to regulate the same problem. The purpose of the law is obvious; if the loss were carried forward, the tax paid upon distribution would be recovered in the future by offsetting future profits to this loss carried forward.

3. In that respect, the answer to the first part of the question is necessarily affirmative. Article 99 par. 1 (a) of G.I.T.C. applies if a corporation distributes profits to its shareholders, where such profits have not been taxed due to the existence of a tax exemption.

4. Before treating the second part of the above question the more specific aspect of the question of the accelerated depreciation is to be examined. If a company has the right of

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accelerated depreciation (such is the case e.g. of numerous companies having enjoyed the tax incentives of the Development Law 1892/1990), the latter would be accounted for in its statutory accounts. Thus the accelerated depreciation would lead to the absence of profits in the Profits and Loss Statement and, subsequently, would impede any distribution of dividends. Therefore there would be no room for the application either of Article 99 par. 1 (a) or of Article 106 par. 2 of G.I.T.C, which presuppose the existence of profits.

5. Consequently, in the specific case of accelerated depreciation Article 99 par. 1 (a) cannot be applied.

6. Concerning the second part of the question, tax deferment, the following should be noted. Claimant has not only the possibility to proceed to accelerated depreciation but also the possibility to account for this accelerated depreciation in its tax accounts, which pursuant to Art. 25.1.2 j) of the Agreement can be different from its statutory accounts. In that respect the Claimant constitutes a unique case in the overall Greek law.

7. Thus in the case of the Claimant it may happen (and it has happened) that accelerated depreciation does not impede distribution of dividends, because such depreciation may be accounted for in the tax accounts only and not in the statutory accounts.

8. However the above accelerated depreciation of the Claimant does not render the Claimant's profits tax exempt. The assets concerned are depreciated sooner (in the case concerned they were depreciated one-off); in subsequent years Claimant will be obliged to adjust its income statements by adding the statutory depreciation to its taxable income, because for tax purposes its assets shall have been fully depreciated and therefore the statutory depreciation shall not be tax deductible.

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9. In view of the above the profits distributed by the Claimant, while the latter being in a tax loss position, are not tax exempt but subject to taxation later. In other words, it is a case of tax deferment.

10. The taxation of the Claimant's distributed profits being deferred Article 99 par.1 (a) is not applicable in such a case. In sum, Article 99 par.1 (a) can be applied only in tax exemption, not in tax deferment cases.

11. As mentioned before, Article 99 par.1 (a) and Article 106 par. 2 of GITC are parts of the same tax system i.e. the system applied by paragraphs 1 and 3 respectively of the same Article 18 of the same law 2166/1993.

12. Such tax system applies on tax exempt profits which must be taxed upon distribution and a) neither be taxed again in the future nor b) trigger tax recovering through the transfer of the tax loss generated by the distribution. Such tax system cannot apply when the profits so distributed are not tax exempt but the tax thereon shall be paid later, as it happens in the unique case of Claimant.

13. In fact, the above tax system either may apply as a whole, or it cannot apply at all; if one tries to apply part of the system, the results are non acceptable.

14. More particularly the following dilemma is to be faced:
- If only Article 99 par.1 (a) - but not Article 106 par. 2 - of GITC is applied on the Claimant ´s distributed profits and hence the tax loss generated thereby is carried forward, Article 106 par. 2 is directly breached;
- If, on the contrary, both these articles are applied, the tax loss generated by the distribution of profits shall not be carried forward and the whole system becomes absurd: the prohibition of transferring the losses generated by the distribution is contrary to the key of the above tax system, which is aiming to impose tax on the tax free profits which are distributed but not to tax them again.

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15. As a conclusion, Articles 99 par. 1 and 106 par. 2 of GITC (i.e. Article 18 of Law 2166/1993) cannot apply in case of profits distributed by Claimant while the latter being in a tax loss position due to the application of accelerated depreciation, which have not been accounted for in Claimant's statutory accounts but in its separate tax accounts only.

