“Last regulatory amendment: 01/01/2026”

PROVINCIAL LAW 2/2005, of 10 March, on General Tax Law of the Historical Territory of Bizkaia (BOB, Official Gazette of Bizkaia, 11 March)

I hereby state that the General Assembly of Bizkaia has approved the Provincial Law 2/2005, of 10 March, on General Tax Law of the Historical Territory of Bizkaia, in a Plenary Session on 10 March 2005, which I hereby decree and order the publication of, so that all citizens, natural persons, and authorities to whom it applies shall observe it and ensure that it is observed.

PROVINCIAL LAW 2/2005, OF 10 MARCH, ON GENERAL TAX LAW OF THE HISTORICAL TERRITORY OF BIZKAIA.

PREAMBLE

I.

The General Provincial Regulation on Taxation establishes the principles and general legal provisions of the tax system in the Historical Territory of Bizkaia, and therefore constitutes the reference framework containing the provisions that regulate both the general aspects of the tax system, common to all the figures that form part of it, and the relations between the tax authorities and the taxable parties, specifying the rights and obligations that both parties must respect and comply with.

It also contains the general principles that should guide the activity of the tax authorities for the correct application of taxes, developing the administrative procedures for management, inspection, collection, and review, laying the foundations for the exercise of its sanctioning powers, classifying offences, and establishing the penalties applicable to each of the instances of offending conduct.

Up to the present time, Provincial Regulation 3/1986, of 26 March, the General Regulation on Taxation of the Historical Territory of Bizkaia, has done so with a commendable degree of success and has made possible and guaranteed the proper functioning of the Provincial Treasury of the Historical Territory of Bizkaia, as well as the Bizkaia Provincial Treasury itself and the treasuries belonging to the Local Entities of the Historical Territory.

During its long period in force, the aforementioned Provincial Regulation has been subject to various modifications, such as those carried out by means of Provincial Regulation 1/1996, of 19 April, and Provincial Regulation 2/1999, of 15 February, which have allowed it to adapt to changing times and to the legal and socio-economic developments of our legal system and the socio-economic situation of Bizkaia.

II.

The combination of a series of noteworthy factors such as the development of the tax authorities' management methods, the incorporation of new technologies in relations between the tax authorities and taxpayers, the channels recently opened up for the processing of information, and the recent modifications to the general principles of the tax systems in our environment, make a global review of the legal framework of our tax system both advisable and necessary at the present time.

In undertaking this ambitious renewal task, the provincial legislator essentially seeks to achieve the following aims:

- Simplicity in the fulfilment of taxpayers' tax obligations, highlighting measures such as the unification of deadlines for payment and for lodging appeals or the regulation of the regime for suspending the enforcement of administrative decisions in appeals and in the economic-administrative system.

- Efficiency and effectiveness in the activities of the tax authorities, simplifying the procedures for applying taxes by adapting them to the forms of administrative proceedings and streamlining the day-to-day management of the bodies responsible for carrying them out.

- Encouraging voluntary compliance with tax obligations, favouring voluntary tax returns without a prior request from the tax authorities and making the system for granting deferrals or instalments more flexible.

- Increased legal certainty, support, and assistance for taxpayers, introducing measures such as the expiry of the administrative power to determine the tax debt, advance tax clearing proposals, or those for automatic suspension without guarantees in cases where the taxpayer has made a mistake by paying amounts to other tax authorities that should have been paid into the Provincial Treasury.

- Prosecution of fraudulent conduct, by replacing the concept of tax fraud with a new anti-avoidance clause, by providing for more possibilities for preventive action through the widespread possibility of ordering precautionary measures, by providing for the possibility of review of copies of the accounts by the management bodies, or by tightening the liability regime in order to curb certain fraudulent practices.

- Penalisation of offending conduct, by increasing the limitation period to four years, drawing up an ongoing anti-fraud plan, and extending the range of penalties by raising the maximum penalty limit to 200%.

- Promotion of the use and application of electronic, computer, and telematic techniques and means in relations between the tax authorities and taxpayers.

III.

As a result of the aforementioned premises, a new General Provincial Regulation on Taxation of the Historical Territory of Bizkaia has emerged. It is divided into five Titles, into which the 247 articles are arranged, and to which 23 additional provisions, six transitional provisions, one repealing provision, and two final provisions are added.

Title I establishes the general provisions of the tax system of the Historical Territory of Bizkaia, including both the general principles that underpin it and the aspects related to the application and interpretation of the tax provisions.

Title II is dedicated to the regulation of the provisions corresponding to taxes, the definition of the legal-tax relationship and the obligations derived from it, the regulation of the different types of taxable parties, the elements of quantification of the tax debt, the means of its termination, and the guarantees that protect it.

Title III establishes the concept of tax enforcement, understood as the set of activities of the tax authorities aimed at providing information and assistance to taxable parties and the management, inspection, and collection of taxes, thereby replacing the misleading concept of tax management in a broad sense that was included in the Provincial Regulation from 1986.

In this regard, within the procedures and proceedings for the application of taxes, we should highlight the systematisation of the tax management and inspection procedures, categorising the most important of them, and including major new features such as the limited verification procedures of the management bodies and the restricted verification procedures of the tax inspectorate.

In this field of inspection, it is worth mentioning the new certificates of compliance with a payment commitment, an instrument that aims to effectively guarantee the collection of tax debts identified by the inspectorate, simplifying their processing, with significant consequences in terms of the reduction of the penalty corresponding to the possible offences committed.

Title IV is devoted to regulating the sanctioning powers of the tax authorities of the Historical Territory of Bizkaia with the aim of simplifying the penalty regime, which should lead to an increase in its effectiveness and its effect on deterring offending conduct.

The most important developments in this area are as follows:

- The simplification of the categorisation of tax offences and the reduction of the number of scaling criteria applicable to determine the sanction corresponding to a given offence, such as recidivism, the concealment of data, and the use of fraudulent means or an intermediary in committing the offence.

- The establishment of a new system of reductions, both with regard to the reduction for compliance and payment of the tax debt for penalties corresponding to offences that result in the amount established in the applicable regulations not being taxed, thereby linking the reduction, which is more generous than that established in the previous regulation, not only to the lack of appeal by the obligor but also to the effective payment of the debt and the penalty in the voluntary period. As with the new reduction for payment of the penalty for the remaining cases, this encourages the payment of the amounts owed to the Public Treasury for these reasons.

Title V of this Provincial Regulation regulates all review procedures in tax matters, both those initiated at the discretion of the tax authorities and those initiated at the request of the interested party, including the appeals and claims that said party may file. Among which the regulation of the concept of revocation in tax matters and the effort to adapt the review procedures of the administrative decisions of the tax authorities of the Historical Territory of Bizkaia to the general provisions for the review of administrative decisions regulated in the legislation on common administrative procedure stand out as a new development.

Lastly, it should be noted that, bearing in mind the importance and repercussions for both the tax authorities and taxable parties of the regulation that this General Provincial Regulation establishes, a longer than usual time frame for implementation has been established, which means that this Provincial Regulation will be applicable as of 1 July 2005.

TITLE I
GENERAL PROVISIONS OF THE TAX SYSTEM

CHAPTER I
GENERAL PRINCIPLES

Article 1. Object and scope of application.

1. This Provincial Regulation establishes the principles and general legal provisions of the tax system of the Historical Territory of Bizkaia and shall apply to the provincial tax authorities.

   It shall also be applicable to the Local Entities of Bizkaia under the terms established in the regulations governing the Local Treasuries of this Historical Territory.

2. This Provincial Regulation also establishes the principles and general legal provisions governing the actions of the tax authorities by applying the regulations on mutual assistance between the Member States of the European Union or within the framework of agreements to avoid double taxation or other international agreements.

   For the purposes of this Provincial Regulation, mutual assistance shall be understood to be the set of assistance, collaboration, cooperation, and other actions of a similar nature that the tax authorities provide, receive, or develop with the European Union and other international or supranational entities, and with other States by virtue of the regulations on mutual assistance between the Member States of the European Union or under agreements to avoid double taxation or other international agreements.

Mutual assistance may include the carrying out of actions in relation to taxable parties.

3. Assistance provided by the tax authorities to other States or to international or supranational entities under mutual assistance rules shall be subject to the limitations laid down in those rules.

   In particular, in the field of mutual assistance between Member States of the European Union, the tax authorities shall be subject to the procedural and substantive obligations set out in Council Directive 2010/24/EU of 16 March 2010 on mutual assistance for the recovery of claims relating to certain taxes, duties and other measures, and Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation, which repealed Directive 77/799/EEC.

Article 2. Principles of the organisation and application of the tax system.

1. The organisation of the tax system is based on the economic capacity of the individuals liable to pay taxes and on the principles of justice, universality, equality, progressiveness, equal distribution of the tax burden, and non-confiscatory tax treatment.

2. The application of the tax system shall be based on the principles of proportionality, efficiency, and the limitation of indirect costs arising from compliance with formal obligations and shall ensure respect for the rights and guarantees of taxable parties.

Article 3. Taxation powers.

1. The original power to maintain, establish, and regulate the tax system of the Historical Territory of Bizkaia corresponds to its General Assembly and shall be exercised under the terms provided for in the Economic Agreement.

2. The Local Entities of the Historical Territory of Bizkaia may establish and levy taxes in accordance with the legal system.

3. The other Public Law Entities may levy taxes when a Provincial Regulation so establishes.

Article 4. Regulatory powers.

1. The regulatory power for the development of tax regulations corresponds to the Provincial Council, at the proposal of the Provincial Councillor for Treasury and Finances, notwithstanding the powers corresponding to the Local Entities in relation to the tax ordinances regulating local taxes.

2. When expressly provided for in a Provincial Regulation or, as the case may be, a regulation, the Provincial Councillor for Treasury and Finances may issue implementing provisions on tax matters.

Article 5. Tax authorities.

1. For the purposes of this Provincial Regulation, the tax authorities shall be made up of the bodies that carry out the functions regulated in Titles III, IV, V, VI, and VII of said Regulation.

2. Within the scope of the powers of the Provincial Council, the application of taxes and the exercise of the power to impose penalties are the responsibility of the Department of Treasury and Finances, unless they are expressly attributed to another public law body or entity by a Provincial Regulation.

3. The Provincial Council shall exercise its powers with regard to the application of taxes and the imposition of penalties throughout the territory of the State under the terms established in the Economic Agreement.

   Likewise, in relation to the taxable parties subject to the tax enforcement powers of the Provincial Council by virtue of the provisions of the Economic Agreement, the Provincial Council is responsible for the exercise of the tax enforcement powers derived or attributed by the regulations on mutual assistance.

4. The Local Entities shall exercise the powers relating to the application of taxes and the power to impose penalties with the scope and under the terms provided for in the applicable regulations according to their sourcing system.

5. The Provincial Council shall collaborate with the rest of the tax authorities in enforcing taxes under the terms established in the legal system. Likewise, cooperation arrangements may be established for the application of taxes between Local Entities, as well as between them and the Provincial Council.

CHAPTER II
TAX PROVISIONS

SECTION ONE
REGULATORY SOURCES

Article 6. Sources of tax law.

1. Taxes, whatever their nature and character, shall be governed:

   a) By the Constitution, the Statute of Autonomy, and the Economic Agreement.

   b) By the provisions issued by the Basque Parliament for coordination, tax harmonisation, and mutual collaboration between the institutions of the Historical Territories.

   c) By this Provincial Regulation, by the Provincial Regulations governing each tax, and by the other Provincial Regulations containing provisions on taxation.

   d) By the regulatory provisions issued in development of the above and, specifically in the local tax sphere, by the corresponding tax ordinances.

2. International treaties or conventions containing clauses of a tax nature and, in particular, conventions to avoid double taxation, which form part of the domestic legal system, shall apply.

3. The provisions issued by the European Union and other international or supranational bodies to which the exercise of powers in tax matters is attributed shall apply.

4. The general provisions of administrative law and the provisions of ordinary law shall be supplementary.

Article 7. Reservation of Provincial Regulation on taxation.

The following shall be regulated in all cases by a Provincial Regulation:

a) The definition of the taxable event, the chargeable event, the tax base, and the taxable amount, the setting of the tax rate and other elements directly determining the amount of the tax debt, with the exception of the amount of the payments on account, as well as the establishment of presumptions that do not admit evidence to the contrary.

b) The events that give rise to the tax obligations to make payments on account.

c) The determination of the taxable parties provided for Article 34(2) of this Provincial Regulation and of the responsible parties.

d) The establishment, modification, elimination, and extension of exemptions, reductions, rebates, deductions, and other tax benefits or incentives.

e) The establishment and modification of surcharges and the obligation to pay late-payment interest.

f) The establishment and modification of limitation and expiry periods, as well as the causes for interruption of the calculation of limitation periods and the causes for suspension of expiry periods.

g) The establishment and modification of tax offences and penalties.

h) The obligation to file tax returns and self-assessments relating to the fulfilment of the main tax obligation and payments on account.

i) The consequences of non-compliance with tax obligations with regard to the effectiveness of legal acts or transactions.

j) Obligations between private individuals arising from taxes.

k) The remission of tax debts and penalties and the general granting of moratoriums and reductions.

l) The determination of the acts susceptible to claims in economic-administrative proceedings.

m) The cases in which it is appropriate to establish permanent tax interventions.

Article 8. Regulatory Provincial Decrees on taxation.

1. The Provincial Council may issue regulatory provisions with the status of Provincial Regulations on tax matters called Regulatory Provincial Decrees in the event that their purpose is exclusively the adaptation of the legislation of the Historical Territory of Bizkaia, when, in accordance with the provisions of the Economic Agreement, the same substantive and formal provisions as in the common regime territory must apply in the Historical Territory of Bizkaia.

2. Likewise, the Provincial Council, at the proposal of the Provincial Councillor for Treasury and Finances, may issue Provincial Decrees, as a matter of urgency, and whenever it is appropriate to establish or adapt tax provisions. The Provincial Decrees issued in this way shall be reported to the General Assembly for subsequent ratification.

SECTION TWO
APPLICATION OF TAX PROVISIONS

Article 9. Temporal scope of the tax provisions.

1. The tax regulations shall enter into force 20 calendar days after their full publication in the “Official Gazette of Bizkaia”, unless otherwise stipulated, and shall apply for an indefinite period of time, unless a specific period of time is established.

2. Unless otherwise provided, the tax provisions shall not have retroactive effect and shall apply to taxes without a tax period due from their entry into force and to other taxes for which the tax period starts from that time.

   However, the provisions governing the regime of tax offences and penalties and the regime of surcharges shall have retroactive effect in relation to acts that are not final, when their application is more favourable to the interested party.

Article 10. Criteria for being subject to tax provisions.

Taxes shall be applied in accordance with the criteria of residence or territory established by a Provincial Regulation in each instance. Failing this, taxes of a personal nature shall be levied in accordance with the residence criterion and other taxes in accordance with the territory criterion that is most suitable in relation to the nature of the taxed item.

SECTION THREE
INTERPRETATION, CLASSIFICATION, AND INTEGRATION

Article 11. Interpretation of tax provisions.

1. Tax provisions shall be interpreted in accordance with Article 3(1) of the Civil Code.

2. As long as they are not defined by tax legislation, the terms used in its provisions shall be understood according to their legal, technical, or usual meaning, as appropriate.

3. Within the scope of the powers of the Provincial Council, the power to issue interpretative or clarifying provisions of the Provincial Regulations and other provisions on tax matters lies exclusively with the Provincial Councillor for Treasury and Finances.

   Interpretative or clarifying provisions shall be binding on all tax authorities and shall be published in the "Official Gazette of Bizkaia".

Article 12. Classification.

Tax obligations shall be demanded in accordance with the legal nature of the fact, act, or business carried out, whatever the form or name given to it by the interested parties, and disregarding any defects that may affect its validity.

Article 13. Prohibition on legal reasoning by analogy.

Legal reasoning by analogy shall not be allowed to extend beyond its strict terms the scope of the taxable event, exemptions, and other tax benefits or incentives.

Article 14. Anti-avoidance clause.

1. The anti-avoidance clause provided for in this article shall apply where the taxable event is avoided in whole or in part or the tax base or the tax debt is reduced by means of acts or transactions in which the following circumstances are met:

   a) Which, taken individually or as a whole, are manifestly deceptive or inappropriate to achieve the result obtained.

   b) That no significant legal or economic effects result from their use, other than tax savings and the effects that would have been obtained with the usual or proper acts or business.

2. In order for the tax authorities to declare the existence of the situation regulated in the previous section, the provisions of Article 163 of this Provincial Regulation shall be complied with.

3. In the settlements made as a result of the provisions of this article, the tax shall be levied by applying the provision that would have applied to the usual or proper acts or businesses or by eliminating the tax advantages obtained, and late-payment interest shall be paid, and where appropriate, the penalties provided for in Article 200 bis of this Provincial Regulation shall be paid.

Article 15. Simulation.

1. In cases involving acts or transactions in which there is any simulation, the taxable event taxed shall be the one actually carried out by the parties.

2. The existence of simulation will be declared by the tax authorities in the corresponding settlement, without this classification producing any effects other than solely tax effects.

3. In the adjustment that may arise as a result of the existence of simulation, late-payment interest and, where appropriate, the corresponding penalty shall be demanded.

TITLE II
TAXES

CHAPTER I
GENERAL PROVISIONS

SECTION ONE
CONCEPT, PURPOSES, AND TYPES OF TAXATION

Article 16. Concept, purposes, and types of taxation.

1. Taxes are public revenues consisting of monetary payments demanded by a public administration as a consequence of the occurrence of the event to which the Provincial Regulation links the duty to make contributions, with the primary purpose of obtaining the necessary revenue to support public expenditure.

   In addition, taxation may serve as an instrument of general economic policy, to ensure social stability and progress and a better distribution of income.

2. Taxes, whatever their denomination, are classified as fees, special contributions, and levies.

   a) Fees are taxes whose taxable event consists of the private use or special use of the public domain, the provision of services, or the performance of activities under public law that refer to, affect, or benefit the taxpayer in a particular way, when the services or activities are not requested or received voluntarily by taxable parties or are not provided or carried out by the private sector.

      ...

   b) Special contributions are taxes whose taxable event consists of a taxable party obtaining a benefit or an increase in the value of its property as a result of the carrying out of public works or the establishment or extension of public services.

   c) Levies are taxes levied without consideration, the taxable event of which is constituted by transactions, acts, or events that reflect the economic capacity of the taxpayer.

SECTION TWO
THE TAX-LEGAL RELATIONSHIP

Article 17. The tax-legal relationship.

1. The tax-legal relationship is understood to be the set of obligations and duties, rights, and powers arising from the application of taxes.

2. The taxable party and the tax authorities may be subject to material and formal obligations arising from the tax-legal relationship, as well as the imposition of tax penalties in the event of non-compliance.

3. Material tax obligations are those of a principal nature, those of making payments on account, those established between private individuals resulting from the tax, and ancillary obligations.

4. Formal tax obligations are those which, without being of a pecuniary nature, are imposed by tax legislation on taxable parties, whether or not they are tax debtors, and whose compliance is related to the development of tax proceedings or procedures.

5. Taxable parties may be taxed under mutual assistance, irrespective of the purpose of the assistance. In the event of non-compliance by the taxable parties, the tax penalties established in the applicable regulations may be imposed.

6. The elements of the tax liability may not be altered by acts or agreements of private individuals, which shall not be binding on the tax authorities, notwithstanding their private legal consequences.

Article 18. Unavailability of tax credits.

Tax credits shall not be available unless otherwise provided for by a Provincial Regulation.

SECTION THREE
MATERIAL TAX OBLIGATIONS

SUBSECTION ONE
THE MAIN TAX OBLIGATION

Article 19. Main tax obligation.

The main tax obligation is to pay the tax liability.

Article 20. Taxable event.

1. The taxable event is the premise established by the Provincial Regulation to determine each tax and its occurrence gives rise to the main tax obligation.

2. The Provincial Regulation may supplement the definition of the taxable event by mentioning cases of non-taxation.

Article 21. Exemptions.

Exemptions are those cases in which, despite the taxable event taking place, the Provincial Regulation provides for an exemption from the total or partial fulfilment of the main tax obligation.

Article 22. Accrual and enforceability.

1. Accrual is the moment at which the taxable event is deemed to have occurred and at which the main tax obligation arises unless the Provincial Regulation for each tax stipulates a different point in time.

   The date of accrual determines the relevant circumstances for the establishment of the tax obligation unless the Provincial Regulation for each tax provides otherwise.

2. The regulations for each tax may establish that the tax liability or amount to be paid, or part of it, is payable at a time other than that at which the tax becomes chargeable.

SUBSECTION TWO
THE TAX OBLIGATION TO MAKE PAYMENTS ON ACCOUNT

Article 23. The tax obligation to make payments on account.

1. The tax obligation to make payments on account of the main tax liability consists in the payment of an amount to the tax authorities by the taxable party required to make payments in instalments, by the withholder or by the person required to make prepayments.

   This tax obligation is independent of the main tax obligation.

2. The taxpayer may deduct from the main tax obligation the amount of the payments on account incurred, unless the Provincial Regulation for each tax establishes the possibility of deducting an amount other than that amount.

SUBSECTION THREE
OBLIGATIONS BETWEEN PRIVATE INDIVIDUALS ARISING FROM TAXATION

Article 24. Obligations between private individuals arising from taxation.

1. Obligations between private individuals arising from taxation are those which have as their object a taxable obligation between taxable parties.

2. Obligations of this type are those that arise as a result of the charging, withholding, or prepayment provided for in tax legislation, among others.

SUBSECTION FOUR
ANCILLARY TAX OBLIGATIONS

Article 25. Ancillary tax obligations.

1. Ancillary tax obligations are those other than those covered by this section which consist of monetary payments to be made to the tax authorities and that are required in relation to another tax obligation.

   The obligations to pay late-payment interest, the surcharge for late filing, the surcharges for the enforcement period, as well as any others that may be imposed by a Provincial Regulation, shall be deemed to be ancillary tax obligations.

2. Tax penalties are not regarded as ancillary obligations.

Article 26. Late-payment interest.

1. Late-payment interest is an ancillary obligation that will be demanded from taxable parties and offending parties as a consequence of the failure to make a payment within the deadlines established in these Provincial Regulations, due to the collection of an unjustified refund, or in the other cases provided for in tax legislation, as well as when a request is received for the recovery of debts owed by other States or international or supranational entities in accordance with the regulations on mutual assistance, unless these regulations establish otherwise.

   The taxable party is not required to have been previously notified by the tax authorities nor does there need to have been a culpable delay in paying late-payment interest.

2. Late-payment interest shall accrue during the entire period of delay in payment and shall be calculated on the tax liability or amount resulting from the obligation to make payments on account or on the amount of the refund improperly collected and, where appropriate, on the amount of the surcharges referred to in Article 56(2)(d) of this Provincial Regulation and on the penalties.

3. Late-payment interest shall be the legal interest rate in force during the period in which it becomes due, increased by 25%, unless a different rate is established.

   The late payment interest provided for in this article shall be 4.0625%, effective from 1 January to 31 December 2026, in accordance with the provisions set forth in the first additional provision of Provincial Regulation 7/2025, of 29 December, on the General Budget of the Historical Territory of Bizkaia for 2026 ("B.O.B." 30 December).

4. Late payment interest will begin to accrue at the start of the enforcement period, except for the time elapsed up to the deadline set in the first paragraph of Article 60(3) of this Provincial Regulation for payments made within that period.

   The exception noted in the last clause of the previous paragraph shall not apply in cases of self-assessments submitted outside the period established in the regulations of each tax, which shall be governed by the provisions of section 7 of this article.

5. For settlements made by the tax authorities, late-payment interest shall be charged for the period between the date of expiry of the deadline established in the regulations for each tax for filing the corresponding return or self-assessment and the date on which the settlement agreement is adopted.

6. In cases where it is necessary to make a new settlement as a result of another settlement having been annulled by an administrative or judicial ruling, the decisions and formalities not affected by the cause of annulment shall be fully retained, with their content being maintained in full, and late-payment interest shall be charged on the amount of the new settlement.

   In these cases, the starting date for calculating the late-payment interest shall be the same as that which would have corresponded to the cancelled settlement and the interest shall accrue until the time when the new settlement agreement has been adopted, and the end of the calculation may not be later than the maximum period for enforcing the decision.

   In relation to complete rejection of appeals and complaints, late-payment interest will be charged up to the date of the corresponding rejection decision.

7. When self-assessments are submitted outside the period established in the regulations for each tax, late-payment interest will be applied from the end of that period until the self-assessment is submitted, except in cases involving self-assessments submitted without a prior request, provided that the tax debt is paid within six months of the end of the period.

8. In cases involving settlements made in the management procedure initiated by means of a tax return referred to in Article 122 of this Provincial Regulation, late-payment interest will not be charged from the date of filing of the tax return until the end of the deadline for payment in the voluntary period.

   If the tax return was filed after the deadline stipulated in the regulations for each tax, late-payment interest will be charged for the time elapsed between the end of the deadline and the date of filing the return, except in the case of tax returns filed without prior notice within the following six months.