[2] **Does the fact that a company enjoys a tax deferral thanks to increased depreciation affect the applicability of Article 99 par. 1 (a) of the G.I.T.C.?**

16. It should be noted that such a deferral of tax due to increased depreciation has `never been provided in any other case except the case of Claimant under Article 25.9 of the Agreement and Law 2338/1995.

17. As already noted, Article 99 par. 1 (a) is part of the larger system of G.I.T.C. As indicated also above, such tax system applies on tax exempt profits which must be taxed upon distribution and a) neither be taxed again in the future nor b) trigger tax recovering through the transfer of the tax loss generated by the distribution.

18. Such tax system cannot apply when the profits so distributed are not tax exempt but the tax thereon shall be paid later, as it happens in the unique case of Claimant.

19. In fact, the above tax system either may apply as a whole, or it cannot apply at all; if one tries to apply part of the system, the results are absurd.

20. More particularly: 1) if we apply Article 99 par.1 but not Article 106 par.2 of GITC on Claimant's distributed profits and accept to carry forward the tax loss generated thereby, then we directly breach Article 106 par. 2, 2) if we apply both these Articles, the tax loss generated by the distribution of profits shall not be carried forward and the whole system becomes absurd; because the prohibition of transferring the losses generated by the

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distribution is contrary to the key of the above tax system, which is aiming to impose tax on the tax free profits which are distributed but not to tax them again.

[3] **Does article 25 of the Agreement provide for a specific rule governing the tax treatment of dividends distributed by the Claimant?**

[3.1] **21.** By providing that "[t]he accounts ... prepared for the purposes of computing taxation shall be prepared in accordance with the provisions of this Article 25 [Taxes and Duties]" Article 25.9 of the Agreement sets forth a very clear rule concerning how the Claimant's income is taxed. It provides explicitly that the Claimant's income will be taxed on the basis of separate tax accounts, by deducting the accelerated depreciation as provided by other paragraphs of Article 25 (and above all including 25.1.2 j), Article 26 of Law 2093/1992 referred therein and 25.1.2 k).

22. Article 25.9 does not make any distinction concerning the object of the taxation. It does not provide for any exemption to or differentiation in respect to the above rule in case of dividends distribution. It provides *simpliciter* for the taxation of income. Therefore according to its letter the distribution of dividends will be taxed on the basis of separate tax accounts, by deducting the accelerated depreciation as provided by other paragraphs of Article 25 (including 25.1.2 j), Article 26 of Law 2093/1992 referred therein and 25.1.2 k).

23. In sum, the literal contextual interpretation of Article 25.9 does not permit any such exception to the clear rule set forth thereby.

[3.2] **24.** The literal contextual interpretation of the above provision is not refuted but rather corroborated by its systematic place within Article 25.

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25. On the one hand, because the title of Article 25 reads "Taxes and Duties" Pursuant to the external systematic interpretation Article 25.9 should be interpreted as a part of a whole providing for taxes.

26. On the other hand, the fact that Article 25.9 is not included in the list of exemptions and privileges under Article 25.1.2 but rather is drafted as an independent paragraph thereof Article 25 can be easily explained once the character of the provision of Article 25.9 as providing for a tax deferment is taken into consideration. In other words, Article 25 provides for exemptions (in 25.1.2) and for other forms of taxation (as in 25.9).

27. Moreover, it is in the light of the above disposition thus understood that the otherwise redundant provision concerning the use of the statutory accounts for the purposes of declaring dividends and other corporate purposes makes sense. In fact, the analytic reference to the purposes of the statutory accounts, which are identical in almost every legal order, should be considered as a truism unless it is situated within the whole Article.

28. In fact, the emphasis of Article 25.9 is not in the purposes of the statutory accounts. The emphasis of Article 25.9 is in the provision a) for the separate tax accounting with increased depreciation recorded therein, which is permitted only for Claimant, and, above all, b) in the provision that such tax accounting shall be used for computing the taxation of Claimant even if such tax accounting is inconsistent with the statutory accounts (i.e. the P. and L. Account and the Profit Appropriation List) and even if by using such statutory accounts dividends are declared.

[3.3] **29.** Furthermore, it should be noted that if the provisions of Article 25 are taken to have the literal meaning established so far, they do not lead to either problematic or illegal consequences. Thus, even if, as an auxiliary methodological device, we interpret these provisions in the light of their finality, the latter can be considered as finality worth pursuing.

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[3.3.1] **30.** The allegation that, if Article 99 par.1 does not apply on the Claimant and the latter bankrupts or generates no profits in the future, the Hellenic State will lose the tax and the Claimant will have obtained tax evasion is not founded.

31. In order to examine this allegation we should take a look at tax incentives, a developmental device the Hellenic State as an *imperium* uses quite often. The main function of tax incentives is the fact that they lead to tax deferral. Herein lies their attractiveness for the investors. For instance, in Law 1892/1990, a law that lasted for almost a decade, such tax incentives were the most important means at the disposal of the State.

32. If the Hellenic State as an *imperium* would consider the deferral of tax as a tax evasion in any case of tax incentives, by which tax is deferred, the State would risk to lose the tax and the beneficiary investors might evade tax in case of their bankruptcy or lack of profits.

[3.3.2] **33.** The dividends distribution by the Claimant without taxation do not lead to the problematic consequence that actual shareholders will benefit whereas future shareholders will be harmed.

34. Upon dividend distribution without taxation the value of the shares held by the Claimant' shareholders will be reduced, *first*, by the amount of the dividend distributed and, *second*, by the amount of deferred taxes. The above reduction of the value of the shares shall equally affect the price of the shares when new shareholders will buy them in the Stock Exchange. In that respect, the situation of the future shareholders is not deteriorated compared to that of the actual shareholders or, even worse, because of the latter's alleged actual benefit.

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[3.3.3] **35.** The tax deferral for distribution profits does not generate the problematic consequence of future shareholders receiving less dividends without having been informed about the deferred tax obligations.

36. This possibility is avoided by means of the way the acquisition of shares of the Claimant is strictly regulated in the Agreement, which provides for the disposition of shares, on the one hand, before, and, on the other hand, after their being listed in the Stock Exchange.

37. On the one hand, Articles 37.8.2 and 37.10 of the Agreement regulate the disposition of shares before their being listed in the Stock Exchange. The access to this procedure is confined to investors acceptable to the Parties: such investors cannot be small investors running the risk of being uninformed. On the contrary, being great investors they will acquire shares on the basis of procedures of due diligence performed by experts. These procedures will take notice of the fact that Claimant has today applied increased depreciation - something, which is disclosed in the Claimant's Notes of the Balance Sheet; this fact would automatically disclose the deferred tax liabilities, which always are the inevitable result of increased depreciation.

38. In the same line of argument, a further guarantee is based on the fact that the Respondent is the 55% shareholder of the Claimant. According to the Agreement the Respondent has the competence to appoint the Chairman of the Claimant and three other members of its Board; it seems unlikely that people having been appointed by the Hellenic State in order to oversee the general interest would permit an important new investor, approved by the Greek Government, to be deceived as far as the deferred tax obligation is concerned.

39. On the other hand, according to Article 22 of the Agreement, Claimant's shares shall be sold to third investors after being listed in the Stock Exchange. According to Article 11 par. 16 of Law 3301/2004, companies with shares listed in the Stock Exchange are obliged to

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draw up their Financial Statements in compliance with the International Financial Reporting Standards (I.F.R.S. – formerly named International Accounting Standards [I.A.S]. According to IAS No 12, deferred tax liabilities must be accounted in the Financial Statements (Statutory Accounts) of the companies subject to the I.F.R.S.

40. A further guarantee, in the case of the shares being listed, is the fact that according to Greek law, any untrue disclosure in the Financial Statements of a company listed in the Stock Exchange triggers serious consequences, including criminal responsibilities.

[3.3.4] **41.** The tax deferral for distributed profits does not lead to the necessity of a tax deferral being provided in Article 25.9 of the Agreement.

42. It is I.A.S. and I.F.R.S. that provide for such reserve. In 1995, when the Agreement was concluded and L. 2338/1995 was published, neither I.A.S nor I.F.R.S. were applicable in Greece. This is the reason why such a reserve was not provided in any investment approval or agreement of the Greek Government. In that respect, it would be surprising if the Agreement had included such a provision.