9. Late-payment interest will not be charged when the tax authorities fail, for reasons attributable to them, to comply with the deadlines established in these Provincial Regulations, and interest will be charged only up to the end of these deadlines, except in cases of non-compliance with the deadlines for resolving requests for deferment or payment in instalments and for offsetting debts.

   In cases involving deferment or payment by instalments, the procedure for the payment of interest shall be regulated by the corresponding regulations.

Article 27. Surcharge for late filing without prior notice.

1. The surcharge for late filing is an ancillary obligation to be paid by the taxable parties in the management procedure initiated by means of the tax return referred to in Article 122 of this Provincial Regulation, as a result of the filing of the tax return after the deadline established in the regulations for each tax, without a prior request from the tax authorities.

2. The surcharge for late filing shall be five per cent of the amount payable resulting from the settlement, including, where applicable, the surcharges referred to in subparagraph d) of Article 56(2) of this Provincial Regulation, and shall exclude any penalties that could have been imposed, with the exception of what is established in Article 203 of this Provincial Regulation.

   Notwithstanding the provisions of the preceding paragraph, for declarations submitted within the three working days following the end of the voluntary period for submitting the declaration provided for in the regulations of each tax, the surcharge for late filing shall be 0.5 per cent.

Article 28. Surcharges for the enforcement period.

1. There are two types of surcharges for the enforcement period, which are incompatible with each other, namely the enforcement surcharge and late payment surcharge. They shall be calculated on the tax liability or amount resulting from the obligation to make payments on account and, where applicable, on the amount of the legally enforceable surcharges referred to in Article 56(2)(d) of this Provincial Regulation and the penalties.

2. The enforcement surcharge of five per cent shall apply automatically and become payable at the start of the enforcement period in accordance with the provisions of Article 60 of this Provincial Regulation.

   As an exception to the previous paragraph, when payment is made in full within the first three working days of the enforcement period, the enforcement surcharge shall be 0.5 per cent.

3. Once the enforcement order has been notified and the extraordinary period established for payment in Article 60(3) of this Provincial Regulation has elapsed, a 20% late payment surcharge will be levied.

4. The surcharges for the enforcement period shall be compatible with the tax penalties.

5. Surcharges for the enforcement period will not accrue for debts held by other States or by international or supranational entities whose collection activities are carried out within the framework of mutual assistance, unless the regulations concerning this assistance stipulate otherwise.

   Surcharges for the enforcement period will also not apply to debts concerning public sector entities, as defined in Article 3.1 of Law 9/2017, of 8 November, on Public Sector Contracts.

SECTION FOUR
OBLIGATIONS AND DUTIES OF THE TAX AUTHORITIES

Article 29. Obligations and duties of the tax authorities.

1. The tax authorities are subject to compliance with the financial obligations established in this Provincial Regulation. The obligation to make refunds deriving from the regulations of each tax, the obligation to refund undue payments, the obligation to reimburse the costs of guarantees, and the obligation to pay late-payment interest are of this nature.

2. The tax authorities are also subject to the duties established in this Provincial Regulation in relation to the development of tax procedures and in the rest of the legal system.

Article 30. Refunds derived from the regulations governing each tax.

1. The tax authorities will refund the appropriate amounts in accordance with the provisions of the regulations for each tax.

   Refunds derived from the regulations of each tax are those corresponding to amounts paid or duly incurred as a consequence of the application of the tax.

2. Once the period established in the regulations governing each tax and, in any case, the period of six months has elapsed without a settlement having been made for reasons attributable to the tax authorities, they shall pay the late-payment interest regulated in Article 26 of this Provincial Regulation, without the need for the taxable party to request it. For these purposes, late-payment interest shall accrue from the end of this period until the date on which the resolution recognising the right to receive the corresponding refund is adopted.

   Delays in the procedure for reasons attributable to the interested party shall not be taken into account for the purposes of calculating the period referred to in the previous paragraph.

Article 31. Refund of undue payments.

1. The tax authorities shall reimburse the taxable parties, the offending parties, or their successors and assigns, any payments that have been unduly made to the Public Treasury when complying with their tax obligations or paying penalties, in accordance with the provisions of Article 229 of this Provincial Regulation.

2. With the refund of undue payments, the tax authorities will pay the late-payment interest regulated in Article 26 of this Provincial Regulation without the need for the taxable party to request it. For these purposes, late-payment interest shall accrue from the date on which the undue payment was made until the date on which the resolution recognising the right to receive the corresponding refund is adopted.

   Delays in the procedure for reasons attributable to the interested party shall not be taken into account for the purposes of calculating the period referred to in the previous paragraph.

3. When a refund is made of an undue payment derived from a self-assessment paid in several instalments, it shall be understood that the amount refunded was paid in the last instalment and, if there is not a sufficient amount, the difference shall be considered to have been paid in the immediately preceding instalments.

Article 32. Reimbursement of guarantee costs.

1. The tax authorities shall reimburse, upon accreditation of the corresponding amount, the cost of the guarantees provided to suspend the enforcement of an act or to defer or pay a debt in instalments if the said act or debt is declared inadmissible by a final administrative ruling or decision. Where the act or debt is declared partially inadmissible, the reimbursement shall cover the corresponding part of the cost of the guarantees.

   The procedure for reimbursement and the way in which the cost of guarantees is to be determined shall be governing by the corresponding regulations.

   Whenever possible according to the information available to the tax authorities, the refund will be made at their discretion.

2. With the reimbursement of guarantee costs, the tax authorities shall pay the late-payment interest due for the period in which it accrues without the need for the taxable party to request it. With the reimbursement of the costs of the guarantees, the tax authorities shall pay the late-payment interest due for the period in which it accrues without the taxable party having to request it.

3. The provisions of this article shall not apply in relation to the guarantees established by the regulations of each tax to guarantee compliance with tax obligations.

SECTION FIVE
THE RIGHTS AND GUARANTEES OF TAXABLE PARTIES

Article 33. The rights and guarantees of taxable parties.

The rights and guarantees of the taxable parties include, among others, those contained in this Provincial Regulation and those applicable among those recognised in the regulations governing the legal system of public administrations and common administrative procedure.

CHAPTER II
TAXABLE PARTIES

SECTION ONE
TYPES OF TAXABLE PARTIES

Article 34. Taxable parties.

1. Taxable parties are natural or legal entities and entities that are required by tax legislation to comply with tax obligations, whether material or formal. Taxable parties are also those on whom tax obligations may be imposed under mutual assistance legislation.

2. Taxable parties include the following, among others:

   a) Taxable parties.

   b) Those obliged to make payments on account.

   c) Those liable for obligations between private individuals arising from taxation.

   d) Successors.

   e) The beneficiaries of tax exemptions, refunds, or credits, when they are not taxable parties.

3. In the Provincial Regulations in which it is so established, the following shall be considered as taxable parties: inherited estates, joint ownership of property, and other entities which, lacking legal personality, constitute an economic unit or a separate estate liable to taxation.

4. The responsible parties referred to in Article 40 of this Provincial Regulation shall also have the status of taxable parties.

5. The presence of several taxable parties in the same tax obligation shall determine that they shall be jointly and severally liable to the tax authorities for the fulfilment of all the obligations, unless otherwise expressly provided for by a Provincial Regulation.

   By Provincial Regulations, other instances of solidarity may be established other than those provided for in the preceding paragraph.

Article 35. Taxable parties: taxpayers and taxpayers' substitutes.

1. The taxable party is the party who must fulfil the main tax obligation, as well as the formal obligations inherent to it, either as a taxpayer or as a substitute for the taxpayer. The status of taxable party shall not be waived by anyone who must pass on the tax liability to other taxable parties, unless the Provincial Regulation for each tax stipulates otherwise.

2. The taxpayer is the taxable party who carries out the taxable event.

3. A substitute for the taxpayer is the taxable party who, under the provisions of a Provincial Regulation and in place of the taxpayer, is obliged to fulfil the main tax obligation, as well as the formal obligations inherent to it.

   The substitute may claim from the taxpayer the amount of the tax obligations paid, unless otherwise provided for by a Provincial Regulation.

Article 36. Those liable to make payments on account.

1. A taxpayer is obliged to make payments in instalments if the Provincial Regulation for each tax imposes the obligation to make prepayments for the main tax obligation, before said obligation becomes payable.

2. A withholder is the person or entity on whom the Provincial Regulation of each tax imposes the obligation to withhold and pay to the tax authorities, when making payments to other taxable parties, a part of the amount on account of the tax that corresponds to the party in question.

3. The person or entity that pays income in kind or in cash and who is obliged by a Provincial Regulation to make prepayments for any tax is obliged to make prepayments.

Article 37. Those liable for obligations between private individuals arising from taxation.

1. The person or entity that, in accordance with the provisions of Provincial Regulation, must pass on the tax liability to other persons or entities and that, unless the Provincial Regulation provides otherwise, shall be the same party that carries out the taxable transactions.

2. The person or entity to whom, in accordance with the Provincial Regulation, the tax liability must be passed on is the person or entity liable to pay the tax, and who, unless the Provincial Regulation provides otherwise, shall be the same party that receives the taxable transactions. The party charged is not obliged to pay the tax authorities but must pay the taxable party the amount of the chargeable amount.

3. The person or entity receiving the amounts on which, according to the Provincial Regulation, the withholder must withhold tax is obliged to pay the withholding.

4. A Provincial Regulation may impose on persons or entities the obligation to bear the payments on account of any taxes levied on income in kind or in cash which they receive and, where appropriate, the passing on of the amount of such payments by the payer of said income.

SECTION TWO
SUCCESSORS

Article 38. Successors of natural persons.

1. On the death of the taxable parties, the outstanding tax obligations shall be passed on to the heirs notwithstanding the provisions of civil legislation regarding the acquisition of the inheritance and, in particular, the limitation of liability referred to in Article 21 of Law 5/2015, of 25 June, on Basque Civil Law.

   The aforementioned tax obligations shall be passed on to the legatees under the same conditions as those established for the heirs, when the inheritance is distributed by means of bequests and in the cases in which aliquot part bequests are established. In no circumstances shall penalties be passed on. Nor shall the obligation of the person liable be passed on unless the agreement to transfer liability was notified prior to death.

2. An unsettled tax debt at the time of the deceased's death shall not prevent the transfer of accrued tax obligations to successors. Proceedings may be conducted with any of them, and the resulting settlement must be notified to all interested parties listed in the file.

3. As long as the estate is dormant, the tax obligations of the deceased shall be met by the representative of the estate.

   Administrative proceedings aimed at quantifying, determining, and settling the tax obligations of the deceased must be carried out or continued with the representative of the deceased's estate. If at the end of the proceedings the heirs are not known, the settlements shall be made in the name of the estate.

4. In cases involving an inheritance pending the exercise of a testamentary power of attorney, the executor of the estate shall be responsible for the fulfilment of the material and formal tax obligations.

Article 39. Successors of legal entities and unincorporated entities.

1. The outstanding tax obligations of dissolved and liquidated companies and legal entities in which the law limits the asset liability of the shareholders, participants, or co-owners shall be transferred to these parties, who shall be jointly and severally liable up to the limit of the value of the liquidation share corresponding to them and other capital received by them in the four years prior to the date of dissolution or the date of the declaration of insolvency proceedings, whichever is earlier, which reduce the company assets that should be required to meet these obligations.

   The outstanding tax obligations of dissolved and liquidated companies and legal entities in which the legislation does not limit the liability of the partners, participants, or co-owners shall be transferred in full to them, who shall be jointly and severally liable for their fulfilment.

2. In cases of winding-up or dissolution without liquidation of companies and entities with legal personality, their outstanding tax obligations shall be transferred to the persons or entities that succeed or are beneficiaries of the corresponding operation. This provision shall also apply to any case of general assignment of the assets and liabilities of a company or legal entity.

3. In the event of dissolution of foundations, the outstanding tax obligations of the foundations will be transferred to the recipients of the assets and rights, who will be liable up to the limit of the value of the assets and rights.

4. In the event of dissolution of the entities referred to in Article 34(3) of this Provincial Regulation, the outstanding tax obligations shall be transferred in full to the shareholders or co-owners of the entities.

   The outstanding tax obligations of estates for which the distribution is left at the discretion of various trustees or pending from the exercise of a testamentary power of attorney shall be attributed to those persons to whom heirs have been appointed in the exercise of the testamentary power of attorney, or due to the other causes of termination of said power of attorney.

5. An unsettled tax debt at the time of the dissolution or extinction of the legal personality of the company or entity shall not prevent the transfer of the accrued tax obligations to the successors. Proceedings may be conducted with any of them, in which case, the settlements resulting from these proceedings must be notified to all interested parties listed in the file.

6. The penalties that may be applicable for the offences committed by the companies and entities referred to in this article shall be enforceable against their successors, under the terms established in the preceding paragraphs.

SECTION THREE
TAXABLE PARTIES

Article 40. Tax liability.

1. By Provincial Regulation, other persons or entities may be made jointly and severally or subsidiarily liable for the tax debt, together with the main debtors. For these purposes, the taxable parties referred to in Article 34(2) of this Provincial Regulation shall be considered main debtors.

2. Unless expressly provided otherwise by law, liability shall always be subsidiary.

3. The liability shall cover the entire tax debt demanded in the voluntary period.

   When the voluntary period for payment granted to the responsible party has elapsed without the payment having been made, the enforcement period will begin and the appropriate surcharges and interest will be demanded.

4. The responsibility shall not extend to penalties, except in the scenarios established in this or other Provincial Regulations.

   In cases where liability extends to penalties, if the primary debtor was entitled to the reduction provided for in Article 192.1 a) of this Provincial Regulation, the resulting debt will correspond to the amount due without applying the relevant reduction to the primary debtor, if applicable. The responsible party will be given the opportunity to agree to the proposed declaration of liability.

   The reduction for compliance shall be as provided in Article 192.1 a) of this Provincial Regulation.

   The reduction obtained by the responsible party will be revoked without further proceedings if this party files any appeal or claim against the liability declaration agreement, based on the validity of the transfer of liability or the related assessments or penalties. This also applies in cases where the amounts corresponding to the tax debt and penalty are not paid in accordance with the terms established in Article 192.2 a) of this Provincial Regulation.

   The reduction provided for in this section shall not apply to cases of liability for the payment of debts in Article 41.5 of this Provincial Regulation.

5. Unless otherwise provided by a Provincial Regulation, the declaration of liability shall require an administrative decision in accordance with the procedure established in Article 179 of this Provincial Regulation.

   In cases involving administrative settlements, if the declaration of liability is made before the expiry of the voluntary payment period, the authority to issue this administrative decision corresponds to the body competent to issue the settlement. In other cases, this competence shall lie with the collecting body.

6. The referral of the administrative proceedings to demand payment of the tax debt and, where appropriate, of the penalties from the responsible parties shall be carried out in accordance with the provisions of Articles 180 and 181 of this Provincial Regulation. In cases involving subsidiary liability, it shall require the prior declaration of insolvency of the main debtor and of those jointly and severally liable.

7. Those liable parties have a right of reimbursement against the main debtor under the terms provided for in civil law.

Article 41. Joint and several liability.

1. The following persons or entities shall be jointly and severally liable for the entire tax debt and, where applicable, for any penalties:

   a) Those who cause or actively collaborate in committing a tax offence.

   b) Notwithstanding the provisions of point a) above, the participants or co-owners of the entities referred to in Article 34(3) of this Provincial Regulation, in proportion to their respective shareholdings.

2. Also jointly and severally liable shall be the persons or entities that succeed in any capacity in the ownership or exercise of holdings or economic activities, for the tax obligations and penalties incurred by the previous owner and derived from the exercise of any such activities. Liability shall also extend to obligations arising from the non-payment of withholdings and prepayments made or which should have been made.

   However, those who intend to acquire ownership of holdings and economic activities may limit the liability established in this section by means of the procedure regulated in Article 180(2) of this Provincial Regulation.

   The liability set out in this section shall not apply in the following cases:

   a) In the acquisition of individual items, unless these acquisitions, made by one or more persons or entities, permit the continuation of the holding or activity or any branch within it.

   b) For succession by reason of death, which shall be governed by the provisions of Article 38 of this Provincial Regulation.

   c) In the acquisition of holdings or economic activities belonging to an insolvent debtor when the acquisition takes place in insolvency proceedings.

3. The de facto or de jure administrators, partners with a direct or indirect stake of at least 20 per cent in the capital, joint owners or shareholders, spouses, common-law couples, ascendants and descendants of both up to the second degree, of entities that have made withholdings pending payment, will also be jointly liable for the amounts deducted from such withholdings in their Personal Income Tax returns. Where partial payments have been made for these withheld amounts, it shall be understood that the outstanding debt corresponds proportionally to each of the withholdings.

4. The persons or entities that have effective control, in whole or in part, directly or indirectly, of the legal entities or in which there is a common governing intention with said entities, or the persons or entities of which the taxable parties have effective control, in whole or in part, or in which there is a common governing intention with said taxable parties, shall be jointly and severally liable for the tax debts and penalties incurred by each of them.

   In order to apply the provisions of this section, it shall be necessary to prove that said persons or entities have been created or used abusively or fraudulently as a means of evading universal asset liability with regard to the Public Treasury.

5. The following persons or entities shall also be jointly liable for the payment of the outstanding tax debt, including surcharges and interest for the enforcement period, and, where applicable, for penalties, up to the value of assets or rights that may have been seized or sold by the tax authorities:

   a) Those who cause or collaborate in the concealment or transfer of assets or rights of the taxable party for the purpose of preventing the tax authorities from taking action.

   b) Those who, through fault or negligence, fail to comply with attachment orders.

c) Those who, with knowledge of the attachment, the precautionary measure or the constitution of the guarantee, collaborate in or consent to the lifting of the assets or rights subject to attachment or of those assets or rights on which the precautionary measure or the guarantee has been established.

d) The depositary persons or entities of the debtor's assets who, once they have received notification of the attachment, collaborate in or consent to the lifting of the attachment.

6. Other cases of joint and several liability may be established other than those provided for in the previous sections by a Provincial Regulation.

Article 42. Subsidiary liability.

1. The following persons or entities shall be subsidiarily liable for the tax debt:

a) Notwithstanding the provisions of Article 41(1)(a) of this Provincial Regulation, the de facto or de jure directors of legal entities who, having committed tax offences, have not carried out the necessary actions that are their responsibility in order to comply with their tax obligations and duties, have consented to the non-compliance by those who report to them, or have adopted agreements that make the offences possible. Their liability shall also extend to penalties.

b) The de jure or de facto directors of legal entities that have ceased their activities, for the tax obligations accrued by them that are pending at the time of cessation, provided that they have not taken the necessary steps for their payment or have not adopted agreements or taken measures leading to non-payment.

c) The members of the insolvency administrators and the liquidators of companies and entities in general who have not taken the necessary steps to ensure full compliance with the tax obligations accrued prior to said situations and that are attributable to the respective taxable parties.

In relation to tax obligations and penalties following the declaration of insolvency, the insolvency administrators will be liable as directors when they have administrative functions. They shall also be liable for the aforementioned tax obligations if third-party claims which are not preferential to taxable parties have been satisfied, up to the limit of the amounts incorrectly paid.

d) The purchasers of assets assigned by a Provincial Regulation to the payment of the tax debt, under the terms of Article 80 of this Provincial Regulation.

e) Persons or entities that contract or subcontract the execution of works or the provision of services corresponding to their main economic activity, for the tax obligations relating to taxes that must be passed on or amounts that must be withheld from workers, professionals, or other businesspeople, regarding the part that corresponds to the works or services that are the object of the contracting or subcontracting.

The liability provided for in the previous paragraph shall not apply when the contractor or subcontractor has provided the payer with a specific certificate of being up to date with their tax obligations issued for this purpose by the tax authorities during the 12 months prior to the payment of each invoice corresponding to the contracting or subcontracting.

Liability shall be limited to the amount of the payments made without the contractor or subcontractor having provided the payer with a certificate that the party in question is up to date with their tax obligations, or the period of 12 months has elapsed since the previous certificate was issued without its renewal.

The tax authorities shall issue the certificate referred to in this point e), or refuse to issue it, within three days of its request by the contractor or subcontractor, and shall provide copies of the certificate on request.

The request for the certificate may be made by the contractor or subcontractor when filing the Personal Income Tax or Corporate Income Tax return for which said party is obliged. In this case, the tax authorities shall issue the certificate or refuse to issue it in accordance with the procedure and within the time limits laid down in the regulations.

f) ...

2. The de facto or de jure directors of the legal entities obliged to make the joint and several declaration and payment of such debts shall be jointly and severally liable for the tax debts arising from the taxes that must be paid, passed on or amounts that must be withheld from workers, professionals, or other businesspeople, in the event that self-assessments are filed without payment for said tax items and it can be proven that this filing is not due to a genuine intention to fulfil the tax obligation that is the object of the self-assessment.

   For the purposes of this liability, the filing of self-assessments shall be deemed to have been made without payment when, even if there are partial payments in relation to all or some of the self-assessments filed, the total amount resulting from such payments does not exceed 50% of the sum of the self-assessed payments to be made for each tax item during the calendar year.

   It shall be presumed that there is no genuine intention of fulfilment when claims of third parties that are not preferential and fall due after the date on which the obligations became due or payable have been satisfied.

3. Other cases of subsidiary liability may be established other than those provided for in the previous section by a Provincial Regulation.

SECTION FOUR
CAPACITY TO ACT IN TAX MATTERS

Article 43. Capacity to act.

In addition to persons who have legal capacity to act in tax matters, minors and incapacitated persons shall also have capacity to act in tax matters in relation to tax relations arising from activities which they are permitted to carry out under the law without the assistance of the person exercising parental authority, guardianship, or legal defence. An exception is made for incapacitated minors when the extent of the incapacitation affects the exercise and defence of the rights and interests in question.

Article 44. Legal representation.

1. Persons lacking capacity to act shall be represented by their legal representatives.

2. Legal entities shall be represented by the persons who, at the time the corresponding tax proceedings take place, hold the ownership of the bodies to which their representation corresponds, by legal provision or by a validly adopted agreement.

3. For the entities referred to in Article 34(3) of this Provincial Regulation, the party who represents them shall act as their representative, provided that this is credibly accredited and, if no representative has been appointed, the person who apparently exercises management or direction shall be considered as such and, failing this, any of their members or shareholders.

Article 45. Voluntary representation.

1. Taxable parties with capacity to act may act through a representative, with whom successive administrative proceedings will be understood to take place, unless expressly stated otherwise.

2. In order to file appeals or claims, withdraw them, waive rights, assume or recognise obligations on behalf of the taxable party, request refunds of undue payments or reimbursements, and in the remaining cases in which the signature of the taxable party is required in the procedures regulated in Titles III, IV, V, VI, and VII of this Provincial Regulation, representation must be accredited by any means valid in law that provides a reliable record or by means of a declaration in personal appearance by the interested party before the competent administrative body.

   For these purposes, the standardised representation documents approved by the tax authorities for certain procedures shall be valid.

3. For purely procedural acts, representation shall be presumed to have been granted.

4. When, within the framework of joint reporting in tax management, or in the cases provided for in the corresponding regulations, any document is filed with the tax authorities by telematic means, the filing party shall act with the necessary representation in each case. The tax authorities may, at any time, require proof of such representation, which may be provided in accordance with the provisions of Section 2 of this article.

5. For actions other than those mentioned in Sections 2, 3, and 4 above, representation may be duly accredited in the manner established by the corresponding regulations.

6. When, in accordance with the provisions of Article 34(5) of this Provincial Regulation, there are several liable parties for the same tax obligation, representation shall be presumed to be granted to any one of them, unless expressly stated otherwise.

7. The absence or insufficiency of the power of attorney shall not prevent the act in question from being deemed to have been carried out, provided that it is accompanied by the power of attorney or the defect is remedied within a period of ten days, to be granted for this purpose by the competent administrative body.

Article 46. Representation of non-resident persons or entities.

For the purposes of their relations with the tax authorities, taxable parties who do not reside in Spanish territory must appoint a representative domiciled in the Historical Territory of Bizkaia, when expressly established in the tax regulations.

This designation must be communicated to the tax authorities in accordance with the terms set out in the tax regulations.

SECTION FIVE
TAX DOMICILE

Article 47. Tax domicile.

1. The tax domicile is the place where the taxable party is located in its dealings with the tax authorities.

2. The tax domicile shall be:

   a) For natural persons, that of their habitual residence.

   b) For legal entities and other entities subject to Corporate Income Tax, that of their registered office, provided that their administrative management and the management of their business is effectively centralised there. Otherwise, the place where the management or direction is carried out shall be taken into account.

c) For persons or entities not resident in Spanish territory, the tax domicile will be determined in accordance with the provisions of the regulations governing each tax. In the absence of any regulation, the domicile shall be that of the representative referred to in Article 46 of this Provincial Regulation. For permanent establishments, the tax domicile shall be the place where the administrative management or conduct of their business is carried out.

d) For civil law companies and unincorporated bodies, the place where they are managed and directed.

If it is not possible to determine the tax domicile by applying the criteria contained in points b), c), and d) above, the place where the highest value of its fixed assets is located shall be taken into account.

3. Taxable parties must declare their domicile to the tax authorities. Notwithstanding the provisions of Article 43 of the Economic Agreement, in the absence of a corresponding declaration, the tax authorities may consider that the taxable party's address is the one stated in the corresponding register or that of the location of any property or economic operation of which said party is the owner.

4. When a taxable party changes their address, they shall inform the tax authorities by means of an express declaration to that effect, notwithstanding the provisions of Article 43(5) of the Economic Agreement, and the change of address shall not produce any effects in relation to the tax authorities until the aforementioned declaration has been submitted.

   If the taxable party has not notified the tax authorities, in accordance with the provisions of the previous paragraph, of the change of their tax domicile, it may, in the meantime, be considered to be at the address shown in the register database. Likewise, for the purposes of notifications, the last one declared or that stated by the taxpayer in any document of a tax nature may be deemed to be valid for notification purposes.

5. The tax authorities may rectify the taxable parties' tax domicile by means of an appropriate verification process. Legal entities shall be presumed, in the absence of proof to the contrary, not to have changed their place of residence for tax purposes if they become inactive or cease their activity in the year preceding or following said change.

6. For the purposes of determining the tax authorities competent to carry out the actions derived from the procedures for the application of taxes and sanctioning procedures, the tax domicile at the time of the taxable event or the committing of the offence shall be taken into account.

CHAPTER III
ELEMENTS FOR THE QUANTIFICATION OF THE MAIN TAX OBLIGATION AND OF THE OBLIGATION TO MAKE PAYMENTS ON ACCOUNT

Article 48. Tax base: concept and determination methods.

1. The tax base is the monetary or other amount resulting from the measurement or valuation of the taxable event.

2. The tax base may be determined by the following methods:

   a) Direct estimation.

   b) Objective estimation.

   c) Indirect estimation.

3. The tax bases are generally determined using the direct estimation method. However, Provincial Regulations may establish the cases in which the objective estimation method may be applied, which shall, in all cases, be voluntary for the taxable parties.

4. Indirect estimation will be subsidiary to the other methods of determination and will be applied when any of the circumstances set out in Article 51 of this Provincial Regulation arise.

Article 49. Direct estimation method.

The direct estimation method may be used by the taxpayer and by the tax authorities in accordance with the provisions of the regulations for each tax. For these purposes, the tax authorities shall use the tax returns or documents filed, the data contained in books and records checked administratively and other documents, supporting documents and data relating to the elements of the tax obligation.

Article 50. Objective estimation method.

The objective estimation method may be used to determine the tax base by applying the figures, indices, modules, or data provided for in the regulations for each tax.

Article 51. Indirect estimation method.

1. The indirect estimation method shall be applied when the tax authorities are unable to obtain the data necessary for the complete determination of the tax base as a result of any of the following circumstances:

   a) Failure to file tax returns or the filing of incomplete or inaccurate tax returns.

   b) Resisting, obstructing, evading, or refusing inspection.

   c) Substantial non-compliance with accounting or registration obligations.

   d) Disappearance or destruction, even due to force majeure, of the accounting books and records or of the supporting documents relating to the transactions recorded in them.

2. The bases or yields shall be determined by using any one or more of the following means:

   a) Application of available data and background information relevant for the purpose.

   b) Use of those elements that indirectly prove the existence of assets and revenues, as well as income, sales, costs, and yields that are considered normal in the respective economic sector, taking into account the size of the productive or family units to be compared in tax terms.

   c) Assessment of the figures, indices, modules, or data that apply to the respective taxable parties, according to the data or history of similar or equivalent cases.

3. When the indirect estimation method is applicable, the procedure provided for in Article 153 of this Provincial Regulation shall be followed.

Article 52. Taxable income.

The taxable income is the amount resulting from applying the reductions established in the Provincial Regulation for each tax to the tax base, where applicable.

Article 53. Tax rate.

1. The tax rate is the figure, coefficient, or percentage applied to the taxable income to obtain the net tax liability.

2. The tax rates may be specific or percentage rates, and must be applied according to the Provincial Regulation of each tax for each unit, set of units, or tranche of the taxable income.

   The set of tax rates applicable to the different units or tranches of the taxable income in a tax is called the rate.

Article 54. Tax liability.

1. The net tax liability shall be determined:

   a) By applying the tax rate to the taxable income.

   b) According to a fixed amount established for this purpose.

2. In order to calculate the net tax liability, the methods of determination provided for in Article 48(2) of this Provincial Regulation may be used.

3. The net tax liability must be reduced automatically if the application of the tax rates shows that an increase in the tax base corresponds to a proportion of the tax liability that is greater than said increase. The reduction shall cover at least that excess.

   An exception to this rule is made in cases where the tax debt is to be paid using state issued paper.

4. The amount of the net tax liability may be modified by applying the reductions or limits established in each case by the Provincial Regulation for each tax.

5. The net tax liability will be the result of applying to the net tax liability the deductions, allowances, additions, or coefficients provided for, where applicable, in the Provincial Regulation for each tax.

6. The differential tax liability will be the result of reducing the net tax liability by the amount of the deductions, instalments, withholdings, prepayments, and tax payable, in accordance with the regulations of each tax.

Article 55. Verification of values.

1. The value of the income, products, goods, and other elements determining the tax obligation may be verified by the tax authorities by the following means:

   a) Capitalisation or imputation of income at the percentage specified in the regulations for each tax.

   b) Estimation by referring to the values appearing in official tax records.

      Said estimation by reference may consist of the application of the multiplying coefficients determined and published by the tax authorities to the values appearing in the official tax register taken as a reference for the valuation of each type of asset. In cases involving real estate, the official tax register to be used as a reference for the purposes of determining the multiplier coefficients for the valuation of said real estate shall be the Real Estate Cadastre.

   c) Average market prices.

d) Quotations in domestic and foreign markets.

e) Opinion of the experts of the Administration.

f) Value assigned to assets in insurance contract policies.

g) Value assigned for the appraisal of the mortgaged properties in compliance with the provisions of mortgage legislation.

h) Price or declared value for other transfers of the same property, taking into account the circumstances of these transfers, carried out within the period established by the corresponding regulations.

i) Any other means determined in the Provincial Regulation for each tax.

2. The contradictory expert appraisal may be used to confirm or amend in each case the valuations resulting from the application of the means in the previous section.

3. The verification of values must be carried out by the tax authorities through the procedure provided for in Articles 127 and 128 of this Provincial Regulation, when said verification is the sole object of the procedure, or when it is carried out in the course of another procedure of those regulated in Title III, as a specific action of said procedure, and in any case the provisions of said articles will be applicable.

CHAPTER IV
TAX DEBT

SECTION ONE
GENERAL PROVISIONS

Article 56. Tax debt.

1. The taxable party's tax debt shall consist of the tax liability or the amount to be paid resulting from the main tax obligation or the obligations to make payments on account.

2. In addition, the tax debt shall be made up, where appropriate, of:

a) Late-payment interest.

b) Surcharge for late filing

c) Surcharges for the enforcement period.

d) The legally enforceable surcharges on the bases or tax payable, in favour of the Regional Treasury or other public bodies.

3. The tax penalties that may be imposed in accordance with the provisions of Title IV of this Provincial Regulation shall not form part of the tax debt.

Article 57. Extinguishment of the tax debt.

1. Tax debts may be extinguished by payment, limitation, lapse of time, compensation, or remission and by any other means provided for in the legal provisions.

2. The payment, offsetting, or remission of the tax debt has a relieving effect only for the amount paid, offset, or remitted.

SECTION TWO
PAYMENT

Article 58. Payment methods.

1. Payment of the tax debt shall be made in cash. It may be carried out using state issued paper where the corresponding regulations so provide.

2. In exceptional cases, the tax authorities may accept payment in kind of the tax debt during the voluntary or enforcement period, through the delivery of any property or right.

3. Tax legislation shall regulate the means and form of payment in cash or in kind, as well as the requirements and conditions for payment to be made using electronic, computerised, or telematic techniques and means.

Article 59. Time of payment.

1. A tax debt is considered to have been paid in cash when the amount has been deposited in the cashier's office of the competent bodies or entities authorised to accept it.

2. In cases involving the use of state issued paper, the tax debt shall be deemed to have been paid when it is used in the manner to be determined by the corresponding regulation.

3. Payment in kind shall extinguish the tax debt at the time specified in the regulations governing it.

Article 60. Payment deadlines.

1. The deadlines for payment of tax debts in the voluntary payment period are as follows:

   a) Those resulting from a self-assessment in accordance with the regulations of each tax.

   b) Those resulting from a settlement carried out by the tax authorities, within one month from the date of notification.

   c) Those payable as a result of the rejection of a request for deferment or payment in instalments, compensation at the request of a party, donation of goods or rights in payment of debt, or suspension of the collection procedure, submitted during the voluntary payment period, within 15 calendar days from the date of notification.

   d) Payment of debts owed by other States or international or supranational entities whose collection is carried out under mutual assistance shall be requested from the taxable party, who must make payment within one month of the date of notification of the instrument of enforcement.

      Notwithstanding the foregoing, when the provisions governing mutual assistance so permit, the tax authorities may carry out collection actions as soon as they receive the request for recovery from the requesting State or international or supranational entity, without the need for the period referred to in this section to have elapsed.

   e) Those resulting from periodic collection and collective notification settlements within the periods established by the corresponding regulations.

   f) Those payable by means of state issued paper at the time of the taxable event, if no other period is stipulated in their specific regulations.

2. Notwithstanding the provisions of Article 165(5) of this Provincial Regulation, the expiry of the deadline established for payment in the voluntary period, without payment being made in full, triggers the automatic start of the enforcement period for the outstanding debt.

3. Once the enforcement period has commenced and the enforcement order has been notified, the tax debt must be paid within the extraordinary period of one month from the notification date.

   Upon the expiry of this period without full payment of the debt being made or a request for deferment or instalment payment being submitted, execution against the debtor’s assets for the outstanding debt will be initiated.

   However, tax debts payable as a result of the rejection of a request for deferral or payment in instalments, offsetting at the request of a party, the transfer of goods or rights towards a debt payment or the suspension of the collection procedure—submitted once the enforcement period has commenced and before the extraordinary period of one month referred to in the first paragraph of this section has elapsed—must be paid within the extraordinary period of five calendar days from the notification date.

   Enforcement shall be immediate, and the extraordinary period mentioned in the previous paragraph shall not apply in cases where a request for deferral or instalment payment is denied, when offsetting at the request of a party, when involving a transfer of assets or rights towards a debt payment, or the suspension of the collection procedure is requested after the one-month extraordinary period has elapsed.

Article 61. Allocation of payments.

1. Tax debts are autonomous. Parties liable for the payment of several debts may allocate each payment to the debt of their choosing.

2. The collection of a debit due at a later date does not extinguish the right of the tax authorities to collect earlier debits that have not been collected.

3. In cases of compulsory enforcement, as well as in cases of offsetting at the discretion of the tax authorities, in which several tax debts of the same taxable party have accumulated and cannot be totally extinguished, said authorities shall, except as provided for in the following section, enforce the payment in accordance with the criterion that best protects the interests of the Public Treasury.

4. When several tax debts have accumulated in favour of a tax authority and other public law entities dependent on that authority, the tax authority shall have preference for collection, taking into consideration the provisions of Section 5 of this chapter.

Article 62. Consignment for payment.

The taxable parties may deposit the amount of the tax debt and, where applicable, the costs accrued by regulations with the Public Treasury, with the exonerating or suspensive effects determined by the corresponding regulations.

Article 63. Deferment and payment in instalments.

1. Tax debts that are in the voluntary or enforcement period may be deferred or paid in instalments under the terms established by the corresponding regulations and at the request of taxable parties, when their economic-financial situation temporarily prevents them from paying within the established deadlines.

2. Tax debts levied by means of state issued paper, as well as those derived from taxes on gambling, may not be deferred or paid in instalments.

   Likewise, in the event of the taxable party's insolvency, tax debts which, in accordance with insolvency legislation, are considered as credits against the estate, may not be deferred or divided.

   Requests for deferment or instalments referred to in this section shall be inadmissible.

3. Debts deferred or paid in instalments must be secured in accordance under the terms provided for in the corresponding regulations. The circumstances and conditions in which the taxable party may be totally or partially exempted from the provision of guarantees and the cases in which the tax authorities may be asked to determine the valuation of the guarantees prior to their provision will also be developed in this way.

4. The submission of a request for deferment or payment in instalments during the voluntary period shall prevent the start of the enforcement period but not the accrual of late-payment interest.

   Requests in the enforcement period may be submitted up to the time when the obligor is notified of the decision to dispose of the assets subject to attachment. The tax authorities may initiate or, where appropriate, continue the enforcement procedure during the processing of the deferment or payment by instalments. However, the proceedings for the disposal of the assets subject to attachment shall be suspended until the notification of the decision refusing the deferment or payment by instalments.

5. The provisions of the previous sections shall also apply to claims owned by other States or international or supranational entities in relation to which a request for recovery has been received, unless otherwise provided for in the regulations on mutual assistance.

SECTION THREE
LIMITATION AND LAPSE OF TIME

SUBSECTION ONE
GENERAL PROVISIONS

Article 64. Purpose of the limitation period and expiry.

1. The exercise of the power of the tax authorities to determine the tax debt by means of the appropriate settlement is subject to limitation and expiry.

   However, the tax authorities may, in any case, carry out the appropriate verification and investigation actions to determine the reality, origin, and amount of the negative tax bases, of the deductions from the tax payable, of the tax payable subject to offsetting or refund corresponding to taxes in which the mechanism for passing them on is established, as well as of any other tax credit, the offsetting, deduction, refund, or enjoyment of which is sought by the taxable parties, regardless of the financial year in which the right to them arose.

   Likewise, the tax authorities may carry out the appropriate verification and investigation actions with regard to the events, acts, activities, operations, and businesses which, having occurred, been carried out, developed or formalised in tax years or periods in relation to which the limitation or expiry regulated in this section has occurred, would have to produce tax effects in years or periods in which said limitation or expiry has not occurred.

   Said actions may not give rise to any tax settlement in relation to the tax years in question in the event that the limitation period has expired or the exercise of the powers of the tax authorities referred to in this section has lapsed in relation to them, but they shall include the confirmation of the existence in those years of the factual conditions necessary for the right to the corresponding compensation, application, or refund to arise or those elements relevant to the events, acts, activities, operations, and businesses referred to in the previous paragraph.

2. The limitation period and its expiry shall apply simultaneously, so that the exercise of the administrative power to determine the tax debt by means of the appropriate settlement may not be carried out once either of them has occurred.

3. The exercise of the power of the tax authorities to demand payment of settled and self-assessed tax debts is subject to the limitation period.

4. The exercise by the taxable party of the rights to request and obtain refunds derived from the regulations of each tax, refunds of undue payments and reimbursement of the cost of guarantees is subject to the limitation period.

Article 65. Extension and effects of the limitation period and its expiry.

1. The limitation period or its expiry shall apply equally to all taxable parties liable for payment of the tax debt, except as provided for in the case of joint obligations in Section 69(8) of this Provincial Regulation.

2. The limitation period and its expiry extinguish the tax debt and shall apply automatically, even in cases where the tax debt has been paid.

Article 66. Effects of the limitation period and its expiry in relation to formal obligations.

1. Except as provided for in the following sections, formal obligations linked to other tax obligations of the taxable party may only be demanded as long as

   the limitation period or lapse of the exercise of the power to determine these obligations has not expired.

2. For the purposes of compliance with the tax obligations of other persons or entities, the obligations to keep and provide the information mentioned in this section must be complied with within the period provided for in the commercial regulations or within the period for compliance with their own formal obligations referred to in the previous section, whichever is longer.

   The obligations of conservation and provision of information referred to in the previous paragraph are the following:

   a) The obligation to keep and maintain accounting books and records, as well as the computer programs, files, and archives which they are stored and the encryption systems used that allow the interpretation of the data when the obligation is fulfilled with the use of computer systems, including the means for the conversion of said data into a readable format when the reading or interpretation of the data is not possible because they are encrypted or encoded.

   b) The obligation to keep a copy of the programs, files, and generated files containing the original data from which the accounting statements and self-assessments or tax returns filed are derived, in cases where the taxable parties must file self-assessments or tax returns by telematic means.

   c) The obligation to issue and deliver invoices or substitute documents and to keep invoices, documents, and supporting documents relating to their tax obligations.

   d) The obligation to provide the tax authorities with books, records, documents, or information that taxable parties must keep in relation to the fulfilment of their own tax obligations or those of third parties, as well as any data, reports, background information, and supporting documents with tax implications, at the request of the tax authorities or in periodic tax returns.

3. For the purposes of the provisions of the second and third paragraphs of Article 64(1), the obligation to justify the origin of data originating in trading activity carried out in tax periods for which the exercise of the power to determine tax debts has lapsed or lapsed shall be maintained during the limitation period or expiry period for the exercise of that power in relation to the tax periods in which those transactions are to take effect.

SUBSECTION TWO
LIMITATION

Article 67. Limitation period.

The exercise of administrative powers and the exercise of the rights of the taxable parties referred to in Sections 1, 3, and 4 of Article 64 of this Provincial Regulation shall be subject to a four-year limitation period.

Article 68. Calculation of limitation periods.

1. The limitation period shall begin to run in accordance with the following rules:

   a) In cases involving the exercise of the power to determine the tax debt by means of the appropriate settlement, from the day following that on which the regulatory period for filing the corresponding tax return or self-assessment ends.

      In cases involving periodic taxes collected by receipt, when it is not necessary to file a tax return or self-assessment in order to determine the tax debt by means of the appropriate settlement, the limitation period shall commence on the date on which the tax is due.

   b) In cases involving the exercise of the power to demand payment of settled and self-assessed tax debts, from the day following that on which the deadline for payment in the voluntary period expires, notwithstanding the provisions of Section 2 of this article. In cases involving tax debts paid after the deadline, from the day following the day on which they were filed.

   c) In cases involving the right of taxable parties to request refunds derived from the regulations of each tax, refunds of undue payments and reimbursement of the cost of guarantees, from the day following that on which the deadline for requesting the corresponding refund derived from the regulations of each tax or, in the absence of a deadline, from the day following that on which the refund could have been requested; from the day following the day on which the undue payment was made or from the day following the end of the period for filing the self-assessment if the undue payment was made within that period; or from the day following the day on which the judgment or administrative decision declaring the contested act to be wholly or partially unjustified becomes final.

      In cases involving taxes levied on the same transaction and which are incompatible with each other, the limitation period for requesting a refund of the undue payment of the incorrect tax shall start to run from the date of the decision of the body competent to decide which tax shall apply.

   d) In cases involving the right of taxable parties to obtain refunds derived from the regulations of each tax, refunds of undue payments and reimbursement of the cost of guarantees, from the day following that on which the deadlines established for adopting the resolution recognising the right to receive the corresponding refund derived from the regulations of each tax or from the day following the date of notification of the resolution recognising the right to receive the refund of the undue income or reimbursement of the cost of the guarantees.

2. The limitation period corresponding to the exercise of the power to enforce the payment obligation against jointly and severally liable persons shall start to run from the day following the end of the period for payment in the voluntary period of the main debtor.

   However, where the events giving rise to liability occur after the period laid down in the preceding paragraph, the limitation period shall begin to run from the time when those events took place.

In cases involving subsidiary debtors, the limitation period shall start to run from the date of notification of the last collection action taken against the main debtor or any of the jointly and severally liable parties.

Article 69. Interruption of limitation periods.

1. The limitation period for the exercise of the power to determine the tax debt by means of the appropriate settlement shall be interrupted:

    a) By any action of the tax authorities, carried out with the formal knowledge of the taxable party, leading to the recognition, adjustment, verification, inspection, assurance, or settlement of all or part of the elements of the applicable tax obligation, even if the action is initially directed at a different tax obligation as a result of the incorrect self-assessment by the taxable party.

    b) For the lodging of claims or appeals of any kind, for actions carried out with the formal knowledge of the taxable party in the course of said claims or appeals, for the filing of a dispute with the Arbitration Board provided for in the Economic Agreement, on referral of the case to the criminal courts or on the filing of a complaint with the Public Prosecution Service, as well as on receipt of a communication from a court ordering the suspension of the administrative procedure in progress.

    c) By any reliable action of the taxable party leading to the settlement or self-assessment of the tax debt.

2. The limitation period for the exercise of the power to demand payment of assessed and self-assessed tax debts shall be interrupted:

    a) By any action of the tax authorities, carried out with the formal knowledge of the taxable party, aimed at effectively collecting the tax debt.

    b) For the lodging of claims or appeals of any kind, for actions carried out with the formal knowledge of the taxable party in the course of said claims or appeals, for the filing of a dispute with the Arbitration Board provided for in the Economic Agreement, upon the declaration of the debtor's insolvency proceedings or the exercise of civil or criminal proceedings for the recovery of the tax debt, as well as upon receipt of a communication from a court ordering the suspension of the administrative proceedings in progress.

    c) By any reliable action of the taxable party or of a third party on its behalf and with its knowledge leading to the recognition, payment, or extinguishing of the tax debt.

3. The limitation period for the right of taxable parties to apply for refunds under the regulations governing each tax, refunds of undue payments, and reimbursement of the cost of guarantees is interrupted:

    a) By any reliable action by taxable parties seeking a refund, reimbursement, or correction of their self-assessments.

    b) By any action by the tax authorities aimed at recognition of entitlement, refund, or reimbursement.

    c) For the lodging, processing, or resolution of claims or appeals of any kind.

4. The limitation period for the right of taxable parties to obtain refunds under the regulations governing each tax, refunds of undue payments, and reimbursement of the cost of guarantees is interrupted:

    a) By any action by the tax authorities to effect a refund or reimbursement.

b) By any reliable action of the taxable party demanding payment of the refund or reimbursement.

c) For the lodging, processing, or resolution of claims or appeals of any kind, or due to the filing of a dispute before the Arbitration Board provided for in the Economic Agreement.

5. The actions referred to in the preceding sections and those of a similar nature shall interrupt the limitation period when they are carried out in another State under mutual assistance, even if these actions do not produce a similar interruption in the State in which they are physically carried out.

6. Once the interruption occurs, the limitation period shall start to run again, except as provided for in the following section.

7. When the limitation period has been interrupted by the lodging of an appeal before the contentious-administrative jurisdiction, by the exercise of civil or criminal actions, by the referral of the case to the competent jurisdiction or the filing of a complaint with the Public Prosecution Service or by the receipt of a judicial notice to suspend the proceedings, the limitation period shall start to run again when the tax authorities receive notification of the final decision ending the judicial proceedings or lifting the suspension, or when they receive notification from the Public Prosecution Service returning the case file.

   The provisions of the previous paragraph shall not apply to the limitation period for the exercise of the tax authorities' power to demand payment when the suspension has not been agreed in administrative proceedings.

   When the limitation period has been interrupted by the declaration of the debtor's insolvency proceedings, the limitation period shall start to run again when the court decision terminating the insolvency proceedings becomes final. If an agreement has been approved, the limitation period shall begin again at the time of its approval for tax debts not subject to the agreement. In cases involving tax debts subject to the insolvency agreement, the limitation period shall start to run again when they become due from the debtor.

   When the limitation period has been interrupted by a dispute brought before the Arbitration Board provided for in the Economic Agreement, the limitation period shall start to run again at the moment when the notification of the resolution adopted by the Arbitration Board is received.

8. If the limitation period for a taxable party is interrupted, this effect shall extend to all other taxable parties, including responsible parties. However, if the obligation is joint and only one of the taxable parties is asked to contribute their share, the period is not interrupted for the others.

9. If there are several settled debts owed by the same person liable for payment, the interruption of the limitation period shall only affect the debt to which the administrative proceedings in question refers.

   The suspension of the start of the limitation period contained in point b) of Article 68(1) of this Provincial Regulation, with regard to the main debtor or any of those responsible parties, has the same effect in relation to the rest of the parties jointly and severally liable for payment, notwithstanding the fact that they may continue to pursue the appropriate recovery actions against them.

10. The limitation period for the exercise of the powers referred to in Sections 1 and 2 of this article shall not be considered to be interrupted in cases in which the interruption has been caused by the filing of appeals or claims of any kind, when the aforementioned appeals or claims filed by the taxable party have been upheld in their entirety with the complete annulment of the elements of the administrative decision against which they were filed.

11. The interruption of the limitation period for the exercise of the power of the tax authorities referred to in Article 64(1) of this Provincial Regulation relating to a tax obligation shall also lead to the interruption of the limitation period for the exercise of the same power of the tax authorities. This shall also be the case for the exercise by the taxable party of the right to apply for refunds deriving from the regulations governing each tax, refunds of undue payments, and reimbursement of the cost of guarantees relating to the taxable party's own related tax obligations when these are or will be subject to different taxation as a result of the application, either by the tax authorities or by the taxable parties, of the criteria or elements used as a basis for the settlement of the obligation linked to the associated tax obligations.

    For the purposes of the provisions of this section, related tax obligations shall be understood to be those in which some of their elements are affected by or determined on the basis of those corresponding to another obligation or a different period.

SUBSECTION THREE
EXPIRATION

Article 70. Expiry period.

The exercise of the administrative power to determine the tax debt by means of the appropriate settlement shall expire after six years.

However, the lapse of time shall not affect the settlement decisions that are necessary to recognise the taxable party's right to obtain refunds derived from the regulations of each tax or refunds of undue payments or the reimbursement of the cost of guarantees, as long as the exercise of the aforementioned rights of the taxable party has not lapsed.