[3.3.5] **43.** The dividends distribution does not generate a different source of income from securities, for which income tax liability, according to Article 26 of the G.I.T.C., is borne at the time that distribution is approved by the General Assembly.

44. In fact, such source of income, i.e. income of shareholders from dividends, used to be taxed under the tax regime which was abolished thirteen years ago by Law 2065/1992. The abolishment of the dividend tax had already occurred in the year 1995 when the Agreement was executed and ratified by Law 2338/1995. Subsequently, the dividends' distribution does not create income from securities, for which income tax liability is born.

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[3.3.6] **45.** The question whether Article 99 par. 1 can be applied concerning Claimant disbursement is from a financial point of view not insignificant.

46. In the case that Article 99 par. 1 applies, if Claimant distributes dividends of 100.000 units, the disbursement for Claimant will be 153.846,15 units out of which 53,846.15 will be the tax and 100.000 the dividend. On the contrary, in the case that Article 99 par. 1 of G.I.T.C. does not apply, if Claimant distributes dividends of 100.000 units, the tax will be deferred and Claimant's disbursement will be equal to the dividend, i.e. 100,000 units. In that respect, the tax deferral for distributed profits leads to important financial consequences.

[3.3.7] **47.** Finally, it has not been demonstrated that the Respondent would lose 385.000.000 euros if Article 99 par. 1 is not applicable.

48. According to the Claimant, the present value of the Respondent's tax earnings of the 24 years concession period is calculated in case of application of statutory depreciation only i.e. without any tax deferment at the following alternative discounting rates: if the discounting rate is 5% the amount is 504.2 million euros; if the discounting rate is 10% the amount is 280.3 million euros.

49. The present value of the Respondent's tax earnings of the 24 years concession period is calculated in case of application of increased depreciation and tax deferment at the same discounting rates: with 5% it gives 436.3 million euros, whereas with 10% it gives 205.9 million euros.

50. Subsequently, in case of application of the 5% discounting rate, the "loss" of the Respondent in terms of lower present value is 504.2 – 436.3 = 67.9 million euros. In case of 10% discounting rate its "loss" in terms of lower present value is 280.3 – 205.9 = 74.4 million euros.

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51. These arguments of the Claimant have not been countered by the Respondent.

[3.4] **52.** If Article 99.1 of G.I.T.C. is applied whereas, as it has been demonstrated, Article 25.9 of the Agreement has no practical impact concerning the taxation of distributed dividends, Article 25.9 has no value. In that respect, thus interpreted Article 25.9 of the Agreement violates the principle of the reasonable legislator, according to which every legal provision has a certain sense and fulfils a certain function.

[3.4.1] **53.** Article 25.9 giving Claimant the right to distribute dividends even if it is in a tax loss position would be of no importance whatsoever if Article 99 § 1 of G.I.T.C. were to apply concurrently.

54. Increased depreciation is an option for Claimant and for any company enjoying increased depreciation. Thus if Claimant or any such other company does not use this option, it has no tax loss and thus it can distribute dividends and pay the tax. In that respect it is difficult to understand what is the Claimant's advantage of being in a tax loss position.

[3.4.2] **55.** Article 25.9 of the Agreement does not give flexibility in Claimant's dividend policy by allowing it to plan future dividend policy by means of carrying profit forward.

56. Increased depreciation is not a cost element nor does it affect the real value of the companies applying the increased depreciation: it is separately accounted as a tax incentive the same as the tax-free reserves. Therefore future dividend policy may be planned by any corporation enjoying the right of increased depreciation by merely recording increased depreciation instead of profits carried forward or by recording such part of increased depreciation, as the corporation deems proper for its dividend policy.

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57. Claimant has the right to increased depreciations. In that respect, Article 25.9 does not grant Claimant a right that it did not already have *qua* holder of the right to increased depreciations. Article 25.9 does not add anything to its situation and hence it serves no practical purpose.