Article 71. Calculation of the expiry period.

The period for the lapse of the exercise of the powers referred to in the previous article shall begin to run from the day following the day on which the regulatory period for filing the corresponding tax return or self-assessment ends.

Article 72. Suspension of the expiry period.

1. The running of the expiry period shall be suspended in the following cases:

    a) Due to the lodging of a contentious-administrative appeal.

    b) Due to the lodging of an appeal for reconsideration or an economic-administrative claim or due to the request for a contradictory expert appraisal.

    c) Due to the filing of a dispute before the Arbitration Board provided for in the Economic Agreement.

    d) On referral of the case to the criminal courts or on the filing of a complaint with the Public Prosecution Service, as well as on receipt of a communication from a court ordering the suspension of the administrative procedure in progress.

    e) Upon request for assistance, under mutual assistance regulations.

2. Likewise, the calculation of the expiry periods shall be considered suspended during the periods of time considered as delays attributable to the taxable party in the various procedures regulated in Titles III, IV, and V of this Provincial Regulation.

    When the limitation period has been suspended due to the filing of an appeal for reconsideration, an economic-administrative claim or the request for a contradictory expert appraisal, the calculation of said period shall continue from the time when a decision is issued, unless the maximum periods for resolution provided for each of the cases have elapsed, in which case, it shall continue from the day following the expiry of the aforementioned maximum period for resolution.

When the expiry period has been suspended due to the filing of a dispute before the Arbitration Board foreseen in the Economic Agreement, the calculation of the expiry period shall continue from the moment the notification of the agreement adopted by the Arbitration Board is received.

Where the expiry period has been suspended due to a request for assistance under mutual assistance legislation, the period shall continue to run from the time of receipt of the notification concerning the provision of the assistance requested.

In cases in which, as a result of the resolution of the procedures referred to in Section 1 of this article, the tax authorities must issue a new administrative decision, they shall have a period of three months from the date of the corresponding resolution, even if the exercise of the administrative power to determine the tax debt by means of the appropriate settlement has lapsed, except in the case referred to in Section 4 of this article.

3. Once the suspension has occurred, the expiry period is suspended, which will continue to run when the tax authorities receive notification of the final decision ending the legal proceedings or lifting the suspension, or when the Public Prosecution Service notifies them of the return of the case file, and the administrative powers may be exercised for the time remaining in the aforementioned period until the full six years have elapsed.

4. The expiry period referred to in Article 70 of this Provincial Regulation shall not be considered suspended in those cases in which the suspension has occurred due to the filing of appeals for reconsideration, economic-administrative claims, or contentious-administrative appeals, when these have been upheld in their entirety with total annulment of the elements of the administrative decision against which they have been filed.

SECTION FOUR
OTHER FORMS OF EXTINGUISHING THE TAX DEBT

Article 73. Offsetting.

1. The tax debts of a taxable party may be extinguished in whole or in part by offsetting them against credits recognised by an administrative decision in favour of that party, under the conditions established by corresponding regulations.

2. The offsetting shall be agreed at the discretion of the tax authorities or at the request of the taxable party.

3. Regulations may establish a current account system in which taxable parties may request the offsetting of credits and tax debts held by them.

Article 74. Offsetting at the taxable party's request.

1. Taxable parties may request the offsetting of tax debts that are both in the voluntary payment period and in the enforcement period, with credits recognised in their favour.

2. The submission of a request for offsetting in the voluntary period shall prevent the start of the enforcement period for the debt corresponding to the credit recognised during the processing of the request.

3. The tax debt is extinguished at the time of submission of the request or when the requirements for debts and claims are fulfilled if this is after the submission of the request. The offsetting agreement shall declare this extinguishing.

Article 75. Offsetting at the discretion of the tax authorities.

1. The tax authorities will offset tax debts at their discretion that are currently in the enforcement period.

   The following shall also be offset at their discretion during the voluntary payment period:

   - The amounts to be paid and to be refunded resulting from the same limited verification or inspection procedure, including the settlements issued in applying the provisions of Title VI of this Provincial Regulation, or from the carrying out of a new settlement due to the annulment of a previous one in accordance with the provisions of Article 26(6) of said regulation.

   - The amounts to be paid and to be refunded resulting from the enforcement of the decision referred to in Article 232(3) and Article 244(7) of this Provincial Regulation.

2. Once the deadline for payment in the voluntary period has elapsed, any tax debts that are due, liquid, and payable by local entities and other public law entities to the Provincial Treasury shall be offset the discretion of the tax authorities.

3. The tax debt is extinguished when the enforcement period begins or when the requirements for debts and credits are met, whichever is later. The offsetting agreement shall declare this extinguishing.

   In the case provided for in the second paragraph of Section 1 of this article, the extinction shall occur when the debts and credits coincide, under the terms established by the corresponding regulations.

Article 76. Remission.

Tax debts may only be remitted by virtue of a Provincial Regulation, in the amount and with the requirements determined in said Provincial Regulation.

Article 77. Provisional deregistration due to insolvency.

1. Tax debts that could not be recovered in the respective collection procedures due to the proven insolvency of all taxable parties shall be declared uncollectible as long as they are not repaid within the limitation period.

2. Tax debts are extinguished if they have not been discharged after the limitation period has expired.

SECTION FIVE
TAX CREDIT GUARANTEES

Article 78. Right to priority.

1. The Public Treasury shall have priority for the collection of tax credits due and unpaid insofar as they concur with other creditors, except in the case of creditors of ownership, pledge, mortgage, or other rights in rem duly registered in the corresponding register prior to the date on which the right of the Public Treasury is recorded therein, notwithstanding the provisions of Articles 79 and 80 of this Provincial Regulation.

2. Taxable parties' tax credits, including those arising from the obligation to make payments on account, affected by insolvency proceedings shall be subject to the provisions of insolvency law.

3. Credits owned by other States or international or supranational entities shall not enjoy any priority when they coincide with other public law credits, nor shall they enjoy any of the other

security provided for in this section, unless otherwise provided for in the regulations on mutual assistance and notwithstanding the provisions of Article 81.

Article 79. Tacit legal mortgage.

In cases involving taxes levied from time to time on property or rights registrable in a public register or the direct, actual, or presumed proceeds from them, the Public Treasury shall have preference over any other creditors or acquirers, even if they have registered their rights, for the collection of debts due and unpaid for the calendar year in which payment is demanded and for the immediately preceding year.

Article 80. Liability for assets.

1. The purchasers of assets legally assigned to the payment of the tax debt shall be jointly and severally liable with them, due to the outcome of the tax treatment, if the debt is not paid.

2. The goods and rights transferred shall be subject to liability for the payment of the amounts, whether or not they have been settled, corresponding to the taxes levied on such transfers, acquisitions, or imports, whoever the holder may be, unless this party proves to be a third party protected by the legal authority of the register or the acquisition of the goods is justified in good faith and with just title, in a mercantile or industrial establishment, in the case of non-registrable movable property.

3. Whenever a Provincial Regulation grants a tax benefit for which the definitive effectiveness depends on the taxable party's subsequent compliance with any of the requirements of the Provincial Regulation, the tax authorities may include the total amount of the settlement that would have been due if the tax benefit had not been granted, which the holders of the corresponding public registers shall record by means of a marginal note on the liability.

   In the event that subsequently and as a result of the administrative verification actions, a higher amount of the possible settlement referred to in the previous paragraph is found, the tax authorities will proceed to notify the competent registrar so that this higher amount is recorded in the marginal note on the liability.

Article 81. Precautionary measures.

1. In order to ensure the collection of the tax debt, the tax authorities may take provisional precautionary measures when there are reasonable grounds to believe that the collection of the tax debt would otherwise be impeded or seriously hindered.

   The precautionary measure shall be notified to the interested party with express mention of the reasons justifying its adoption.

   Where the tax authorities are requested to take precautionary measures under mutual assistance, the document originating from the requesting State or international or supranational entity allowing the adoption of precautionary measures shall not be subject to any act of recognition, addition, or substitution.

2. The measures must be proportionate to the damage to be avoided and in the amount strictly necessary to ensure the recovery of the debt. In no case shall measures be adopted that could cause damage that would be difficult or impossible to remedy. Taxable parties shall be liable for the amount of the costs that may be incurred by adopting these measures in the event that they do not pay the debt within the voluntary payment period.

3. Precautionary measures may consist of:

   a) The withholding of tax refunds or other payments to be made by the tax authorities.

   b) The preemptive attachment of assets and rights, where appropriate with a preemptive annotation.

c) The prohibition to sell, encumber, or dispose of property or rights.

d) Anything else provided for by law.

4. Precautionary measures may be enforced at any time during a tax administration, inspection, or collection procedure. Decisions to adopt precautionary measures may be subject to an appeal for reconsideration and to an economic-administrative claim.

5. The effects of precautionary measures shall cease within six months of their adoption, except when:

   a) They are converted into attachments in the enforcement procedure, into measures under Section 7 of this Article or into judicial precautionary measures, which shall take effect from the date of adoption of the precautionary measure.

   b) The circumstances that led to its adoption no longer exist.

   c) At the request of the interested party, its replacement by another guarantee is agreed upon that is deemed to be sufficient.

   In any case, the precautionary measures must be lifted if the taxable party presents a joint and several guarantee from a credit institution or mutual guarantee company or a surety insurance certificate guaranteeing the collection of the amount of the precautionary measure.

   d) This time limit is extended by a justified agreement, but may not exceed six months.

   e) They are adopted during the processing of the procedure described in Article 251 of this Provincial Regulation or after its conclusion. In such cases, they shall cease to have effect within 24 months of their adoption.

   If they have been adopted before the start of the procedure described in Article 251 of this Provincial Regulation, once the settlement referred to in Article 248(2) of this Provincial Regulation has been issued, the period may be extended by means of a justified agreement, without the total extension of the measures adopted being able to exceed 18 months.

   The measures referred to in this point may be converted into attachments in the enforcement proceedings initiated for the recovery of the settlement.

   If, subsequent to their adoption, the competent criminal court is requested to suspend the measures referred to in Article 305(5) of the Criminal Code, the Public Prosecution Service and the court shall be notified of the measures adopted and they shall be maintained until said court takes the appropriate decision on their continuation or lifting.

6. The preemptive attachment of money and goods may be ordered in sufficient amounts to ensure the payment of the tax debt that may be demanded for gainful activities carried out without a place of business and which have not been declared. In addition, income from public events that have not been previously declared to the tax authorities may subject to a preemptive attachment.

7. When an accusation or private criminal complaint has been filed for an offence against the Public Treasury or legal proceedings have been brought for this offence without the settlement referred to in Article 248(2) of this Provincial Regulation having been issued, the precautionary measures established in this article may be adopted in relation to any of the parties identified in the accusation or private criminal complaint as possibly liable, directly or subsidiarily, for the payment of the amounts referred to in Article 126 of the Criminal Code.

   Once the precautionary measure has been adopted, where appropriate, by the competent body of the tax authorities, it shall be notified to the interested party, the Public Prosecution

Service and the competent judicial body and shall be maintained until said body adopts the appropriate decision on its conversion into a judicial measure or its lifting.

8. In proceedings for offences against the Public Treasury, the tax authorities shall retain the power to investigate, under the supervision of the judicial authority, any assets that may be involved in the payment of the pecuniary amounts linked to the offence.

   To this end, it may exercise the powers provided for in Articles 92, 93, and 166 of this Provincial Regulation, draw up reports on the asset and financial position of the persons related to the offence and adopt the precautionary measures provided for in this article.

   These proceedings, their incidents, and results shall be immediately reported to the criminal judge, who shall decide on the confirmation, modification, or lifting of the measures adopted.

TITLE III
THE APPLICATION OF TAXES

CHAPTER I
GENERAL PRINCIPLES

SECTION ONE
TAX PROCEEDINGS

Article 82. Scope of the application of taxes.

1. The application of taxes includes all the activities of the tax authorities aimed at informing and assisting taxable parties and the management, inspection, and collection of taxes, as well as the actions of taxable parties in the exercise of their rights or in compliance with their tax obligations.

2. The exercise of the administrative activities and the acts of the taxable parties referred to in the previous section, which are carried out under mutual assistance, are also considered to be carried out under the application of taxes.

   The tax authorities may, through the competent authority, request and provide mutual assistance for the exchange of information, the collection of credits or for other purposes provided for in the regulations governing such assistance and may participate, together with the competent authorities of other States, through simultaneous inspections, under the terms established in the regulations on mutual assistance.

   Officials designated by the requesting State may, with the prior consent of the competent authority or through an agreement between the States, be present or participate in assisting other States by electronic means of communication.

   The activities of officials from other States in the Historical Territory of Bizkaia shall be carried out in accordance with the corresponding legislation, notwithstanding the applicable regulations on mutual assistance, under the terms established by law.

   Likewise, officials designated by the tax authorities may be present in other States or participate by electronic means of communication in requests for assistance made by the competent authority and may act in accordance with the terms established in the regulations on mutual assistance.

   The communications that the tax authorities initiate, through the competent authority, with other States or with international or supranational entities in accordance with the regulations on mutual assistance, shall be carried out by the means established in the regulations governing mutual assistance in each case. In the absence of specific regulations, communications shall preferably be made by electronic, computer, and telematic means.

3. The tasks of tax enforcement shall be exercised separately from that of resolving economic-administrative claims brought against decisions issued by the tax authorities.

4. The application of taxes shall be carried out through the administrative procedures of management, inspection, collection, and other proceedings provided for in this Title.

5. Notwithstanding the provisions of the Economic Agreement and this Provincial Regulation, the actions of the taxable parties before tax authorities other than the competent one shall have no effect.

6. Simultaneous inspections are actions carried out in agreement with one or more other States with a view to exchanging information obtained in relation to persons or entities that are of mutual or complementary interest to the States involved.

   The tax authorities may participate, together with the competent authorities of other States, in simultaneous inspections, under the terms established in the regulations on mutual assistance. This participation may include the participation by electronic means of communication of the officials designated by the tax authorities referred to in Section 2 of this article.

   The provisions of Article 94(1)(n) and (6) of this Provincial Regulation shall apply to the exchange of information obtained through any such inspections.

Article 82 bis. Joint inspections.

1. Joint inspections are inspection actions taken by the Tax Revenue Administration together with one or more other States regarding individuals or entities of common or complementary interest to intervening States, as per regulations on mutual assistance that may apply.

2. When the Bizkaia Provincial Council holds inspection power according to that established in the Economic Agreement, that stipulated in the following letters will apply to certain debtor taxpayers that are the subjects of joint inspections:

   a) The rights and obligations of Tax Revenue Administration civil servants on these inspections will be governed by the provisions referred to in chapter IV of title III of this Provincial Regulation, with the specialities established in this article and by the mutual assistance regulation.

      Likewise, for activities corresponding to joint inspections completed outside of Spain, the regulations of the State where said activities are carried out must also be respected. In all cases, Tax Revenue Administration civil servants participating therein may not exercise any powers that exceed those granted to them by Spanish law.

   b) The civil servants of States other than Spain taking part in the joint inspection may participate in the activities derived from said inspections carried out in Spain, subject to the laws applicable to them according to the terms established in the guidelines on mutual assistance. In particular, they may collect statements from the debtor taxpayer and examine the documents referred to in article 135.1 of this Provincial Regulation.

   c) Debtor taxpayers will be conferred the rights and obligations recognised by Spanish regulations of the State, or provincial ones where applicable.

   d) The Tax Revenue Administration will produce reports and adopt agreements as required to set the Spanish position.

3. The Tax Revenue Administration and that of other States involved in the joint inspection will complete it according to the terms previously coordinated and agreed upon, including that relating to the linguistic regime.

In all cases, the competent authority will name a representative responsible for the interactions with the State(s) intervening in the joint inspection. If the joint inspection activities are carried out in Spain, said representative will supervise and coordinate them.

4. Where applicable, the conclusions of the joint inspection actions will be documented in a final report that will be communicated to the debtor taxpayer(s) within a period of 60 calendar days from the date of its being issued. The Tax Revenue Administration will communicate said report to the debtor taxpayer(s) over whom it has inspection powers in compliance with that stipulated in the Economic Agreement.

   Where applicable, said report will include the events and circumstances relevant to the joint inspection, as well as the tax regime applicable thereto, for those where there is an agreement between intervening States, which must be taken into account in the tax proceedings that may be carried out as a result or in the process of the joint inspection. Likewise, it may expressly reflect any issue on which an agreement could not be reached that may not be taken into account in the aforementioned procedures.

SECTION TWO
INFORMATION AND ASSISTANCE FOR TAXABLE PARTIES

Article 83. Duty to provide information and assistance to taxable parties.

1. The tax authorities must provide taxable parties with the necessary information and assistance regarding their rights and obligations.

2. The activity referred to in the previous section shall be implemented, among others, through the following actions:

   a) Dissemination of updated texts of tax provisions, as well as the most important administrative doctrine.

      In particular, the texts of the Provincial Regulations and the tax rules in force will be provided, as they are amended, as well as a list of all the tax provisions that have been approved in each year.

      Likewise, the economic-administrative resolutions that are considered to have the greatest significance and impact will also be disseminated.

   b) Communications and reporting actions

      In particular, the tax authorities will inform taxpayers of the existing administrative criteria for the application of tax legislation and will make it possible to consult the computerised databases containing these criteria.

   c) Prior administrative liaison procedures.

   d) Assistance to taxable parties in filing self-assessments and tax returns.

3. The information measures provided for in this article may be carried out through the use and application of electronic, computerised, and telematic techniques and means.

4. Access, where appropriate, to the information and assistance measures referred to in this article shall be free of charge via the internet.

Article 84. Prior administrative liaison procedures.

1. The taxable parties may request that, prior to the occurrence of the taxable event or the end of the voluntary tax return period, the tax authorities issue a binding ruling on the tax consequences for said taxable parties arising from the occurrence of certain legal facts, acts, or transactions or from the carrying out of certain operations.

2. The provisions of the previous section shall be implemented through the following procedures:

   a) Written tax queries.

   b) Information prior to the acquisition or transfer of real estate.

   c) Preliminary valuation agreements.

   d) Advance tax clearing proposals.

Article 85. Written tax queries.

1. The taxable parties may submit duly documented queries to the tax authorities regarding the tax regime, classification, or tax status applicable to them in each case.

   Furthermore, tax queries may be made by bodies or entities, to be determined by the corresponding regulations, when they concern matters that affect their members or associates in general.

2. Written tax queries shall be made before the end of the period established for the exercise of rights, the filing of tax returns or self-assessments or the fulfilment of other tax obligations.

3. Queries shall be formulated in writing addressed to the tax authorities for a response, with at least the following content:

   a) Identification of the applicant.

   b) Background and circumstances of the case.

   c) Clear, precise, and unambiguous wording of the content of the query.

   The content of the queries referred to in this article may be extended by the corresponding regulations.

4. The tax authorities may archive, with a notification to the interested party, those queries that do not meet the requirements established in the previous sections and which are not rectified at the request of said authorities.

5. The tax authorities must reply in writing within six months of submission. Failure to response within this period does not constitute acceptance of the criteria expressed in the query letter.

6. The procedure and the administrative bodies responsible for processing and answering queries shall be determined by the corresponding regulations.

Article 86. Effects of responses to written tax queries.

1. Responses to written tax queries shall have binding effects, under the terms provided for in this article, for the tax authorities responsible for the application of taxes in relation to the taxable party.

   Responses to written tax queries that do not meet the requirements set out in the previous article shall have solely an informative nature.

   Until such time as the regulations or case law applicable to the case are amended, the criteria expressed in the response will be applied to the taxable party, provided that the circumstances, background, and other information set out in the queries letter have not been altered.

The tax authorities responsible for tax collection and enforcement must apply the criteria contained in the written tax queries to any taxable party, provided that the facts and circumstances of the taxable party are identical to those included in the reply to the query, unless the administrative doctrine applicable is modified by the body responsible for the response.

2. The tax authorities shall not be bound by replies to enquiries made within the period referred to in Section 2 of the previous article which raise questions related to the subject matter or processing of a procedure, appeal, or claim initiated previously.

3. The submission and answering of queries shall not interrupt the time limits established in the tax provisions for the fulfilment of tax obligations.

4. Taxable parties may not lodge an appeal against a response to a tax query. However, they may do so against the administrative decision(s) subsequently adopted in applying the criteria set out in the defence.

5. The tax authorities shall provide, at the request of the interested parties, the full text of specific enquiries, deleting any reference to data that would enable the identification of the persons concerned.

Article 87. Information prior to the acquisition or transfer of real estate.

1. The tax authorities will report on the value for tax purposes of the real estate included in the Bizkaia land register which is to be acquired or transferred, under the terms and with the effects determined in the regulations for each tax.

2. The interested party may not lodge an appeal against the valuation reported. It may do so against the administrative decision or acts subsequently adopted in relation to that information.

   Failure to respond shall not constitute acceptance of the value, if any, included in the interested party's application.

Article 88. Preliminary valuation agreements.

1. Taxable parties may request the tax authorities, when the Provincial Regulations or the regulations for each taxation system so provide, to determine, beforehand and in a binding manner, the valuation for tax purposes of income, products, goods, expenses, and other elements that determine the tax debt.

2. The request must be submitted in writing, before the taxable event takes place or, where applicable, within the deadlines established by the regulations for each tax.

   The request shall be accompanied by the valuation proposal made by the taxable party.

3. The tax authorities may verify the facts and circumstances declared by the taxable party.

4. The agreement of the tax authorities shall be issued in writing, indicating the valuation, the factual circumstances to which it refers, the tax to which it applies and its binding nature, in accordance with the procedure and within the deadlines established in the regulations for each tax. Failure by the tax authorities to respond within the deadline will imply acceptance of the values proposed by the taxable party.

5. As long as the regulations have not been amended or the economic circumstances on which the valuation was based have not changed significantly, the tax authorities that issued the agreement are obliged to apply the values expressed in the agreement. This

agreement shall be valid for a maximum period of three years unless otherwise provided for in the relevant regulations.

6. The taxable parties may not lodge any appeal against the resolutions regulated in this article. They may do so against the administrative decision(s) subsequently issued in applying the valuations included in the agreement.

Article 89. Concept and procedure for advance tax clearing proposals.

1. The taxable parties may submit to the tax authorities advance tax clearing proposals corresponding to certain particularly important or complex transactions, under the terms established by corresponding regulations.

2. The proposals referred to in the previous section must include, in addition to an exhaustive description of all the elements that may influence the determination of the tax debt corresponding to the transactions or combination of transactions for which this preliminary administrative binding procedure is proposed, alongside the calculation of the impact on the quantification of the corresponding tax debt carried out by the taxable party, with an explanation of the criteria used for this purpose.

3. Advance tax clearing proposals must be submitted to the tax authorities before the taxable event occurs, and for taxes with a tax period, before the end of the tax period in which the content of the proposal is to be applied.

   Proposals submitted after the deadline will be archived by the tax authorities.

4. The maximum time limit for deciding on advance tax clearing proposals is six months. Failure to approve them within this period does not imply acceptance of the criteria and quantification expressed in the proposal.

5. The procedure and requirements for the submission and approval of advance tax clearing proposals shall be regulated by corresponding regulations.

Article 90. Effects of the approval of advance tax clearing proposals.

1. The approval by the tax authorities of an advance tax clearing proposal is binding on the tax authorities, whose enforcement bodies must apply the content of the proposal, unless it is proven that the circumstances set out in the proposal are not in line with reality or that the applicable regulations have been modified.

2. No appeal or claim of any kind may be lodged against the decision on an advance tax clearing proposal, notwithstanding those that may be lodged against the administrative decision or decisions that are subsequently issued in applying the proposal.

SECTION THREE
SOCIAL COLLABORATION IN THE APPLICATION OF TAXES

Article 91. Social collaboration.

1. Interested parties may collaborate in the application of taxes under the terms and conditions determined by the corresponding regulations.

   This collaboration may be implemented through agreements between the tax authorities and other public administrations, private entities, or institutions or organisations representing social, labour, business, or professional sectors or interests.

2. The tax authorities may indicate the requirements and conditions for the social collaboration to be carried out through the use of electronic, computerised, and telematic techniques and means.

Article 92. Reporting obligations.

1. Natural persons or legal entities, whether public or private, as well as the entities mentioned in Article 34(3) of this Provincial Regulation, shall be obliged to provide the tax authorities with all kinds of data, reports, background information, and supporting documents with tax implications related to the fulfilment of their own tax obligations or those resulting from their economic, professional, or financial relations with other parties.

   More specifically:

   a) Withholding taxpayers and those required to make prepayments shall submit statements of payments in cash or in kind made to other persons or entities.

   b) Companies, associations, professional bodies, or other entities which, among their functions, collect professional fees or rights derived from intellectual, industrial, copyright, or other rights on behalf of their partners, associates, or members, must communicate this information to the tax authorities.

      The same obligation shall apply to those persons or entities, including banking, credit, or financial mediation entities in general, which, legally, statutorily, or habitually, manage or intervene in the collection of professional fees or commissions for the activities of fundraising, placement, assignment, or mediation in the capital market.

   c) The persons or entities depositing money in cash or in accounts, securities, or other assets of debtors to the taxable party in the enforcement period shall be obliged to inform the collection bodies and to comply with the requests made by them in the exercise of their functions.

   d) The persons and entities which, by application of the regulations in force, have knowledge of or are in a position to know the identity of the ultimate beneficial owners of the shares must comply with the tax authorities with the information requirements or obligations established by the corresponding regulations with regard to said identity.

   e) Legal persons or entities must inform the tax authorities of the identification of their beneficial owners. For this purpose, beneficial owners will be considered those defined in accordance with Article 4(2) of Law 10/2010 of 28 April on the prevention of money laundering and terrorist financing.

2. The obligations referred to in the previous section must generally be fulfilled in the manner and by the deadlines determined by the corresponding regulations, or by means of an individual request from the tax authorities, which may be made at any time.

3. Failure to comply with the obligations laid down in this article shall not be covered by banking secrecy.

   Individual requests relating to the transactions of current accounts, savings and term deposits, loan and credit accounts and other asset and liability transactions, including those reflected in suspense accounts or materialised in the issue of cheques or other payment orders, of banks, savings banks, credit cooperatives, and any other institutions engaged in banking or credit transactions, may be made in the exercise of inspection or collection functions, subject to authorisation by the tax authorities body to be determined by the corresponding regulations.

   The individual requests must specify the identification data of the cheque or payment order in question, or the transactions under investigation, the taxable parties concerned, the holders or authorised parties, and the period of time to which they refer.

   The investigation carried out under this section may concern the origin and destination of transactions or cheques or other payment orders, but in such cases shall not go beyond the identification of the persons and accounts to which this origin and destination relate.

4. Public officials, including official professionals, shall be obliged to cooperate with the tax authorities by providing any tax-related information in their possession, unless any of the following circumstances apply:

   a) The secrecy of the content of correspondence.

   b) The secrecy of the data provided to the authorities for exclusively statistical purposes.

   c) The confidentiality of notarial records applies to the public instruments referenced in Articles 34 and 35 of the Notarial Law, as well as those related to matrimonial matters or common-law couples, except for those concerning the financial joint ownership or matrimonial property regime applicable to such couples.

5. The obligation of other professionals to provide information with tax implications to the tax authorities does not extend to private, non-property data that they may come across in the course of their work, when the disclosure of which would violate personal and family honour or privacy. Nor does it extend to confidential client data of which it becomes aware as a result of the provision of professional, advisory, or defence services.

   Professionals may not invoke professional secrecy to prevent the verification of their own tax situation.

6. Under the terms established by corresponding regulations, the tax authorities may establish the requirements and conditions for the information to be supplied referred to in this article and the following article to be provided through the use of electronic, computerised, and telematic techniques and means.

Article 93. Authorities subject to the duty to inform and cooperate.

1. The authorities, whatever their nature, the heads of the organs of the State, the Autonomous Communities, the Historical Territories and local entities; autonomous bodies and public business entities; chambers and corporations, professional associations and organisations; mutual benefit societies; other public entities, including those managing Social Security and those who, in general, exercise public functions, shall be obliged to supply the tax authorities with any data, reports, and background information of tax significance that said authorities may request by means of general provisions or by means of specific requests, and to provide it and its agents with support, assistance, aid, and protection for the exercise of their functions.

   They shall also participate in the management or collection of taxes by means of warnings, recourse, and withholdings, whether documentary or monetary, in accordance with the provisions of the legislation in force.

2. Political parties, trade unions, and business associations shall be subject to the same obligations.

3. Courts and tribunals shall provide the tax authorities, either at their discretion or at the request of said authorities, with any information of tax importance arising from the judicial proceedings before them, respecting, where appropriate, the secrecy of the proceedings in a criminal case.

4. The Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences and the Commission for the Oversight of Terrorist Financing Activities, as well as the Secretariat of both commissions, shall provide the tax authorities with any information of tax significance obtained in the exercise of their functions, either at their discretion, generally, or after an individual request, under the terms established by the corresponding regulations.

   The tax authorities may use the information provided to rectify the tax situation of the taxable parties in the course of the limited verification procedure or in any of the inspection procedures, without it being necessary to issue the request referred to in Section 3 of the previous article.

5. The transfer of personal data that must be made to the tax authorities in accordance with the provisions of the previous article, in the previous sections of this article, or in any other legal regulation, shall not require the consent of the data subject. The provisions of Article 21(1) of Organic Law 15/1999, of 13 December, on the Protection of Personal Data shall not apply in this area.

Article 94. Confidentiality of data with tax implications.

1. The data, reports, or background information obtained by the tax authorities in the performance of their duties are confidential and may only be used for the effective application of the taxes or resources whose management is entrusted to them and for the enforcement of the appropriate penalties, and may not be transferred or communicated to third parties, unless the purpose of the transfer is aimed at:

   a) Cooperating with the courts and the Public Prosecution Service in the investigation or prosecution of offences that cannot be prosecuted solely at the request of the injured party.

   b) Cooperating with other tax authorities for the purpose of complying with tax obligations within the scope of their competences.

   c) Cooperating with the Labour and Social Security Inspectorate and with the Social Security management bodies and common services in the fight against fraud in the contribution and collection of Social Security contributions and in obtaining and enjoying the benefits paid for by the system, for the determination of the level of contribution of each user in the benefits of the National Health System, as well as collaboration with the Social Security management bodies for the adjustment of contributions of the self-employed referred to in Article 308 of the consolidated text of the General Social Security Law.

   d) Collaboration with public authorities for the prevention and fight against tax offences and against fraud in obtaining or receiving aid or subsidies from public funds or the European Union, including appropriate measures to prevent, detect and correct fraud, corruption and conflicts of interest affecting the financial interests of the European Union.

   e) Cooperating with the investigation committees set up in the General Assembly, as well as with any other parliamentary investigation committees within the framework established in Article 94 bis of this regulation.

   f) Protecting the rights and interests of minors and incapacitated persons by the courts or the Public Prosecution Service.

   g) Cooperating with the Basque Court of Auditors in the exercise of its audit functions.

   h) Cooperating with judges and courts for the enforcement of final judicial decisions. A judicial request for information shall require an express decision in which, after weighing up the public and private interests affected in the matter in question and having exhausted other means or sources of knowledge of the information requested, the need to obtain information from the tax authorities is justified.

   i) Cooperating with the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences, with the Commission for the Oversight of Terrorist Financing Activities and with the Secretariat of both commissions, in the exercise of their respective functions.

j) Cooperating with public law bodies or entities responsible for the collection of non-tax public resources for the correct identification of those liable for payment.

k) The use of data for statistical purposes by the competent public administrations in statistical matters for the fulfilment of the functions attributed to them by Law 4/1986, of 23 April, on Statistics of the Autonomous Community of the Basque Country. The request for information shall justify the specific purposes of the statistical work for which the transfer of the tax data is required. These data shall in any case be used for aggregate data reporting and may not be stored on an individual basis.

l) Cooperating with public administrations for the performance of their functions, subject to the prior authorisation of the taxable parties to whom the data provided refer.

m) Cooperating with the territorial public administrations of the Autonomous Community of the Basque Country for the collection of public law revenue under their jurisdiction.

n) The exchange of information under mutual assistance legislation.

   The tax authorities may provide other States or international or supranational entities with data, reports, or background information obtained in the performance of their duties, provided that the purpose of the transfer is the application of taxes owned by other States or international or supranational entities, under the terms and within the limits established in the regulations on mutual assistance, notwithstanding the fact that the State or entity receiving the information may use it for other purposes when so established in said regulations.

   In order to provide this information, the tax authorities shall take the necessary steps to obtain it, even when the information requested is not necessary for the assessment of its internal taxes. To this end, the authorities may use any of the mechanisms for obtaining information regulated in this Provincial Regulation.

   The tax authorities may object or must expressly authorise, under the terms established in the regulations on mutual assistance, that the information provided in accordance with the previous section be transmitted to a third State or international or supranational entity.

o) Cooperating with the Official Chambers of Commerce, Industry, Services, and Navigation for the purposes of drawing up the registries provided for in Article 8 of Law 4/2014, of 1 April, Basic Law of the Official Chambers of Commerce, Industry, Services, and Navigation.

p) Cooperating with the General Council of Lawyers and the Bar Associations for the recognition of the right to free legal aid, with the prior authorisation of the taxable parties to whom the data provided refers.

q) The use by the other administrative bodies of the Bizkaia Provincial Council of the identification data of the obligors for the exercise of the public functions entrusted to them, as well as for the proper development of the e-Government services of the Bizkaia Provincial Council.

r) The cases provided for in European Union law and in international treaties and agreements that form part of the legal system.

s) Collaboration with the Asset Recovery and Management Office by providing the necessary data, reports or background information for locating assets and rights liable to be seized or confiscated in specific criminal proceedings, provided this circumstance is duly verified.

t) Collaborating with the entities in charge of managing the non-contributory economic benefit of the Social Security minimum living wage established in Royal Decree-Law 20/2020, of 29 May.

v) Collaboration with the entities responsible for the procedures for awarding contracts and granting subsidies linked to the implementation of the Recovery, Transformation and Resilience Plan in relation to the systematic analysis of the risk of conflict of interest.

2. In the cases of transfer provided for in the previous section, tax information should preferably be provided by computers or telematic means. Where information is available to the public administrations by such means, they may not require interested parties to provide certificates from the tax authorities in relation to said information.

3. The tax authorities shall take the necessary measures to ensure the confidentiality of tax information and its proper use.

   Any authorities, civil servants, or other personnel in the service of the tax authorities who have knowledge of any such data, reports, or background information shall be bound to the strictest and most complete confidentiality in relation to them, except in the aforementioned cases.

   If the possible existence of an offence that cannot be prosecuted solely at the request of an injured party is established, the tax authorities shall transfer the case or submit to the Public Prosecution Service a detailed account of the facts that are deemed to constitute an offence. Proceedings may also be initiated directly by means of a private criminal complaint through the competent body.

4. The confidential nature of the data provided for in this article shall not prevent the publication of said data when this is derived from European Union regulations.

5. Withholders and persons required to make payments on account may only use data, reports, or records relating to other taxable parties for the due fulfilment and effective application of the obligation to make payments on account. Said data must be communicated to the tax authorities in the cases provided for in the regulations for each tax.

   Except as provided for in the preceding paragraph, any such data, reports, or background information shall be confidential.

   Withholders and persons obliged to make prepayments are subject to the strictest and most complete confidentiality with regard to them.

6. The transfer to third parties of information provided to the tax authorities by other States or by international or supranational entities under regulations on mutual assistance shall be possible only if the law of the State or entity that has provided the information permits its use for similar purposes, unless the regulations on assistance provide otherwise.

   Where appropriate, the information referred to in this section may be forwarded to other States or other international or supranational entities if and under the conditions laid down in the regulations on mutual assistance.

Article 94 bis.

1. The tax authorities shall provide, within a maximum period of five working days, any data, reports, background information, or documents requested by the investigation committees set up in the General Assembly or any other parliamentary investigation committees, provided that the following conditions are met:

   a) Which relate to the following persons:

One Natural persons who hold or have held, by election or appointment, their activity as senior officials or equivalent in all Public Administrations, their autonomous bodies, Public Law entities and Chairpersons and Executive Directors or equivalent of the bodies and companies dependent on them and of the trading companies in which the Public Administrations or other Public Law entities have a majority direct or indirect shareholding or are linked to them due to forming a decision-making unit with them.

Two Individuals who, in connection with those described in section one, have or had, at the time relevant to the investigation, the status of spouse, common-law partner, individuals living together in a similar intimate relationship, a dependent son or daughter, ward or relatives up to the second degree by blood or marriage.

The provisions in the preceding paragraph regarding spouses, common-law couples or individuals living together in a similar intimate relationship shall apply irrespective of the financial or matrimonial property regime applicable to them.

Three Entities and legal entities in which the persons listed in points one and two above have, either directly or indirectly, either individually or jointly, a shareholding of more than 10% or in whose management, consulting, or administration they have had a shareholding.

Four Any other entities or legal entities that maintain or have maintained agreements or contracts of any nature with the state, regional, or local public sector, are subcontractors of these companies, receive subsidies from any public administration, or that are related to the scope of the investigation committee.

b) The subject matter of the investigation is related to the holding of public office by the persons described in Section a) point one of this article.

c) These committees understand that without such data, reports, background information, or documents it would not be possible to fulfil the function for which they were created.

2. The provisions of this article shall apply to the investigation committees set up in the General Assembly of Bizkaia and to the parliamentary investigation committees of the Basque Parliament, unless specific legislation is applicable to said committees, in which case the aforementioned legislation shall apply provided that it does not go beyond the content of this article.

   The legislation in force in their historical territory shall apply to the investigation committees set up in the General Assemblies of Álava and Gipuzkoa, provided that it does not go beyond the content of this article.

   Parliamentary investigation committees shall be subject to the legislation applicable to them and, failing that, to the ordinary tax legislation insofar as it does not go beyond the content of this article.

3. The data, reports, background information, or documents sent by the tax authorities to the investigation committees set up in the General Assembly or to the parliamentary investigation committees may only be made public if they form part of the conclusions of the investigation, with the rest of the data provided being subject to secrecy.

Article 94 ter. Disclosing situations of significant non-compliance with tax obligations.

1. The tax authorities shall agree to periodically publish lists of debtors to the tax authorities, including those who have been declared jointly and severally liable as debtors, for tax debts or penalties when the following circumstances apply:

   a) The total amount of tax debts and penalties pending payment, including, where applicable, those that have been demanded after the declaration of joint and several liability, exceeds the amount of 600,000 euros.

b) These tax debts or penalties have not been paid after the deadline for payment in the voluntary period.

c) The tax debts and penalties must be final in both administrative and judicial proceedings. For tax debts and penalties arising from assessments linked to an offence against the Public Treasury, there must be a final conviction for a crime against the Public Treasury.

In cases involving debts included in liability declaration agreements, the payment period provided for in Article 60.1 of this Provincial Regulation must have elapsed after notification of the liability declaration agreement and, where applicable, of the agreement demanding payment.

For the purposes of the provisions of this article, tax debts and penalties that are deferred, paid in instalments, or suspended shall not be included.

2. These lists shall include the following information:

a) The identification of the debtor in accordance with the following details:

- Natural persons: name, surname, and Tax Identification Number.

- Legal entities and entities listed in Article 34(3) of this Provincial Regulation: full name or company name and Tax Identification Number.

b) The total amount of outstanding debts and penalties taken into account for publication purposes.

3. The disclosure regulated in this Article shall refer exclusively to the taxes in relation to which the Bizkaia Provincial Treasury is competent to apply them, to exercise the power to impose penalties and the powers of review, and shall not apply in those cases in which powers have been delegated to it by the local entities of the Historical Territory.

4. The determination of whether the requirements for inclusion on the list are met shall take as a reference date 31 December of the year preceding the year in which the agreement was published, whatever the amount outstanding at the date of that agreement.

The proposed inclusion in the list shall be communicated to the debtor concerned, who may submit any pleadings within ten days from the day following receipt of the communication. For these purposes, it will be sufficient for the tax authorities to have accredited that an attempt has been made to notify the person or entity concerned at the tax address of the person or entity concerned, containing the full text of its contents, in order to understand that said notification has been made.

If, before the end of the period for making pleadings, an amount of the sum owed is paid so that, after payment, the total of the tax debts and penalties pending payment referred to in Section 1 of this article, referring to 31 December of the previous year, does not exceed the amount of 600,000 euros, the debtors shall not be included in the lists of debtors to the Public Treasury for tax debts or penalties.

The provisions of the preceding paragraph shall only apply where the payment is not less than 25% of the amount due at the reference date.

The pleadings must relate exclusively to the existence of clerical, factual, or arithmetical errors in relation to the requirements set out in Section 1 of this article.

As a result of the pleadings procedure, the tax authorities may agree to rectify the list when it is reliably accredited that the legal requirements determined in Section 1 of this article are not met.

Such a rectification may also be made at their discretion.

Once the appropriate rectifications have been made, a publication decision shall be taken.

Notification of the agreement shall be deemed to have taken place with its publication and that of the list.

By Provincial Order of the Councillor of the Department of Treasury and Finances, the date of publication, which must take place in the first half of each year, and the corresponding files and registers shall be established.

Publication shall in all cases be by electronic means, and the necessary measures shall be taken to prevent indexing of their content by internet search engines, and the lists shall cease to be accessible after three months from the date of publication.

The processing of data necessary for publication shall be subject to the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation), and Organic Law 3/2018 of 5 December on the Protection of Personal Data and the Guarantee of Digital Rights, as well as its implementing regulations.

5. Within the sphere of competence of the Bizkaia Provincial Council, the Director or Director-General of the Provincial Tax Authority shall be competent to issue the publication resolutions regulated in this article.

6. The publication of the list shall specify that the situation described on the list is that existing on the reference date indicated in Section 4, without the publication of it being affected by the actions carried out by the debtor after that reference date, unless payment is verified in the instances and with the requirements specified in that section.

   The provisions of this article shall in no way affect the appeal system established in this Provincial Regulation in relation to the actions and proceedings from which tax debts and penalties arise, nor shall it affect the tax enforcement actions and proceedings initiated or which may be initiated subsequently in relation to them.

   The proceedings carried out in the procedure established in this article in order to publish the information regulated in it do not constitute a cause for interruption for the purposes set out in Article 69 of this Provincial Regulation.

7. The decision to publish the list will put an end to the administrative procedure.

CHAPTER II
COMMON PROVISIONS ON TAX PROCEEDINGS AND PROCEDURES

Article 95. Regulation of tax proceedings and procedures.

Tax enforcement proceedings and procedures shall be regulated:

a) By the special provisions established in this Title as well as by the procedural rules set out in other Provincial Regulations with tax content, and the regulations issued in their development.

b) In addition, by the general provisions on administrative procedures.

SECTION ONE
SPECIAL FEATURES OF ADMINISTRATIVE PROCEEDINGS IN TAX MATTERS

SUBSECTION ONE
STAGES OF TAX PROCEEDINGS

Article 96. Initiation of tax proceedings and procedures.

1. Tax proceedings and procedures may be initiated at the discretion of the tax authorities or at the request of the taxable party, by means of a self-assessment, tax return, request, or any other means provided for in the tax regulations.

2. The documents initiating tax proceedings and procedures must include, in all cases, the name and surname or company name and the tax identification number of the taxable party and, where applicable, of the person representing them.

3. The tax authorities may approve standardised models and systems for self-assessments, tax returns, applications, or any other means provided for in the tax regulations for cases in which there is a mass processing of tax proceedings and procedures.

4. Within the scope of competence of the Provincial Council, the instances and conditions in which taxable parties must file their tax returns, self-assessments, requests, and any other document with tax implications by telematic means may be determined by the corresponding regulations.

Article 97. Development of tax proceedings and procedures.

1. In the development of tax proceedings and procedures, the tax authorities shall at all times facilitate the exercise of the rights of taxable parties and the fulfilment of their obligations, under the terms set out in the following sections.

2. Taxable parties must duly cooperate with the tax authorities in the performance of their duties in the procedures for the enforcement of taxes.

3. Taxable parties may refuse the filing of documents which are not required by tax legislation and those which have been previously submitted by themselves and that are in the possession of the tax authorities. The interested party may, in any case, be asked to ratify specific information previously provided by said party or by third parties.

4. Taxable parties are entitled to be issued with a certificate of the self-assessments and tax returns they have filed or of specific points contained in them.

5. A taxable party to tax proceedings or procedures may obtain copies of the documents contained in the file at this party's own expense, unless they affect the interests of third parties or the privacy of other persons, or if so stipulated by the regulations in force.

   In procedures where there is a hearing or, in the absence of a hearing, a period for statements subsequent to the draft decision, copies shall be made available during the procedures.

6. Access to the records and documents that form part of a file that has been completed at the date of the application and that are held in the administrative archives may only be requested by the taxable party that has been a party to it, unless they are reserved under the terms of Article 94 of this Provincial Regulation.

7. The taking of evidence in tax proceedings shall not require the opening of a specific period or prior notification of the proceedings to the interested parties.

8. The proceedings of the tax authorities in tax application procedures shall be documented in notifications, formalities, reports, and other documents provided for in the specific regulations for each procedure.

   Notifications are the documents by means of which the tax authorities notify the taxable party of the commencement of the procedure or other facts or circumstances relating to it, or issue the necessary requests to any person or entity. The notifications may be incorporated into the content of the proceedings documents issued.

   These are the public documents that are drawn up to record facts, as well as the statements of the taxable party or the person with whom the proceedings are carried out. The proceedings documents may not contain proposals for tax settlements.

   The bodies of the tax authorities shall issue, at their discretion or at the request of third parties, the reports that are mandatory in accordance with the legal system, those requested by other bodies and services of the public administrations or the legislative and judicial powers, under the terms provided for in current legislation, and those that are necessary for the enforcement of taxes.

9. In all tax enforcement proceedings in which a draft decision is to be notified, the interested party shall be given a hearing before the draft decision is drawn up, so that said party may put forward any pleadings that may be relevant to their rights.

   However, where the rules governing the procedure provide for a statement of case after the draft decision, the file shall be made available at that stage.

10. The proceedings of the tax authorities and taxable parties in tax enforcement procedures may be carried out through digital systems which, by means of video conferencing or other similar systems, allow two-way and simultaneous communication of image and sound, visual, auditory, and verbal interaction between the taxable parties and the acting body, and guarantee the secure transmission and receipt of the documents which, where appropriate, reflect the result of the proceedings carried out, ensuring their origin, authenticity, and integrity.

    The use of these systems shall be subject to the prior agreement of the obligors and shall depend upon the nature of the proceedings and the availability of the necessary means for the persons with whom these proceedings are to be carried out. However, through the corresponding regulations, the tax authorities may establish the cases in which taxable parties are obliged to carry out these proceedings through the digital systems referred to in this section. The identity of the persons concerned must be acknowledged by the personnel carrying out the inspections and expressly stated in a document to be signed by both parties.

    The aspects related to the electronic signature of the documents referred to in Section 8 of this article through the electronic office of the Bizkaia Provincial Council, the granting of representation via an electronic attendance, the disclosure of files by electronic means, as well as any other aspect necessary for the due performance of the procedures for the application of taxes by electronic means, shall be determined by corresponding regulations.

Article 98. Termination of tax procedures.

1. Tax proceedings shall be terminated by resolution, withdrawal, waiver of the right on which the application is based, the material impossibility of continuing them for unforeseen reasons, lapse of time, fulfilment of the obligation that has been the subject of the request, or any other cause provided for in tax legislation.

2. The response made automatically by the tax authorities in those procedures in which this form of termination is foreseen shall be deemed to be a decision.

SUBSECTION TWO
TAX SETTLEMENTS

Article 99. Tax settlements: concept and types.

1. A tax settlement is the act by which the competent body of the tax authorities carries out the necessary quantification operations and determines the amount of the tax debt or the amount to be refunded or offset, as the case may be, in accordance with tax regulations.

   The tax authorities are not obliged to adjust tax settlements to the data provided by the taxable parties in self-assessments, tax returns, requests, or any other document.

2. Tax settlements shall be provisional or final.

3. The following shall be considered final:

   a) Those carried out in an inspection procedure after verification and investigation of all the elements of the tax obligation, except for the provisions of Article 144(3) of this Provincial Regulation.

   b) Any others to which the tax regulations grant such status.

4. In all other cases, tax settlements shall be provisional.

Article 100. Notification of tax settlements.

1. The tax settlements shall be notified to the taxable parties under the terms set out in Section 3 of this chapter.

2. Settlements shall be notified with the following information:

   a) Identification of the taxable party.

   b) The elements determining the amount of the tax debt.

   c) The reasons for them when they do not correspond to the data provided by the taxable party or to the application or interpretation of the regulations made by the taxable party, stating the essential facts and elements that give rise to them, as well as the legal grounds.

   d) The means of challenge that may be exercised, the body before which they may be brought and the time limit for bringing them.

   e) The place, time, and manner in which the tax debt is to be paid.

   f) Whether it is provisional or final.

3. For taxes collected periodically by receipt, once the settlement corresponding to the registration in the respective register, census, or enrolment has been notified, successive settlements may be notified collectively by means of notices to that effect.

   The tax base increase over the tax base resulting from the tax returns must be notified to the taxpayer with a specific indication of the facts and additional elements that give rise to it, except when the modification comes from general revaluations authorised by the Provincial Regulations, or when there are other variations or alterations, also of a general nature, to the other elements making up the tax, as provided for in the local tax regulations.

4. Express notification is not required in the cases determined by the corresponding regulations, provided that the tax authorities so notify the taxable party in writing, as well as

in the case of provisional settlements made in the case of refunds resulting from the filing of self-assessments in which the amount actually refunded coincides with the amount requested to be refunded.

SUBSECTION THREE
OBLIGATION TO SETTLE AND TIME LIMITS FOR RESOLUTION

Article 101. Obligation to settle.

1. The tax authorities are obliged to expressly settle all matters arising in tax enforcement proceedings, and to notify such an express decision.

2. There shall be no obligation to expressly settle in procedures relating to the exercise of rights that must only be communicated by the taxable party and in those in which there is a lapse, supervening loss of purpose, waiver, or withdrawal by the interested parties.

   However, where the interested party expressly requests that the tax authorities declare that any of the aforementioned circumstances have arisen, the authorities shall be obliged to respond to said party's request.