[3.4.3] **58.** Article 25.9 of the Agreement does not grant the possibility to the Claimant to distribute or capitalize profits in any fiscal year it elects to do so and this way to be taxed in the year in which it elects to distribute dividends even if distribution of profits triggers income tax.

59. However, increased depreciation is an option. Therefore any enterprise enjoying the right of increased depreciation may distribute or capitalize profits in any fiscal year by applying or avoiding to apply or partly applying increased depreciation and thus leaving enough profits for distribution at the amounts desirable each time.

60. In that respect also, Article 25.9 thus interpreted does not add anything to Claimant's situation.

[3.4.4] **61** Article 25.9 cannot have the beneficial consequence of allowing Claimant to take advantage of the reduction of income tax rates such as under Law 3296/2004.

62. Income tax rates are not stable. Nor do they obey to any logical or historical necessity. It cannot be claimed that the parties to the Agreement, which was executed on July 31, 1995, might figure out that nine years later the income tax rates would be reduced and therefore they included Article 25.9 in the Agreement in order to add this merit as well. The reduction of income tax rates cannot have been an intrinsic finality of Article 25.9.

[3.4.5] **63.** Article 25.9 cannot make Claimant's financial status appear more attractive to third parties and especially small investors by allowing them to take their investment decision on

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the basis of the Company's Balance Sheet - and not on the basis of the Notes of the Balance Sheet.

64. If this were the case, Article 25.9 would have the merit of inducing small investors to take interest in Claimant's shares. As already demonstrated, small investors could not be interested in Claimant's shares. But, even if this would be possible, it would be at least cynical and thus problematic for both parties of the Agreement -and politically problematic for the Hellenic State- to try by means of Article 25.9 thus interpreted to take advantage of the small investors' lack of knowledge, expertise and experience.

[3.4.6] **65.** It is not the case that Article 25.9 grants Claimant the advantage to avoid the payment, *first*, of income tax on its statutory reserve and, *second*, 3% special tax on real property revenues, which any other airport company subject solely to Article 26 par. 8 of L. 2093/1992 and obliged to account for the increased depreciation in its statutory accounts.

66. Any kind of reserve presupposes the existence of accounting profits. Thus it is impossible for an airport company, which would be in a loss position not only for tax purposes but also for corporate purposes, to establish statutory reserve.

67. Furthermore the 3% special tax on real property revenues according to Article 109 par. 3 of G.I.T.C. cannot be higher than the overall tax of the company. Hence once such airport company shall be in a tax loss position and its overall tax will be zero, the 3% tax on real property revenues cannot exceed zero.

[3.4.7] **68.** Article 25.9 does not grant Claimant the right to obtain listing of its shares in the Stock Exchange.

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69. On the contrary, if Article 99 § 1 of G.I.T.C. applied and Claimant abstained from distributing dividends for many years in order to preserve its benefits under Article 25.9 of the Agreement, it would be completely unrealistic even to try to list its shares in the Stock Exchange, because nobody would buy shares which cannot pay dividend before ten years or so. In that respect, Article 25.9 thus interpreted rather enhances Claimant's listing of its shares in the Stock Exchange.

[3.4.8] **70.** Article 25.9 does not lead to the beneficial consequence of avoiding the otherwise inevitable consequence of the application of Articles 47 and 48 of Law 2190/1920.

71. In fact, the above provisions cannot apply on companies' balance sheets which are below the 50% or 10% limits due to increased depreciation. The dispositions of Law 2190/1920, a corporate law, are and should be interpreted in the light of their finalities.

72. Arts. 47 and 48 of Law 2190/1920 purport to protect third parties (mainly creditors) of a company which is not solvent, i.e. of a company of which the equity has fallen below a threshold. This is not the case for a company that makes use of the tax incentive of increased depreciation: such a company is not insolvent, even if due to the application of such depreciation its equity is reduced to zero, because increased depreciation does not represent real devaluation. Its statutory image does not correspond to its real financial situation. Such a company may be much healthier than another company with higher equity and for the creditors of such a company no risk of insolvency exists; therefore application of Arts. 47 and 48 on such a company would be completely unjustified. Such a company would not face the risk of being subject to the sanctions of Arts.47 and 48 because in such a case there would be a conflict of laws, a conflict that would be solved according to the maxim *lex specialis derogat legem generale* the law granting the increased depreciation being special and thus prevailing.