3. Settlement decisions, value assessment decisions, decisions imposing an obligation, decisions denying a tax benefit or suspending the execution of tax enforcement actions, as well as any others provided for in the regulations in force, shall be justified with a brief reference to the facts and legal grounds.

Article 102. Deadlines for resolution and effects of the lack of express resolution.

1. The maximum time limit within which the decision must be notified shall be that set by the regulations governing the relevant procedure. Where the provisions governing the procedures do not fix a maximum time limit, this shall be six months. The time limit shall be calculated:

   a) In proceedings initiated at the discretion of the tax authorities, from the date of notification of the decision to initiate the proceedings.

   b) In procedures initiated at the request of the interested party, from the date on which the document has entered the register of the authority responsible for processing it.

      This section does not apply to the enforcement procedure, which may continue until the limitation period has expired.

2. For the sole purpose of understanding that the obligation to notify within the maximum period for the duration of the proceedings has been fulfilled, it shall be sufficient to prove that an attempt at issuing a notification containing the full text of the decision has been made.

   In cases involving an obligation or voluntary option to receive notifications made by electronic means, the obligation to notify within the maximum duration of the procedures shall be understood to be fulfilled with the notification being made available to the interested party, regardless of the time at which it is considered to have been made.

   Periods of justified interruption specified by corresponding regulations and delays in the procedure for reasons not attributable to the tax authorities shall not be included in the calculation of the time limit for reaching a decision.

3. In proceedings initiated at the request of a party, the expiry of the maximum time limit without notification of an express decision shall have the effects established by its regulatory framework. To this end, any procedure for the application of taxes must expressly regulate the system of presumed acts that corresponds to it.

In the absence of such a regulation, interested parties may consider their requests to have been granted by administrative silence, except for those formulated in procedures for the exercise of the constitutional right to petition and in those for challenging acts and provisions, in which silence shall have the effect of dismissal.

When the procedure is suspended for reasons attributable to the taxable party, the tax authorities shall warn said party that, after three months, it may declare the procedure to have lapsed.

4. In procedures initiated at the discretion of the tax authorities, the expiry of the maximum period established without an express decision having been notified shall produce the effects provided for in the regulations governing each procedure for the application of taxes. In the absence of express regulation, the following effects shall apply:

    a) In cases involving procedures that may result in the recognition or, where appropriate, the creation of rights or other individual legal situations, the taxable parties may consider the possible favourable effects deriving from the procedure to have been rejected by administrative silence.

    b) Procedures that are likely to have adverse or burdensome effects shall be deemed to have lapsed.

5. Once the procedure has lapsed, it shall be declared null and void, either at the discretion of the tax authorities or at the request of the interested party, and the proceedings shall be dismissed.

    Said expiry shall not, in itself, result in the limitation period for the exercise of the powers of the tax authorities, but the actions carried out in the expired procedures shall not interrupt the limitation period nor shall they be considered to be administrative requirements for the purposes set out in this Provincial Regulation.

    Proceedings conducted in the course of an expired procedure, as well as documents and other evidence obtained in said proceedings, shall remain valid and effective as evidence in other proceedings initiated or which may be initiated subsequently in relation to the same or another taxable party.

    Notwithstanding what is indicated in the first paragraph of this section, in order to initiate a new procedure in relation to the same taxable party, it shall not be necessary to make a prior or simultaneous express declaration that the previous procedure has lapsed.

    In any case, the aforementioned declaration may be notified alongside the commencement of the new procedure, regardless of whether it is processed by the same body or a different one.

SECTION TWO
EVIDENCE

Article 103. Means, assessment, and burden of proof.

1. In tax procedures, the provisions on means and assessment of evidence contained in the Civil Code and in the Code of Civil Procedure shall apply, unless the tax regulations establish otherwise.

    Evidence or information provided by other States or international or supranational entities under mutual assistance may be incorporated into the relevant procedure, with the appropriate evidentiary value in accordance with the preceding paragraph.

2. In tax enforcement procedures, parties seeking to assert a claim bear the burden of proving the facts constituting the claim.

3. If the evidence is already in the possession of the tax authorities, the taxable parties satisfy their burden of proof by specifically designating the evidence.

Article 104. Special provisions on means of evidence.

1. The Provincial Regulation governing each tax may establish the formal requirements that must be met in order for certain transactions, relevant to the quantification of the tax obligation, to be considered deductible.

2. Deductible expenses and the deductions that are made, when they originate from trading activity carried out by entrepreneurs or professionals, must be justified, as a priority, by means of the invoice issued by the entrepreneur or professional who has carried out the corresponding transaction and which meets the requirements set out in the tax regulations.

   However, when the tax authorities find sufficiently well-founded indications that question its effectiveness, the invoice will lose its evidential value and the taxable party will have to provide relevant evidence of the true nature of the transactions.

3. In those cases in which the bases or tax payable offset or pending offset or the deductions applied or pending application originated in years in relation to which the exercise of the tax authorities' power to determine the tax debt has lapsed or expired, as the case may be, regarding their origin and amount, as well as the confirmation of the concurrence in those years of the factual assumptions necessary for the entitlement of the right to the corresponding offsetting, application, or refund, must be accredited by means of the filing of the settlements or self-assessments in which they were included, the accounts, and the appropriate supporting documents.

Article 105. Evidentiary value of the documents.

1. The documents drawn up in the course of tax proceedings and procedures are deemed to be public documents and are evidence of the facts on the basis of which they were drawn up, unless proven otherwise.

2. The facts contained in said documents and accepted by the taxable party subject to the procedure, as well as their statements, are presumed to be true and may only be rectified by said party after proving a factual error.

Article 106. Presumptions in tax matters.

1. The presumptions established by the tax provisions may be invalidated by proof to the contrary, except in cases where this is expressly prohibited by a Provincial Regulation.

2. In order for presumptions not established by the Provincial Regulations to be admissible as evidence, it is essential that there is a precise and direct link between the proven fact and the fact to be deduced according to the principles of human judgement.

3. The tax authorities may consider as the owner of any property, right, company, service, activity, operation, or function anyone who appears as such in a tax register or in other public registers, unless there is proof to the contrary.

4. The data and facts stated in the self-assessments, tax returns, and other documents filed by the taxable parties are presumed to be true for them and may only be rectified by them by means of proof to the contrary.

   The data included in tax returns or responses to requests in compliance with the obligation to provide information set out in Articles 92 and 93 of this Provincial Regulation that are to be used to rectify the tax situation of other taxable parties are presumed to be true, but must be checked in accordance with the provisions of this section when the taxable party alleges that they are inaccurate or false. To this end, the declarant may be required to ratify and provide proof of the data relating to third parties included in the tax returns filed.

5. For tax obligations with settlement periods of less than one year, a linear distribution of the resulting annual tax liability between the corresponding settlement periods may be made when the tax authorities cannot, on the basis of the information in their possession, attribute it to a specific settlement period in accordance with the regulations governing the tax, and the taxable party, when expressly requested to do so, does not justify that the application of a different time frame is more suitable.

SECTION THREE
NOTIFICATIONS

Article 107. Notifications on tax matters.

1. The system of notifications to the taxable party shall be that provided for in the general administrative regulations with the special features established in Article 100 and in Article 179(4) of this Provincial Regulation and in this section.

2. Notifications may be made by telematic means when the interested party has expressly consented to their use and has determined that these means are preferred, notwithstanding the provisions of Section 3 below.

   The notification system shall allow accreditation of the date and time at which the interested party is made aware of the decision being notified, as well as access to its content, at which time the notification shall be deemed to have been made for all intents and purposes.

   When 20 calendar days have passed without access to the content of the notification being made available, it shall be understood that the notification has been rejected with the effects provided for in Article 109(2) of this Provincial Regulation, unless the technical or material impossibility of access is proven at the discretion of the tax authorities or at the request of the addressee.

3. Through the corresponding regulations, the tax authorities may establish the cases in which it is compulsory to communicate with them using only electronic means.

Article 107 bis. Assistance with notifications.

Within the framework of mutual assistance, administrative decisions issued by the tax authorities may be notified, through the competent authority, in the territory of another State with the assistance of the competent authority of that other State.

Any such notifications shall take effect only upon receipt of a communication from the authority concerned that the requested notification has been carried out.

In cases where assistance has been requested from another State, if within two months of sending the notification request it has not been possible to issue the notification abroad or the tax authorities have not received a response from the authority concerned regarding the date of notification of the document to the addressee, said authorities may proceed with notification by summons as regulated in Article 110 of this Provincial Regulation.

If, in such cases, the act is notified twice, the date of notification shall be deemed to be the date when the first notification was issued.

The documents to be served shall be sent to the addressee in the language in which they are received by the tax authorities, unless otherwise provided for in the provisions on mutual assistance.

Article 108. Place of performance of the notifications.

1. In procedures initiated at the request of the interested party, notification shall be made at the place indicated for this purpose by the taxable party or this party's representative or, failing this, at the tax domicile of one or the other.

2. In procedures initiated at the discretion of the tax authorities, the notification may be made at the taxable party's tax domicile or their representative, at their place of work, at the place where the economic activity is carried out or at any other place where there is evidence of receipt by the interested party or their representative of the notified decision.

3. Under mutual assistance, notification may be made, where appropriate, in addition to the places provided for in the preceding sections, at the place indicated for this purpose by the foreign authority.

   In those cases in which it is not possible to notify the interested party for reasons not attributable to the tax authorities and attempted either at the tax domicile or at the place indicated for this purpose by the foreign authority, the provisions of Article 110 of this Provincial Regulation shall apply.

Article 109. Persons entitled to receive notifications.

1. When the notification is made at the place indicated for this purpose by the taxable party or by that party's representative, or at the tax domicile of one or the other, if they are not present at the time of delivery, any person who is at that place or domicile and can prove their identity, as well as the employees of the residents' or owners' association where the place indicated for the purpose of notifications or the tax domicile of the taxable party or their representative is located, may receive the notification.

   When the notification is made by telematic means, it may be handled by the taxable party or their representative, as well as by the natural or legal entities authorised by them to file and consult tax returns, self-assessments, requests, and any other document with tax implications on their behalf.

2. Refusal of notification by the interested party or that party's representative shall be deemed to have been carried out for all legal purposes.

Article 110. Notification by summons.

1. When it is not possible to notify the taxable party or their representative for reasons not attributable to the tax authorities and notification has been attempted at least twice at the tax domicile, or at the domicile designated by the interested party, the circumstances of the notification attempts shall be recorded in the file. A single attempt shall be sufficient where the addressee is unknown at that address or location.

   In this case, the interested party or their representative shall be notified by summons by means of notices to be published, once only for each interested party, by one of the following means:

   a) Through the electronic office of the tax authorities, under the conditions established in the regulations on citizens' electronic access to public services.

      The tax authorities shall publish by this means the notices corresponding to the notifications that they must issue, in the exercise of the powers that correspond to them in enforcing the tax system. By Provincial Order of the Provincial Councillor for Treasury and Finances, the conditions, dates of publication, and time limits for the publication of notices in the electronic office of the tax authorities shall be determined.

   b) In the “Official Gazette of Bizkaia”, on the 5th and 20th of each month or, where appropriate, on the immediately following working day.

      In cases where the last known domicile is outside Bizkaia, these notices may also be displayed at the Town Hall corresponding to the last known tax domicile. If the last known domicile is abroad, the notice may be displayed at the Consulate or Consular Section of the Embassy concerned.

2. The list of pending notifications will be published in the electronic office and in the “Official Gazette of Bizkaia”, indicating the taxable party or their representative, the procedure for the notifications, the body responsible for processing them and the place and time limit in which the addressee of the notifications must appear to be notified.

   In any case, the appearance must take place within 15 calendar days, counting from the day following that of the publication in the electronic office or the publication of the announcement in the “Official Gazette of Bizkaia”. Once this period has elapsed without an appearance, the notification will be understood to have taken place for all legal purposes on the day following the expiry of the aforementioned period.

3. When the commencement of a procedure or any of its formalities is deemed to have been notified because the taxable party or the corresponding representative has not appeared, said party shall be deemed to have been notified of the successive proceedings and steps in the procedure, and the right to appear at any time during the procedure shall be maintained. However, the settlements issued in the proceedings and the agreements for the disposal of the assets subject to attachment shall be notified in accordance with the provisions of this section.

SECTION FOUR
ENTRY INTO THE TAXABLE PARTY'S DOMICILE

Article 111. Judicial authorisation for entry into the taxable party's domicile.

When it is necessary in tax proceedings and procedures to enter or search the constitutionally protected home of a taxable party, the tax authorities must obtain the consent of said party or the appropriate judicial authorisation.

The request for judicial authorisation for the execution of the agreement to enter the aforementioned home must be duly justified and state the purpose, need, and reason for the entry.

Both the request and the granting of judicial authorisation may be made, even prior to the formal commencement of the corresponding proceedings, provided that the entry agreement contains the identification of the taxable party, the items and periods that are to be checked and that they are provided to the judicial body.

SECTION FIVE
PUBLIC ACCUSATIONS

Article 112. Public accusations.

1. By means of public accusation, the tax authorities may be informed of facts or situations that may constitute tax offences or be of importance for the enforcement of taxes. A public accusation shall be independent of the duty to collaborate with the tax authorities regulated in Articles 92 and 93 of this Provincial Regulation.

2. Once an accusation has been received, it shall be forwarded to the competent body for any action that may be appropriate. This body may decide to close the claim when it is considered unfounded or when the facts or the persons accused are not sufficiently specified or identified.

   Proceedings may be initiated if there is sufficient evidence of the truthfulness of the alleged facts and they are unknown to the tax authorities. In this case, the accusation shall not form part of the administrative file.

3. The complainant shall not be considered to be an interested party in the administrative proceedings initiated as a result of the claim and shall not be informed of the outcome of those proceedings. Nor shall said party be entitled to lodge appeals or claim in relation to the outcome of said proceedings.

SECTION SIX
VERIFICATION AND INVESTIGATIVE POWERS AND FUNCTIONS

Article 113. Verification and investigative powers and functions.

1. The tax authorities may verify and investigate any facts, acts, or legal transactions, as well as any circumstances, data, or documents related to them, which may be relevant to ensure compliance with tax obligations.

2. In the performance of the verification or investigation powers, the tax authorities shall classify the facts, acts, or transactions carried out by the taxable party regardless of the prior classification given to them by this party.

3. The acts granting or recognising tax benefits that are subject to the fulfilment of certain future conditions or to the effective satisfaction of certain requirements not verified in the procedure in which they were issued shall be provisional in nature. The tax authorities may verify in a subsequent tax application procedure that such conditions or requirements are met and, where appropriate, rectify the taxable party's tax situation without the need to proceed to a prior review of such provisional decisions in accordance with the provisions of Title V of this Provincial Regulation.

SECTION SEVEN
COMBATING FRAUD

Article 114. Anti-Fraud Plan.

The tax authorities will periodically draw up an anti-fraud plan, which will be confidential, although this will not prevent the general criteria that underpin it from being made public.

SECTION EIGHT
COORDINATION BETWEEN ADMINISTRATORS

Article 114.bis. Coordination of enforcement and inspection powers.

One. The coordination of enforcement or inspection competences shall apply when the powers to carry out inspections correspond to different tax authorities in accordance with the provisions of the Economic Agreement, in the following cases:

a) Adjustment of trading activity carried out between linked people or entities.

b) Classification of operations differently to how they are declared by the contributor when this involves a modification of the payments made or deducted in the indirect taxes for which the deduction mechanism has been established.

Two. The tax authorities, in the cases referred to in the previous section, must inform the other administrations concerned, prior to formulating a resolution proposal to the taxpayer or formalising the corresponding inspection report, of the factual elements and legal grounds for the rectification that they deem appropriate.

In the event that within two months, no comments have been made on the proposed ruling by the other administrations concerned, it shall be deemed to be approved and all of them shall be bound in relation to the taxpayers, to whom they shall apply these criteria.

If there are findings, and in cases involving the coordination of the taxation or inspection powers of the Administration of the Common Territory and one or more of the provincial administrations, the procedure established in Article 47.ter.Tres of the Economic Agreement shall be followed and the effects foreseen in its section four shall be produced, as the case may be.

CHAPTER III
TAX MANAGEMENT PROCEEDINGS AND PROCEDURES

SECTION ONE
GENERAL PROVISIONS

Article 115. Tax management.

1. Tax management consists of the exercise of administrative functions aimed at carrying out tax enforcement actions that do not form part of the inspection and collection functions.

2. In particular, tax management consists of the exercise of the following administrative functions:

    a) Receipt and processing of self-assessments, tax returns, and other documents with tax implications.

    b) Checking and carrying out the refunds provided for in the tax regulations.

    c) The verification and approval of tax benefits, incentives and special tax regimes through the corresponding tax management procedure.

    d) Monitoring and simplification agreements relating to the obligation to invoice, insofar as they have tax implications.

    e) The carrying out of actions to control compliance with the obligation to file tax returns or self-assessments and other formal obligations, including the issuing of requests for this purpose.

    f) The review of self-assessments and tax returns filed.

    g) The carrying out of value verification activities.

    h) The carrying out of limited verification actions, as well as the issuing of the report for the application of the anti-avoidance clause referred to in Article 163 of this Provincial Regulation.

    i) The issuing of requests for documentation or information.

    j) The implementation of provisional settlements.

    k) The issuance of tax certificates.

    l) The issuing and, where appropriate, revocation of the tax identification number, under the terms established in the specific regulations.

    m) The compilation and maintenance of tax register records.

    n) Tax information and assistance.

3. The actions and exercise of the functions referred to in the previous sections shall be carried out in accordance with the provisions of this Provincial Regulation and its implementing regulations.

Article 116. Ways of initiating tax management.

In accordance with the provisions of the tax regulations, tax administration will begin:

a) At the request of a party, due to the filing a self-assessment or tax return or a request from the taxable party, in accordance with the provisions of Article 96 of this Provincial Regulation.

b) At the discretion of the tax authorities.

Article 117. Tax returns.

1. A tax return is considered to be any document presented to the tax authorities in which the realisation of any fact relevant to the application of taxes is acknowledged or declared.

   The filing of a tax return does not imply acceptance or acknowledgement by the taxable party that the tax obligation has arisen.

2. The cases in which oral declarations or tax returns made by means of any other means of expression of knowledge are admissible may be determined by the corresponding regulations.

3. In general, options which, according to tax regulations, must be exercised, requested, or waived with the filing of a tax return may not be rectified after that time, unless the rectification is filed in the tax return period.

   However, the regulations governing each tax may establish a different time or period for rectification, under the conditions specified therein.

4. The tax returns filed by the taxable parties may be subject to review and verification by the tax authorities, who shall, where appropriate, make the corresponding settlement.

Article 118. Self-assessments.

1. Self-assessments are tax returns in which the taxable parties, in addition to communicating to the tax authorities the data necessary for the settlement of the tax and other information, themselves carry out the qualification and quantification operations necessary to determine and pay the amount of the tax debt or, where appropriate, to determine the amount to be refunded or offset.

   Similarly, the tax returns in which the taxable parties, who find themselves in the scenarios provided for in the corresponding regulatory regulations, carry out the actions indicated in the previous section with the assistance of the tax authorities, shall be considered to be self-assessments.

2. When taxable parties believe that a self-assessment has in any way prejudiced their legitimate interests, they may request rectification of the self-assessment in accordance with the procedure to be regulated by the corresponding regulations.

   When the rectification of a self-assessment gives rise to a refund derived from the tax regulations and six months have passed without a settlement having been made for reasons attributable to the tax authorities, they shall pay the late-payment interest set out in Article 26 of this Provincial Regulation on the amount of the refund due, without the need for the taxable party to request it.

   For these purposes, the six-month period shall start to run from the end of the deadline for filing the self-assessment or, if this deadline has passed, from the submission of the request for rectification.

   When the rectification of a self-assessment gives rise to the refund of an undue payment, the tax authorities shall pay late-payment interest in the terms indicated in Article 31(2) of this Provincial Regulation.

Article 119. Supplementary or substitute tax returns and self-assessments.

1. The taxable parties may file supplementary self-assessments or supplementary or substitute tax returns, within the period established for their filing or after the end of that period, provided that the exercise of the tax authority's power to determine the tax debt has not lapsed or passed. In the latter case, they shall be deemed to be filed late.

2. The purpose of supplementary self-assessments is to complete or modify those previously submitted and they may be submitted when they result in a higher amount to be paid than the previous self-assessment or an amount to be refunded or offset that is lower than the amount previously self-assessed. In other cases, the provisions of Article 118(2) of this Provincial Regulation shall apply.

   Notwithstanding the provisions of the previous paragraph and unless specifically established otherwise, when after the application of an exemption, deduction, or tax incentive the right to its application is lost due to non-compliance with the requirements to which it was subject, the taxable party shall include, in the self-assessment corresponding to the tax period in which the non-compliance occurred, the tax payable or amount derived from the exemption, deduction, or tax incentive affected by it, together with the late-payment interest.

3. The purpose of supplementary or substitute tax returns shall be to supplement or replace those previously filed, and it shall be stated whether it is one or the other.

SECTION TWO
TAX MANAGEMENT PROCEDURES

Article 120. Tax management procedures.

1. Tax management procedures include, among others, the following:

   a) The procedure initiated by self-assessment.

   b) The procedure initiated by means of a tax return.

   c) The procedure for review of self-assessments and provisional settlements.

   d) Procedures for refund and quantification of the tax debt initiated at the discretion of the tax authorities.

   e) The procedure for the verification of values.

   f) The limited verification procedure.

2. Other tax management procedures may be regulated by regulation, to which the provisions laid down in Chapter II of this Title shall apply in all cases.

SUBSECTION ONE
PROCEDURE INITIATED BY SELF-ASSESSMENT

Article 121. Processing of the procedure initiated by means of self-assessment.

1. When the regulations governing the tax so stipulate, the management of the tax shall be initiated by the taxable party filing a self-assessment in which the amount of the tax debt or the amount to be refunded or offset is determined.

2. When the filing of a self-assessment results in an amount to be refunded, the tax authorities shall make the appropriate refund by making the corresponding provisional settlement.

The period established for making the refund referred to in Article 30 of this Provincial Regulation will start to run from the end of the period established for filing the self-assessment or from the date of filing if it was filed after the deadline, and the obligation to pay late-payment interest on the refund that may eventually be made, in accordance with the provisions of this article, will be maintained, even when a review procedure of self-assessments and provisional, limited verification, or inspection settlements is initiated.

3. The procedure initiated by means of a self-assessment shall end, once the examination referred to in Article 123 of these Provincial Regulations has been carried out, if applicable, in one of the following ways:

   a) Due to a provisional settlement made by the tax authorities.

   b) By expiry, once the period of six months has elapsed from the end of the deadline for filing the self-assessment or from the date of filing if it was filed after the deadline.

      When a restricted verification procedure or a value verification procedure is initiated, the running of the limitation period referred to in the preceding paragraph shall be suspended until the end of those procedures.

      However, when the amount to be refunded results from the filing of the self-assessment and the procedure has lapsed in accordance with the provisions of this point, the tax authorities will be obliged to initiate a review procedure for self-assessments and provisional settlements in accordance with the provisions of Article 124 bis of this Provincial Regulation within two months of the lapsing of the procedure initiated by means of self-assessment.

      In any case, the obligation to pay late-payment interest on the refund that may eventually be made shall be maintained, in accordance with the provisions of Article 30 of this Provincial Regulation.

   c) For the initiation of a review procedure of self-assessments and provisional settlements in the cases established in Section 1(b) of Article 124 bis of this Provincial Regulation.

   d) Due to the initiation of a limited verification procedure or an inspection procedure, with the exception of restricted and reduced verification procedures.

SUBSECTION TWO
PROCEDURE INITIATED BY A TAX RETURN

Article 122. Processing of the procedure initiated by means of a tax return.

1. When the tax regulations so stipulate, the management of the tax will begin with the filing of a tax return by the taxable party in which said party that the taxable event has occurred and communicates the data necessary for the tax authorities to quantify the tax obligation by means of a provisional settlement.

   The tax authorities may initiate the tax settlement procedure again within the limitation and expiry periods referred to in Articles 67 and 70 of this Provincial Regulation when the procedure initiated by means of a tax return has been terminated by expiry in accordance with the provisions of Section 3(b) of this article.

2. The tax authorities shall notify the settlement referred to in the previous section once the appropriate examination, rating, and quantification processes have been carried out, if necessary, in accordance with the provisions of Articles 123 and 124 of this Provincial Regulation.

3. The procedure initiated by means of a declaration submitted by the taxable party shall be terminated once the examination referred to in Article 123 of this Provincial Regulation has been carried out, where appropriate, for any of the following reasons:

a) Due to a provisional settlement made by the tax authorities.

b) By expiry, once a period of six months has elapsed from the day following the end of the deadline for filing the tax return, from the date of filing if it was filed after the deadline or from the day following the communication from the tax authorities initiating the procedure in the case referred to in the second paragraph of Section 1 of this article, without this preventing the tax authorities from restarting this procedure within the limitation or expiry periods for the exercise of the power to determine the tax debt.

   When a restricted verification procedure or a value verification procedure is initiated, the running of the six-month limitation period referred to in the preceding paragraph shall be suspended until the end of those procedures.

c) Due to the initiation of a limited verification procedure or an inspection procedure, with the exception of restricted and reduced verification procedures.

SUBSECTION THREE
PROVISIONS COMMON TO PROCEDURES INITIATED BY MEANS OF A SELF-ASSESSMENT OR TAX RETURN

Article 123. Examination of self-assessments and tax returns.

1. The tax authorities may examine the self-assessments or tax returns filed and the documentation accompanying them in order to check whether the tax regulations have been duly applied and whether the data they contain coincide with those in their possession.

2. For the purposes indicated in the previous section, the tax authorities may require the taxable party to clarify or justify the data included in the self-assessments or tax returns filed, as well as to provide any documents necessary for the correct enforcement of the tax.

   In particular, when the self-assessment returns an amount to be refunded, the tax authorities may require the taxable party to provide the books and other records that it is obliged to keep in accordance with the provisions of tax legislation, as well as the documentation supporting the entries and other notes made in them.

   However, in the course of these procedures, the tax authorities may not request a copy of the business accounts from the taxable party or carry out a general review of all the items declared that make up the taxable party's income from economic activities, for which purpose they must initiate, where appropriate, a limited verification procedure as provided for in Subsection Six of this section or an inspection procedure.

Article 124. The implementation of provisional settlements.

1. The tax authorities may issue a provisional settlement without any further procedure when the same amounts requested by the taxable parties referred to in Article 121(2) of this Provincial Regulation are refunded, and to terminate the procedure initiated by means of a tax return referred to in Article 122.

2. Likewise, the tax authorities, without the need to previously notify the taxable party of the proposed settlement, will make a provisional settlement in the following cases:

   a) When the taxable party's tax return or self-assessment contains formal defects or contains arithmetical errors.

   b) When the data declared do not coincide with those contained in other tax returns filed by the same taxable party or with those in the possession of the tax authorities, provided that they have been provided by third parties in tax returns generally required in compliance with the obligation to provide information set out in Articles 92 and 93 of this Provincial Regulation.

c) Where there is a failure to apply the legislation properly, which is evident from the tax return or self-assessment submitted or from the supporting documents provided.

d) Where it is a consequence of the restricted verification procedure referred to in Article 154 of this Provincial Regulation. However, in cases in which the tax authorities, after a report has been issued by the tax inspectorate, consider the self-assessment or tax return filed to be incorrect, the taxable party must be notified, prior to the provisional settlement, of the proposed settlement so that they may present their pleadings as they see fit.

3. When the taxable party expresses their disagreement with the data in the possession of the tax authorities, the provisions of Article 106(4) of this Provincial Regulation shall apply.

4. Both the proposals and the provisional settlements made by the tax authorities must in all cases be justified with a succinct reference to the facts and legal grounds taken into account in them.

5. ...

6. ...

SUBSECTION THREE. BIS
PROCEDURE FOR THE REVIEW OF SELF-ASSESSMENTS AND PROVISIONAL SETTLEMENTS

Article 124 bis. Processing of the procedure for the review of self-assessments and provisional settlements.

1. The tax authorities may initiate at their discretion a review procedure of self-assessments and provisional settlements in the following cases:

a) When a procedure initiated by means of a self-assessment has been terminated due to lapse of time.

However, the initiation of this procedure shall be compulsory in the cases referred to in the third paragraph of Article 121(3)(b) of this Provincial Regulation.

b) When the tax authorities, prior to the expiry of a self-assessment procedure, decide to initiate it if it is necessary to request the taxable party to provide documentation or there is evidence of the need to rectify said party’s tax situation.

c) When they discover that any of the circumstances referred to in Article 124(2) of this Provincial Regulation or others that had not been taken into account in previous provisional settlements are present in the self-assessment or tax return reviewed by means of a provisional settlement.

2. A review procedure of self-assessments and provisional settlements may not be initiated when a final settlement has been made in relation to the same self-assessment or tax return, in accordance with the provisions of Article 99(3) of this Provincial Regulation.

Nor shall new provisional settlements be made in relation to tax obligations or elements of them that have been the subject of a limited verification procedure, notwithstanding the provisions of Article 133(1) of this Provincial Regulation.

3. The rules set out in Articles 123 and 124 of this Provincial Regulation shall apply to the procedure for the review of self-assessments and provisional settlements.

4. The review procedure for self-assessments and provisional settlements will be terminated once the examination referred to in Article 123 of this Provincial Regulation has been carried out, where applicable, for any of the following reasons:

a) Due to a provisional settlement made by the tax authorities.

b) Due to the passing of a period of six months from the date of notification of the agreement to initiate the procedure, without this preventing the tax authorities from being able to restart the procedure within the limitation period or the expiry period for the exercise of the power to determine the tax debt.

   When a restricted verification procedure or a value verification procedure is initiated, the running of the six-month limitation period referred to in the preceding paragraph shall be suspended until the end of those procedures.

c) Due to the initiation of a limited verification procedure or an inspection procedure, with the exception of restricted and reduced verification procedures.

SUBSECTION FOUR
TAX DEBT REFUND OR QUANTIFICATION PROCEDURES INITIATED AT THE DISCRETION OF THE TAX AUTHORITIES

Article 125. Settlement proposals.

1. When the tax regulations so stipulate, in order to facilitate compliance with their obligations, the tax authorities may send to certain previously selected taxable parties, settlement proposals to be refunded, to be paid or to be offset, on the basis of the data, background information, or other elements available to them.

2. In cases in which express or tacit agreement is given to the aforementioned proposal, the tax authorities will make a provisional settlement and proceed to refund, pay, or offset the resulting amount, thereby exempting the taxable party from filing the corresponding self-assessment or tax return.

3. The regulations for each tax shall regulate the possibilities for rectification of the provisional settlements made and other matters relating to this procedure.

Article 126. Procedure for quantification of the tax debt at the discretion of the tax authorities.

1. In cases in which the tax authorities have requested the taxable party to file self-assessments or tax returns that have not been filed within the period established by the regulations, the tax authorities may, one month after notification of the request, initiate the procedure for a provisional settlement at its discretion to quantify the tax debt, unless the non-compliance is rectified or the non-existence of the obligation is duly justified within the aforementioned period.

2. Prior to the provisional tax settlement, the tax authorities will notify the taxable party of the proposed tax settlement so that said party may present any pleadings deemed appropriate.

3. The tax debt shall be determined on the basis of the data, background information, signs, indexes, modules, and other elements available to the tax authorities and which are relevant for this purpose.

4. Notwithstanding the provisions of the previous sections, the tax authorities may initiate a review procedure of self-assessments and provisional settlements under the terms established in Article 124 bis of this Provincial Regulation.

SUBSECTION FIVE
PROCEDURE FOR THE VERIFICATION OF VALUES

Article 127. Verifying values.

1. The tax authorities may proceed to the verification of values in accordance with the means provided for in Article 55 of this Provincial Regulation, in the manner determined therein or in the regulations governing each tax.

   The procedure shall be initiated by a notification to that effect or, where sufficient information is available, by the joint notification of the provisional settlement and the valuation referred to in Section 2 of this article.

2. If the value determined by the tax authorities differs from that declared by the taxable party, the tax authorities shall notify the valuation made, duly justified, with an explanation of the means and criteria used, when notifying the corresponding provisional settlement, unless the valuation has been notified previously.

   The taxable parties may not lodge an independent appeal or claim against the valuation, but they may request a contradictory expert appraisal or raise any question relating to the valuation in the appeals or claims that, where appropriate, they lodge against the act of rectification.

   The provisions of the preceding paragraph shall not apply in cases where the record of verification has been notified separately.

3. In those cases in which it is established by a Provincial Regulation that the value ascertained must be binding on other taxable parties, the tax authorities will be bound by this value in relation to the other interested parties. The Provincial Regulation may establish the obligation to notify these interested parties of the value ascertained so that they may challenge it or request a contradictory expert appraisal.

   If, in a subsequent procedure, the assessed value is applied to other taxable parties, they may challenge it or request a contradictory expert appraisal, unless they have been notified of the assessment of value beforehand.

4. If the challenge or the contradictory expert appraisal promoted by a taxable party results in a different value, this value shall apply to the other taxable parties and the provisions of the second paragraph of the previous section shall be taken into consideration.

Article 128. Contradictory expert appraisal.

1. The interested parties may request the contradictory expert appraisal, correcting the means of verifying values indicated in Article 55 of this Provincial Regulation within the period of the first appeal or claim against the settlement made in accordance with the values verified by the tax authorities or, when the tax regulations so provide, against the duly notified record of the verification of values.

   In those cases in which the tax regulations so provide, the interested party may reserve the right to request a contradictory expert appraisal when said party believes that the notification does not contain a sufficient explanation of the data and reasons taken into account to modify the declared values and denounces said omission in an appeal for reconsideration or in an economic-administrative claim. In this case, the taxable party will have a period of one month to initiate the contradictory expert appraisal from the date on which the decision resolving the appeal or the claim lodged becomes final in administrative proceedings.

   The maximum time limit for the resolution of the contradictory expert appraisal procedure shall be that established by the corresponding regulations.

The submission of the request for a contradictory expert appraisal, or the reservation of the right to initiate it referred to in the previous paragraph, shall determine the suspension of the execution of the settlement and of the time limit for lodging an appeal or claim against it. Likewise, the submission of the request for a contradictory expert appraisal shall suspend the deadline for initiating the sanctioning procedure which, where applicable, derives from the settlement or, if it has been initiated, the maximum deadline for the termination of the sanctioning procedure. After the termination of the contradictory expert appraisal procedure, the notification of the appropriate settlement will mean that the period provided for in Article 216(2) of this Provincial Regulation will start to run again from that notification or, if the procedure has been initiated, that the calculation of the remaining period for the termination will be resumed.

In the event that at the time of requesting the contradictory expert appraisal against the settlement, the corresponding penalty had already been imposed and as a result of this a new settlement was issued, the penalty shall be annulled and another penalty shall be imposed taking into account the quantification of the new settlement.

2. A valuation by an expert from the tax authorities shall be required when the quantification of the value ascertained has not been reached according to the opinion of the expert from said authorities.

   Unless the Provincial Regulation of each tax provides otherwise, if there is disagreement between the appraisers on the value of the assets or rights and the appraisal made by the taxable party's appraisal does not exceed by more than ten per cent and is not more than 120,000 euros higher than that made by the taxable party's appraisal, this value shall serve as the basis for the settlement.

3. The corresponding regulations shall develop the procedure for the appointment of third-party appraisers and the conditions for the performance of their work from among the members or associates of the various legally recognised professional associations or corporations, which in each case is considered appropriate taking into account the nature of the assets or rights to be valued, or the appointment of an appraisal company registered in the corresponding official register when there is no competent professional association or corporation due to the nature of the assets or rights to be valued or professionals willing to act as third-party appraisers.

4. The third-party expert's valuation will serve as the basis for the settlement to be made within the limits of the declared value and the value initially verified by the tax authorities, without this valuation being subject to appeal.

SUBSECTION SIX
LIMITED VERIFICATION PROCEDURE

Article 129. Limited verification.

1. In the limited verification procedure, the tax authorities may verify the facts, acts, elements, activities, operations, and other circumstances that determine the tax obligation.

   In particular, the tax authorities shall use the limited verification procedure when they are going to carry out a general review of all the elements used to determine the taxable party's income from economic activities, unless they employ an inspection procedure.

2. In this procedure, the tax authorities may only carry out the following actions:

   a) Examination of the data provided by the taxable parties in their tax returns or self-assessments and of the supporting documents filed or required for this purpose.

   b) Examination of the data and background information in the possession of the tax authorities that reveal the existence of the taxable event or the basis of a tax obligation, or the existence of elements determining it that have not been declared or are different from those declared by the taxable party.

c) Examination of the registers and other documents required by tax legislation and of any other official books, registers, or documents, including copies of business accounts, as well as the examination of invoices or documents serving as proof of the transactions included in said books, registers, or documents.

d) Requests to third parties to provide the information that they are generally obliged to provide in compliance with the provisions of Articles 92 and 93 of this Provincial Regulation or to ratify it by submitting the corresponding supporting documents.

3. In no case may information on financial transactions be requested from third parties, but the taxable party may be asked to provide documentary evidence of financial transactions that have an impact on the basis or amount of a tax obligation.

4. The limited verification procedures will be carried out in the offices of the tax authorities.

Article 130. Initiation of the limited verification procedure.

1. Limited verification procedures shall be initiated at the discretion of the tax authorities with the agreement of the competent body.

2. The taxable parties must be notified of the initiation of the limited verification proceedings by means of a communication that must state the nature and scope of the proceedings and inform them of their rights and obligations in the course of said proceedings.

Article 131. Processing of the limited verification procedure.

1. The proceedings of the limited verification procedure shall be documented, where appropriate, in the notifications and formalities referred to in Article 97(8) of this Provincial Regulation.

2. The taxable party that has been requested to do so must appear at the place, date, and time indicated for the proceedings to be carried out, and must provide the documentation and other items requested.

3. Prior to the provisional tax settlement, the tax authorities will notify the taxable party of the proposed tax settlement so that this party may present any pleadings deemed appropriate.

Article 132. Termination of the limited verification procedure.

1. The limited verification procedure shall be terminated in one of the following ways:

   a) By express resolution of the tax authorities, with the content referred to in the following section.

   b) By expiry of a period of nine months from the date of notification of the agreement to initiate the procedure, without this preventing the tax authorities from restarting the procedure within the limitation period or the expiry period for the exercise of the power to determine the tax debt.

   c) By the initiation of a verification and investigation procedure that includes the subject matter of the limited verification.

2. The administrative decision terminating the limited verification procedure shall contain at least the following content:

   a) The tax obligation or elements of the tax obligation and the time scope of the audit.

b) Specification of the exact actions carried out.

c) Statement of facts and legal grounds for the decision.

d) Provisional settlement or, where applicable, express statement that it is not advisable to rectify the tax situation as a result of the verification carried out.

Article 133. Effects of the adjustments made in the limited verification procedure.

1. Once a ruling has been issued in a limited verification procedure, the tax authorities may not carry out a new rectification in relation to the verified item, unless new facts or circumstances are discovered in a subsequent limited verification or inspection procedure that result from proceedings other than those carried out and specified in that ruling.

2. The facts and the elements determining the tax debt in relation to which the taxable party or that party's representative has expressly agreed may not be challenged unless it is proven that a factual mistake has been incurred.

CHAPTER IV
INSPECTION PROCEEDINGS AND PROCEDURES

SECTION ONE
GENERAL PROVISIONS

SUBSECTION ONE
FUNCTIONS AND POWERS

Article 134. Tax inspections.

Notwithstanding the functions that may be exercised in the field of tax management procedures, in accordance with the proceedings that may be carried out in the development of said procedures, tax inspections consist of the exercise of administrative functions aimed at:

a) Investigation of the factual assumptions of the tax obligations in order to identify those that are unknown to the tax authorities.

b) Verification of the veracity and accuracy of the tax returns and self-assessments filed by taxable parties.

c) The carrying out of proceedings to obtain information related to the application of taxes, in accordance with the provisions of Articles 92 and 93 of this Provincial Regulation.

d) The verification of the value of rights, income, products, goods, assets, equity, companies, and other elements, when this is necessary for the determination of tax obligations, with the provisions of Articles 127 and 128 of this Provincial Regulation being applicable.

e) Verification of compliance with the requirements for obtaining tax benefits or incentives and tax refunds, as well as the fulfilment of the conditions necessary for the enforcement of special tax regimes.

f) Informing taxable parties in the course of tax audits of their tax rights and obligations and the way in which they must comply with these obligations.

g) The carrying out of tax settlements resulting from its verification and investigation and rectification procedures without the taxable party being present.

h) Advising and reporting to other public administration bodies, as well as issuing the report for the application of the anti-avoidance clause referred to in Article 163 of this Provincial Regulation.

i) The performance of ongoing or non-ongoing tax audits, which will be governed by the provisions of their specific regulations.

j) Such other duties as may be laid down in other provisions or entrusted to it by the competent authorities.

Article 135. Powers of tax inspection.

1. Inspection activities will be carried out by examining documents, books, main and auxiliary accounts, files, invoices, supporting documents, correspondence with tax implications, computerised databases, programs, registers, and computer files relating to economic activities, as well as by inspecting goods, elements, operations, and any other background or information that must be provided to the tax authorities or that is necessary for the enforcement of tax obligations.

2. When inspection activities so require, officials carrying out tax inspection functions may enter, under the conditions determined by the corresponding regulations, the properties, business premises, and other establishments or places where taxable activities or operations are carried out, where there are assets subject to taxation, where there are taxable events or assumptions of tax obligations, or where there is any evidence of any such events or assumptions.

   If the responsible party for where the places mentioned in the previous paragraph are located opposes the entry of the tax inspection officials, an entry agreement shall be required from the body to be determined by the corresponding regulations.

   When it is necessary to enter the constitutionally protected home of the taxable party in order to carry out an inspection, the provisions of Article 111 of this Provincial Regulation shall apply. The request for judicial authorisation shall require the incorporation of the entry agreement referred to in the aforementioned article, signed by the administrative authority to be determined by the corresponding regulations.

3. The taxable party who has been summoned by the inspectorate must appear, either in person or through a representative, at the place, on the day and at the time indicated for the inspection to be carried out, and must provide or have available for the inspection the documentation and other items requested.

   As an exception, and in a justified manner, the inspection may require the taxable party to appear in person when the nature of the proceedings to be carried out so requires.

4. Officials carrying out inspection duties shall be considered as agents of the authorities and shall be required to provide proof of their status if requested to do so.

   The public authorities shall provide the necessary protection and assistance to officials in the exercise of their inspection functions.

SUBSECTION TWO
DOCUMENTATION OF THE INSPECTION PROCEEDINGS

Article 136. Documentation of the inspection proceedings.

1. In addition to the notifications and formalities referred to in Article 97(8) of this Provincial Regulation, the tax inspection proceedings shall be documented in reports and records, which shall be drawn up in the cases covered and with the minimum content determined by the corresponding regulations.

2. Tax inspection reports are public documents issued by the tax inspection authorities to record the results of the inspection activities of the verification and investigation procedure, proposing the adjustments deemed suitable for the taxable party's tax situation or declaring it to be correct.

3. The conclusions reached in the course of the relevant inspection procedures, where these do not result in the drawing up of a report, shall be documented in inspection reports.

Article 137. Evidentiary value of the tax reports.

1. The tax reports issued by the tax inspection authorities are public documents and are proof of the facts on which they are based, unless proven to the contrary.

2. The facts accepted by the taxable parties in the inspection reports are presumed to be true and may only be rectified upon proof of having made a factual error.

SECTION TWO
INSPECTION PROCEDURES

Article 138. Types of inspection procedures and proceedings.

1. Inspection procedures and proceedings include, among others, the following:

    a) The verification and investigation procedure.

    b) The limited verification procedure.

    c) The reduced verification procedure.

    d) The rectification procedure without the taxable party being present.

    e) Proceedings aimed at obtaining information.

2. Other inspection procedures may be governed by the corresponding regulations, to which the rules laid down in Chapter II of this Title shall apply in all cases, as well as, insofar as they are compatible, the other provisions of this Chapter.

3. Notwithstanding the provisions of Article 142 of this Provincial Regulation, the precautionary measures referred to in Article 81 of this Provincial Regulation shall apply in inspection procedures.

Article 139. Place of the proceedings of the inspection procedures.

1. Inspections may be carried out, as determined by the inspectorate:

    a) At the place where the taxable party has their tax domicile, or at the place where their representative has their domicile, office, or premises.

    b) At the place where the taxable activities are wholly or partly carried out.

    c) Where there is at least partial proof of the taxable event or of the factual basis of the tax obligation arising there.

    d) At the offices of the tax authorities, when the matters on which the proceedings are to be carried out can be examined there.

    e) In the places indicated in the previous letters or elsewhere, when such actions are carried out through the digital systems provided for in Article 97.10 of this Provincial Regulation. The use of these systems shall require the consent of the taxable party. However, through the corresponding regulations, the tax authorities may establish the cases in which taxable parties are obliged to carry out these actions through the digital systems referred to in the aforementioned Article 97.10.

2. The inspectorate may enter the taxable party's business, offices, premises, facilities, or warehouses without prior notification, and the inspection shall be carried out with the taxable party or with the party in charge of or responsible for the premises.

3. The books and other documentation referred to in Article 135(1) of this Provincial Regulation must be examined at the taxable party's home, premises, or offices, in the presence of the taxable party or the person designated by said taxable party, unless the taxable party consents to their examination in the public offices. However, the inspectorate may examine at its offices the copies of said books and documents on any medium.

4. In cases involving the registers and documents established by tax provisions or the supporting documents required by them, as referred to in letter c) of Article 129(2) of this Provincial Regulation, they may be required to be presented at the offices of the tax authorities for examination.

5. Criteria may be established by the corresponding regulations to determine the place where certain inspection activities are to be carried out.

6. When the taxable party is a person with disabilities or a person with reduced mobility, the inspection shall be carried out in the most appropriate place for that person from among those described in Section 1 of this article.

Article 140. Time of the proceedings of the inspection procedures.

1. The proceedings taking place in public offices shall be carried out within the working day.

2. If the proceedings are carried out on the premises of the interested party, the working day of the office or of the activity carried out there will be respected, with the possibility of agreeing to perform the proceedings on other days or at other times.

3. When the circumstances of the proceedings so require, action may be taken outside the days and hours referred to in the previous section under the terms established by the corresponding regulations.

SECTION THREE
VERIFICATION AND INVESTIGATION PROCEDURE

SUBSECTION ONE
GENERAL PROVISIONS

Article 141. Purpose of the verification and investigation procedure.

1. The purpose of this procedure is to check and investigate the proper fulfilment of tax obligations and, where appropriate, to rectify the taxable party's tax situation by means of one or more settlements.

2. The purpose of the audit is to verify the documents, items, and valuations entered by the taxable parties in their tax returns or self-assessments.

3. The purpose of the investigation shall be to discover the existence, where applicable, of tax-relevant facts not declared or incorrectly declared by the taxable parties.

4. The verification and investigation procedures to be carried out shall be developed under the inspection plans, the composition and approval of which shall be developed by the corresponding regulations.

Article 142. Precautionary measures in the verification and investigation procedure.

1. In the verification and investigation procedure, duly justified precautionary measures may be adopted to prevent the disappearance, destruction, or alteration of evidence that

establishes the existence or fulfilment of tax obligations or the subsequent denial of their existence or disclosure.

The measures may consist, where appropriate, in the sealing, deposit, or seizure of the goods or products subject to the charge, as well as of books, registers, documents, files, records, premises, or electronic data processing equipment that may contain the information in question.

2. Precautionary measures shall be proportionate and limited in time to the aforementioned purposes, and may not be adopted if they could cause damage that would be difficult or impossible to repair.

3. The measures adopted shall be ratified by the body to be determined by the corresponding regulations within 15 days of their adoption and shall be lifted if the circumstances that gave rise to them disappear.

SUBSECTION TWO
INITIATION AND CONDUCTING

Article 143. Initiation of the verification and investigation procedure.

1. The verification and investigation procedure shall be initiated:

    a) At the discretion of the tax authorities.

    b) At the request of the taxable party, under the terms established in Article 145 of this Provincial Regulation.

2. The taxable parties must be informed at the start of the verification and investigation procedure of the nature and scope of the proceedings, as well as of their rights and obligations in the course of said proceedings.

Article 144. Scope of the actions of the verification and investigation procedure.

1. The proceedings of the verification and investigation procedure may be of a general or partial nature.

2. The proceedings of the verification and investigation procedure shall be partial when they do not affect the entirety of the elements of the tax obligation in the period subject to verification and in all those cases specified by the corresponding regulations.

    Otherwise, the proceedings of the verification and investigation procedure shall be of a general nature in relation to the tax obligation and the period audited, and shall give rise to a final settlement except as provided for in the following section.

3. Provisional settlements may be issued in the verification and investigation procedure in the following cases:

    a) When any of the elements of the tax obligation is determined on the basis of those corresponding to other obligations that have not been verified, that have been adjusted by a provisional settlement or by a definitive settlement that was not final, or when there are elements of the tax obligation for which a definitive verification has not been possible during the procedure, under the terms established by the corresponding regulations.

    b) Where it is appropriate to make different settlement proposals in relation to the same tax obligation. This circumstance shall be understood to exist when taxable parties partially accept the proposal to rectify their tax situation, when a value check is carried out and it is not the sole object of the rectification and in the other cases provided for by the corresponding regulations.

c) When the settlement referred to in Article 248(2) of this Provincial Regulation is to be made.

4. When the proceedings of the verification and investigation procedure have ended with a provisional settlement, the object of these proceedings may not be adjusted again in another inspection procedure initiated subsequently, unless any of the circumstances of Section 3(a) above apply, and solely in relation to the elements of the tax obligation affected by these circumstances.

Article 145. Request by the taxable party for a general verification and investigation procedure.

1. Any taxable party who is the subject of proceedings in a partial verification and investigation procedure may request the tax authorities that these proceedings be of a general nature with regard to the tax and, where appropriate, the periods affected, without such a request interrupting the proceedings in progress.