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73. This is the reason that till now there has been any single case of application of Arts. 47 and 48 of Law 2190/1920 on companies of which the equity has dropped below 50% or 10% of their share capital due to increased depreciation.

74. Moreover, the reply of the Prefecture of East Attiki concerning the applicability of Arts. 47 and 48 of L. 2190/1920 on Claimant, cannot be taken into consideration for the following reasons. *First*, the principle of legality does not accept interior documents of the Public Services to be considered as legally binding texts: thus the Court should not take such an answer into consideration. *Second*, the Prefect of East Attiki is not a legislative authority. Subsequently, it cannot function as the original interpreter of the above provision. *Third*, the Prefect of East Attiki is a decentralized authority and hence its decisions are submitted to the control of legality of the Minister of Development; the Prefect is an authority functioning under the Executive's guidance.

75. Finally, it would contravene the principle of reasonable legislator to grant the investors the tax incentive of increased depreciation and, at the same time, to force them into liquidation once they use it.

***[4]* Is Article 25 of Law 2338/1995 incompatible with the application of Article 99 par. 1 a of the G.I.T.C.?**

76. If Articles 99 §1 and 106 § 2 of GITC (i.e. Article 18 paragraphs 1 and 3 of Law 2166/1993) are properly interpreted, as indicated here above under (1), i.e. if they are considered as a tax system which applies on distribution of tax free profits but not on the unique case of distribution of profits destined to be taxed in the future, there is no conflict between Article 25 of the Agreement and the above Articles 99 §1 and 106 §2 of GITC.

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77. If the above Articles of GITC are not interpreted this way, then there is a conflict, because as indicated above under (3), Article 25.9 sets forth a clear rule concerning the taxation of Claimant's and makes no distinction whether such profits shall be distributed or not. On the contrary it provides that such rule applies even if the statutory accounts of Claimant permit declaration of dividends.

78. Therefore in this case Article 25 § 9 of the Agreement and of law 2338/1995, being a prevailing provision of law, precludes the application of Articles 99 §1 and 106 § 2 of GITC, which are in conflict with the above prevailing rule.

***[5]* Does the taxation of dividends distributed by the Claimant have as a result double taxation of the same income?**

79. As indicated above under (1), the whole tax system of Article 18 of law 2166/1993, which was incorporated in the GITC, may apply only on tax free profits which are distributed and which under no other law will be taxed again in the future.

80. In the unique case of Claimant, when distributing dividends from profits which definitely will be taxed again in the future, it is obvious that such profits shall be taxed twice.

81. The Deputy Minister's letter, providing for the increase of Claimant's tax loss by the amount of the dividends giving rise to taxation, is directly in conflict with Article 106 § 2 of GITC (Article 18 par. 3 of law 2166/1993) and as such is of no effect, as the Minister has no right to change the law.

82. In any case, Article 18 par. 3 of law 2166/1993 was in force on July 31, 1995, when the Agreement was signed and on September 14,1995 when law 2338/1995 was published; therefore even if a new law would be introduced thereafter in order to legalize the Deputy

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Minister's letter, this law would not be enough to amend the clear rule of Article 25.9 of the Agreement, because any such amendment would require a new agreement of the parties.

83. For all the reasons stated therein, on my (dissident) opinion:

- a conflict exists between the application of Article 99 par. 1 a of the Greek Income Tax Code and Article 25 of Law 2338/1995;

-the concurrent application of the provisions of Article 99 par. 1 a of the Greek Income Tax Code and Article 25 of Law 2338/1995 result in duplicative taxation of the same income;

-the Claimant was inappropriately required to pay income tax to the Respondent for dividends it distributed for the fiscal year 1.1.2003-31.12.2003 in accordance with provisions of Article 99 par. 1 of the Greek Income Tax Code.

London, 6 February, 2006

Th. Fortsakis

Theodoros Fortsakis