2. The taxable party must make the request within 15 days of notification of the commencement of the partial inspection.

3. The tax authorities must extend the scope of the proceedings or initiate the general verification and investigation procedure within six months of the request.

   Failure to comply with this period shall not interrupt the limitation period for the exercise of the administrative power to determine the tax debt for the purposes of the verification and investigation of the same tax and period in general.

Article 146. Maximum time limit for the verification and investigation procedure.

1. The proceedings of the verification and investigation procedure must be concluded within 12 months from the date on which the taxable party is notified of the commencement of the procedure.

   Proceedings shall be deemed to end on the date on which the administrative decision resulting from them is notified or is deemed to have been notified. The provisions of Article 102(2) of this Provincial Regulation shall apply for the purposes of understanding that the obligation to notify has been fulfilled and of calculating the time limit for resolution.

   However, this period may be extended, with the scope and requirements to be determined by the corresponding regulations, for a further period not exceeding 12 months, when any of the following circumstances apply to the proceedings:

   a) When they are particularly complex. This circumstance shall be understood to exist in view of the geographical distribution of the activities of the person or entity, its taxation under the consolidated tax regime or the international tax transparency regime, those cases in which its trading volume is equal to or greater than the annual net turnover required to audit its accounts, as well as those established by the corresponding regulations.

   b) When, in the course of said proceedings, it is discovered that the taxable party has concealed from the tax authorities any of the business or professional activities carried out by said party.

   Decisions to extend the 12-month period provided for above shall in all cases state the reasons on which they are based, with reference to the legal grounds and facts, and shall be notified before the end of the first 12-month period.

2. Unjustified interruption of the verification and investigation procedure due to failure to carry out any action for more than six months for reasons not attributable to the taxable party or failure to comply with the time limit for the duration of the procedure referred to in Section 1

of this article shall not cause the procedure to lapse, which shall continue until it is completed, but shall have the following effects with regard to the tax obligations pending settlement:

a) The limitation period shall not be deemed to be interrupted as a result of the inspection activities carried out until the unjustified interruption or during the period referred to in Section 1 of this article.

   In such cases, the limitation period shall be deemed to be interrupted by the resumption of proceedings with the formal knowledge of the interested party after the unjustified interruption or the carrying out of proceedings after the end of the period referred to in Section 1 of this article.

   In both cases, the taxable party shall have the right to be informed of the items and periods covered by the proceedings to be carried out.

b) The payments made by the taxable party from the start of the procedure until the resumption of the proceedings for the tax and period that are the subject of the inspection proceedings shall exclude any penalties that may have been imposed for them, with the exception of that provided for in Article 203 of this Provincial Regulation, notwithstanding any surcharges and interest that may be applicable.

   The same effect shall arise from payments made by the taxable party, for the tax and period subject to the tax audit, from the start of the procedure until the first set of proceedings carried out after the deadline for the duration of the procedure provided for in Section 1 of this article has been exceeded.

3. Failure to comply with the time limit referred to in Section 1 of this article shall mean that no late-payment interest shall be due from the time of non-compliance until the end of the procedure.

4. When the case is passed on to the competent jurisdiction or the case is referred to the Public Prosecution Service in accordance with the provisions of Title VI of this Provincial Regulation, this transfer will have the following effects with regard to the duration of the inspection proceedings:

   a) This shall be considered as a case of justified interruption of the calculation of the time limit for said proceedings.

   b) The grounds for extending the time limit, in accordance with the provisions of Section 1 of this article, shall be deemed to exist in the event that the administrative procedure should continue because any of the reasons referred to in Articles 249(3), 251(2), and 255(2)(c) of this Provincial Regulation have arisen.

5. When a judicial or economic-administrative decision or an agreement of the Arbitration Board provided for in the Economic Agreement orders the retroactive enforcement of the inspection proceedings, said proceedings shall be terminated within the period remaining from the moment the proceedings are brought back to the end of the period referred to in Section 1 of this article or within six months, whichever period is shorter. This time limit shall be calculated from the date of receipt of the case by the body competent to enforce the decision.

   The provisions of the preceding paragraph shall also apply to administrative proceedings in which, after the extension of the time limit, the matter has been referred to the competent authority or the file has been referred to the Public Prosecution Service and should continue due to one of the reasons referred to in Articles 249(3), 251(2), and 255(2)(c) of this Provincial Regulation. In this case, the time limit shall be calculated from the date of receipt of the court decision or the file returned by the Public Prosecution Service by the competent body that is to continue the proceedings.

The taxable party must be informed of the date of receipt of the administrative file or of the judicial decision referred to in the two preceding paragraphs, by means of the appropriate communication or in the first official document signed in the course of the verification and investigation procedure after the aforementioned receipt.

SUBSECTION THREE
TERMINATION OF INSPECTION PROCEEDINGS

Article 147. Termination of the verification and investigation procedure.

1. The proceedings of the verification and investigation procedure shall be deemed to be concluded when, in the opinion of the tax inspectorate, the necessary data and evidence have been obtained to support the administrative decisions to be issued, either by considering the taxable party's tax situation to be correct or by proposing its rectification in accordance with the law.

   The conclusions of the verification and investigation procedure will be documented in the corresponding inspection reports referred to in Article 136(2) of this Provincial Regulation.

2. However, the verification and investigation procedure shall be concluded without the formalisation of the corresponding inspection reports in the following cases:

   a) By means of a reasoned report from the tax inspectorate when the rectification is not considered appropriate due to the inconsistency of the circumstances that led, where applicable, to the inclusion in the inspection plan, or when it has been impossible to carry out the procedure, under the terms established by the corresponding regulations.

   b) By written and reasoned order of the body competent for the approval of the inspection plan.

Article 148. Content of the records.

The records documenting the outcome of the verification and investigation procedure shall contain at least the following items:

a) The place and date of its execution.

b) The full name and surname or business name, tax identification number and tax domicile of the taxable party, as well as the name and surname and tax identification number of the person with whom the proceedings are being conducted and the nature or representation of the person involved in the proceedings.

c) The identification of the tax and the period to which it refers.

d) The essential elements of the taxable event or factual basis of the tax obligation and its attribution to the taxable party, as well as the legal grounds on which the rectification is based.

e) Where applicable, the rectification of the taxable party's tax situation and the appropriate settlement proposal, including, where applicable, the corresponding late-payment interest.

f) The taxable party's agreement or disagreement with the rectification and with the settlement proposal.

g) The existence or non-existence, in the opinion of the actuary, of signs of the perpetration of tax offences.

h) In cases involving a certificate of compliance with a commitment to pay, the corresponding proposal for a penalty will be included, stating the circumstances referred to in Article 218(3) of this Provincial Regulation.

i) The steps in the procedure following the certificate.

j) The consequences of the proposed rectification for the taxable party for the same tax and for other tax years.

k) Any others that may be established by the corresponding regulations.

Article 149. Types of certificate.

1. For the purposes of their processing, inspection reports may be either compliant or non-compliant.

2. If the taxable party or this party's representative refuses to receive or sign the certificate, the certificate shall be treated as a non-compliant certificate.

3. Certificates of compliance, depending on the guarantee of payment of the settlement to which they may give rise, are classified as certificates with or without a commitment to pay.

Article 150. Certificates of compliance.

1. When the taxable party or this party's representative agrees to the proposed rectification made by the tax inspectorate, this shall be expressly stated in the certificate.

2. A certificate of compliance shall also be issued when the tax inspection deems the taxable party's tax situation to be correct and no rectification is required, and the taxable party agrees to this.

3. When the body responsible for making the settlement amends the proposed rectification to which agreement has been given, the taxable party shall be informed of this amendment and shall be granted a hearing period prior to the settlement to be made in order for said party to express an opinion on the new rectification to be made.

4. The provisions of Article 137(2) of this Provincial Regulation shall apply to the facts and elements determining the tax debt in relation to which the taxable party or their representative has given their consent.

Article 151. Certificates of compliance with a commitment to pay.

1. When the taxable party agrees with the adjustment proposed by the tax inspectorate, including the settlement proposal and the proposal for the imposition of the appropriate penalties from among those set out in Articles 196 to 202 of this Provincial Regulation, and chooses to formalise a commitment to make the payment regarding the corresponding tax inspection, the following rules shall be observed:

    a) The taxable party will be informed of the need to deposit or guarantee with a joint and several guarantee from a credit institution or mutual guarantee company, or by means of a surety insurance certificate, the amount of the proposed settlement and, where applicable, the corresponding financial penalty, including the reduction referred to in Article 192(1)(b) of this Provincial Regulation, without the possibility of deferment or payment in instalments.

       The settlement proposal shall include the appropriate late-payment interest calculated up to the date of settlement.

    b) The taxable party must formalise the deposit or guarantee prior to the signing of the corresponding inspection report, proof of which must be attached to the administrative file.

    c) Once the deposit or the corresponding guarantee has been accredited, the inspection certificate shall be signed.

2. The decisions issuing settlements and imposing penalties derived from the report may only be subject to challenge or review in administrative proceedings by means of the procedure of a declaration of full invalidity provided for in Article 225 of this Provincial Regulation, notwithstanding the appeals that may be lodged in contentious-administrative proceedings.

3. The sums deposited or the guarantees provided in commitment of payment of certificates of compliance referred to in this article may only be applied to the payment of the settlements made and the penalties imposed for the administrative decisions issued as a result of the signing of them.

Article 152. Certificates of non-compliance.

1. When the taxable party or this party's representative does not sign the certificate or expresses disagreement with the proposal for rectification made by the tax inspectorate, this circumstance shall be expressly stated in the certificate. A report by the actuary may be attached where it is necessary to supplement the information contained in the certificate.

2. Within a period of 15 days, the taxable party may lodge a complaint with the body responsible for carrying out the tax settlement.

3. Before issuing the settlement decision, the competent body may decide to carry out complementary actions under the terms to be established by the corresponding regulations.

4. Once the pleadings have been received or the corresponding period has elapsed, the competent body shall issue the appropriate settlement, which shall be notified to the interested party.

SUBSECTION FOUR
INDIRECT ESTIMATION

Article 153. Application of the indirect estimation method.

1. When the indirect estimation method is applicable, the tax inspectorate shall include with the assessments initiated to adjust the tax situation of the taxable parties a reasoned report on:

    a) The determining causes for the application of the indirect estimation method.

    b) The status of the taxable party's compulsory bookkeeping and records.

    c) The justification of the means chosen for the determination of the bases, yields, or tax payable.

    d) Calculations and estimates made on the basis of the means chosen.

2. The application of the indirect estimation method does not require a prior administrative decision declaring it, but the appropriateness of the application of this method may be raised in appeals and claims against the resulting rulings and settlements.

3. The data and background information used for the application of the indirect estimation method may come from any of the following sources:

    a) The indicators, indices, and modules established for the objective estimation method, which will be used preferably in the case of taxable parties who have decided not to use this method. However, if the tax inspectorate proves the existence of income or contributions from the economic activity for a higher amount, it will be the latter that will be taken into account for the purposes of the rectification.

    b) Economic and production process data obtained from the taxable party.

Data may be used for years prior to or after the adjusted year for which sufficient and reliable information is available. In particular, information corresponding to the time of the inspection may be used, which may be considered applicable to previous years, unless it is justified and quantified, either by the inspectorate or by the taxable party, that it is necessary to make adjustments to said data.

When this method is used to quantify transactions with similar characteristics of the taxable party and this party does not provide information, provides incorrect or insufficient information, or repeated inaccuracies are discovered in a sample of these transactions, the tax inspectorate may rectify them by random sampling. In such cases, the average resulting from the sample may be applied to the entirety of the transactions of the period audited, unless the taxable party proves the existence of specific reasons justifying the inaccuracy of this proportion.

c) Data from surveys of the sector carried out by public bodies or private organisations in accordance with appropriate statistical techniques, and which relate to the period to be settled. In this case, the source of the studies shall be identified, so that taxable parties may argue their case in relation to these studies as they see fit.

d) Data from a sample obtained by the inspection bodies on companies, activities, or products with relevant characteristics that are similar or analogous to those of the taxable party, and relate to the same year. In this case, the inspectorate must identify the sample chosen, so as to ensure that it is suitable in relation to characteristics of the taxable party, and identify the public register or source from which the data were obtained. In the event that the data used come from the tax authorities themselves, the sample shall be taken in accordance with the provisions of the corresponding regulations.

4. In cases involving direct taxation, sales and services, purchases and expenses, or the net income from the activity may be determined by the indirect estimation method. The indirect estimation may relate only to sales and services, if the purchases and expenses shown in the accounts or tax records are deemed to be sufficiently accredited. It may also relate only to purchases and expenses where sales and services are sufficiently accredited.

   In cases involving consumption taxation, the indirect estimation method may be used to determine the tax base and the tax charged, the tax deemed to be borne and deductible, or both. The amount deemed to be borne and deductible shall be calculated by estimating the amounts that would correspond to the goods and services that would normally be necessary to obtain the relevant sales or services, but only to the extent that it is established that the tax has been passed on and that the tax has been effectively borne by the taxable party. If the tax authorities do not have information that allows them to assess the passing on of the tax, it is up to the taxable party to provide the information that allows them to identify the persons or entities that passed on the tax and to calculate the amount of the tax.

   No expenditure or contributions made relating to a financial year adjusted by indirect estimation may be deducted in a different financial year.

5. In cases involving taxes with settlement periods of less than one year, the tax liability estimated by the tax inspectorate on an annual basis will be distributed linearly between the corresponding settlement periods, unless the taxable party can demonstrate that a different time frame is more suitable.

6. The data, documents, or evidence relating to the circumstances that gave rise to the application of the indirect estimation method may only be taken into account in the rectification or in the resolution of appeals or claims brought against it in the following cases:

   a) When they are provided prior to the rectification proposal. In this case, the period elapsed from the assessment of these circumstances until the provision of the data, documents, or evidence shall not be included in the calculation of the time limit referred to in Article 146 of this Provincial Regulation.

b) When the taxable party proves that it was impossible to provide the data, documents, or evidence submitted after the proposal for rectification in the procedure. In this case, the proceedings shall be ordered to be taken back to the time when the aforementioned circumstances arose, in accordance with the provisions of Article 146(5) of this Provincial Regulation.

SECTION FOUR
RESTRICTED VERIFICATION PROCEDURE

Article 154. Purpose of the restricted verification procedure.

1. The purpose of this procedure is to verify, at the request of other bodies of the tax authorities, whether any element of the tax returns filed by a taxable party complies with the provisions of the tax legislation.

   This procedure shall also be used when, at the request of these bodies, the validity of a refund requested, of a specific tax incentive credited or of the application of a special regime requested by the taxable party must be verified.

2. In this procedure, the tax inspectorate may carry out as many verification or information-gathering actions as necessary, applying, as far as is compatible, the provisions established in Sections 3 and 6 of this Chapter.

Article 155. Initiation of the restricted verification procedure.

The restricted verification procedure shall be initiated at the discretion of the tax authorities, at the request of the competent body of the tax authorities, following an agreement issued by the tax inspectorate, which shall be notified to the taxable party.

Article 156. Maximum time limit for the restricted verification procedure.

1. The proceedings of the restricted verification procedure must be concluded within six months from the date on which the taxable party is notified of the commencement of the procedure.

   The proceedings shall be deemed to end on the date on which the taxable party is notified of the tax inspection report containing its findings, and the provisions of Article 102(2) of this Provincial Regulation shall apply.

2. The expiry of the maximum period referred to in Section 1 of this article shall not cause the procedure to lapse, which shall continue until its termination, but shall produce the following effects with regard to the tax obligations pending settlement:

   a) The limitation period shall not be considered to be interrupted as a result of the inspection activities carried out during the aforementioned period.

      In such cases, the limitation period shall be deemed to be interrupted by the performance of proceedings after the end of the period referred to in Section 1 of this article.

   b) The payments made by the taxable party for the tax and period subject to the inspection proceedings from the start of the procedure until the proceedings are resumed shall exclude any penalties that may have been imposed for them, with the exception of that provided for in Article 203 of this Provincial Regulation, notwithstanding any surcharges and interest that may be applicable.

Article 157. Termination of the restricted verification procedure.

1. The restricted verification procedure will be concluded when, in the opinion of the tax inspectorate, the necessary data and evidence have been obtained to support the administrative decisions to be issued, either by considering the taxable party's tax return to be correct or by proposing its rectification in accordance with the law.

2. The conclusions of the restricted verification procedure shall be documented by means of the corresponding inspection report referred to in Article 136(3) of this Provincial Regulation, in the manner to be determined by the corresponding regulations.

3. The corresponding inspection report will be notified to the taxable party, specifying the specific actions carried out, informing said party that it will be passed on to the competent body to issue the necessary administrative decisions to rectify the taxable party's tax situation.

   In accordance with the provisions of Section 124(2)(d) of this Provincial Regulation, taxable parties may submit the pleadings they consider necessary at the time they are notified, where appropriate, of the settlement proposal made by the competent body of the tax authorities in the light of the report issued.

4. The inspection report shall not be subject to independent appeals or complaints, but those lodged against the resulting decisions and settlements may challenge the appropriateness of the adjustments proposed in the report.

5. Notwithstanding the provisions of the previous sections of this article, the restricted verification procedure shall be concluded without the formalisation of the corresponding inspection report by written and justified order of the body empowered to approve the inspection plan.

Article 158. Effects of the restricted verification procedure.

Once an administrative decision has been issued as a consequence of the rectification proposed in a report issued as a result of a restricted verification procedure, the tax authorities may not carry out a new rectification in relation to the verified item unless new facts or circumstances are discovered in a limited verification procedure or in a subsequent inspection procedure resulting from actions other than those carried out and specified in the report issued.

SECTION FOUR. BIS.
REDUCED VERIFICATION PROCEDURE

Article 158 bis. Purpose of the reduced verification procedure.

1. The purpose of this procedure is to verify the compliance of a specific element of the tax obligation with the provisions of the tax legislation, in relation to certain tax items and tax periods.

2. The actions referred to in Articles 12 to 15 of this Provincial Regulation, as well as those of indirect estimation of tax bases, cannot be subject to a reduced verification procedure.

3. In this procedure, the tax inspectorate may carry out as many verification or information-gathering actions as necessary, applying, as far as is compatible, the provisions established in Sections 3 and 6 of this Chapter.

Article 158 ter. Initiation of the reduced verification procedure.

This procedure shall be initiated at the discretion of the tax authorities, following a ruling by the tax inspectorate, which shall be notified to the taxable party.

Article 158 quater. Maximum time limit for the reduced verification procedure.

1. The proceedings of the reduced verification procedure must be concluded within six months from the date on which the taxable party is notified of the commencement of the procedure.

   The proceedings shall be understood to end on the date on which the administrative decision resulting from them is notified or understood to have been notified, with the provisions of Article 102(2) of this Provincial Regulation being applicable for these purposes.

2. The expiry of the maximum period referred to in Section 1 of this article shall not cause the procedure to lapse, which shall continue until its termination, but shall produce the following effects with regard to the tax obligations pending settlement:

   a) The limitation period shall not be considered to be interrupted as a result of the verification inspection proceedings carried out during the aforementioned period.

      In such cases, the limitation period shall be deemed to be interrupted by the performance of proceedings after the end of the period referred to in Section 1 of this article.

   b) The payments made by the taxable party for the tax concept and period subject to the inspection proceedings from the start of the procedure until the proceedings are resumed shall exclude any penalties that may have been imposed for them, with the exception of that provided for in Article 203 of this Provincial Regulation, notwithstanding any surcharges and interest that may be applicable.

Article 158 quinquies. Termination of the reduced verification procedure.

1. The reduced verification procedure will be concluded when, in the opinion of the tax inspectorate, the necessary data and evidence have been obtained to support the administrative decisions to be issued, either by considering the taxable party's tax return to be correct or by proposing its rectification in accordance with the law.

2. The conclusions of the reduced verification procedure shall be documented by means of the corresponding inspection report referred to in Article 136(3) of this Provincial Regulation, in the manner to be determined by the corresponding regulations.

3. The reduced verification procedure shall be terminated by an express decision or by the initiation of a verification and investigation procedure covering the subject matter of the reduced verification procedure.

4. When the taxable party agrees with the adjustment proposed by the tax inspectorate, including the settlement proposal and the proposal for the imposition of the appropriate penalties from among those set out in Articles 196 to 202 of this Provincial Regulation, and chooses to formalise a commitment in relation to a tax concept and tax period, the following rules shall be observed:

   a) The taxable party will be informed of the need to deposit or guarantee with a joint and several guarantee from a credit institution or mutual guarantee company, or by means of a surety insurance certificate, the amount of the proposed settlement and, where applicable, the corresponding financial penalty, including the reduction referred to in Article 192(1)(b) of this Provincial Regulation, without the possibility of deferment or payment in instalments.

   b) The taxable party must formalise the deposit or guarantee within 15 days of notification of the report, the proposed assessment, and the proposed penalty, proof of which must be attached to the administrative file.

c) Once the corresponding deposit or guarantee has been accredited, the administrative decision settling and imposing the penalty will be issued for each item and period subject to the reduced verification for which the commitment to pay has been formalised.

The decisions issuing settlements and imposing penalties derived from the provisions of this section may only be subject to challenge or review in administrative proceedings by means of the procedure involving a declaration of full invalidity provided for in Article 225 of this Provincial Regulation, notwithstanding the appeals that may be lodged in contentious-administrative proceedings.

The sums deposited or the guarantees lodged as payment commitments may only be used to pay settlements made and penalties imposed for administrative decisions issued as a result of the reduced verification procedure.

Article 158 sexies. Effects of the reduced verification procedure.

Once an administrative decision has been issued as a consequence of the rectification proposed in a report issued as a result of a restricted verification procedure, the tax authorities may not carry out a new rectification in relation to the verified item unless new facts or circumstances are discovered in a limited verification procedure or in a subsequent inspection procedure resulting from actions other than those carried out and specified in the report issued.

SECTION FIVE
RECTIFICATION PROCEDURE WITHOUT THE TAXABLE PARTY BEING PRESENT

Article 159. Purpose of the rectification procedure without the taxable party being present.

1. The purpose of this procedure shall be to propose the relevant tax rectification in cases where there is pre-established proof of the taxable event, which shall occur when this can be considered proven, in accordance with the rules for assessing evidence contained in Section 2 of Chapter II of this Title.

2. This procedure shall be applied when the tax inspectorate does not require any investigation, verification, or information gathering in order to determine the appropriate rectification of the taxable party's situation.

Article 160. Development of the rectification procedure without the taxable party being present.

1. This rectification procedure shall be carried out without the taxable party or their representative being present and its conclusions shall be documented by means of the corresponding inspection report referred to in Article 136(3) of this Provincial Regulation, in the manner to be determined by the corresponding regulations.

2. The corresponding inspection report shall be notified to the taxable party, specifying the evidence that proves that the taxable event has occurred, informing said party that it will be passed on to the competent body to issue the necessary administrative decisions to adjust the taxable party's tax situation, giving them period of 15 days to make any pleadings deemed appropriate before the aforementioned body.

3. The inspection report shall not be subject to independent appeals or complaints, but those lodged against the resulting decisions and settlements may challenge the appropriateness of the adjustments proposed in the report.

4. Notwithstanding the provisions of the previous sections of this article, the rectification procedure without the presence of the taxable party shall be concluded without the formalisation of the corresponding inspection report by written and justified order of the body competent for the approval of the inspection plan.

Article 161. Effects of the rectification procedure without the taxable party being present.

Once an administrative decision has been issued as a result of the rectification proposed in a report issued as a result of an rectification procedure in the absence of the taxable party, the tax authorities may not carry out a new rectification in relation to the object of the process.

SECTION SIX
ACTIONS TO OBTAIN INFORMATION

Article 162. Actions to obtain information.

1. When the tax authorities must proceed to carry out the actions to obtain information provided for in Articles 92 and 93 of this Provincial Regulation, and for this purpose it is necessary for them to act outside their offices, such actions shall be carried out by the tax inspectorate, notwithstanding those to be carried out by the tax collection bodies in accordance with the provisions of Article 164(2)(b) of this Provincial Regulation.

2. The aforementioned actions shall be carried out under the terms established by the corresponding regulations.

3. When carrying out these actions, the tax inspectorate shall comply with the provisions of Articles 92 to 94 of this Provincial Regulation and, insofar as compatible with them, with the rules of conduct established in the other sections of this chapter.

SECTION SEVEN
ANTI-AVOIDANCE CLAUSE

Article 163. Procedure for the application of the anti-avoidance clause.

1. When, in the course of a tax enforcement procedure, the application of the provisions of Article 14 of this Provincial Regulation is deemed appropriate, the body responsible for the enforcement shall issue a report stating the grounds for the application of the anti-avoidance clause.

2. The body in charge of processing the corresponding procedure shall transfer the aforementioned report to the taxable party, giving said party a period of 15 days in which to make any pleadings deemed appropriate and to provide or propose such evidence as deemed relevant.

3. In view of the report and having received the taxable party's pleadings, and having taken, where appropriate, the relevant evidence, the body responsible for processing the procedure shall submit the complete file to the collegiate body established by corresponding regulations for the purpose of ruling on the appropriateness of applying the anti-avoidance clause.

4. This body shall declare, where appropriate, within a maximum period of three months, the existence of evasion on the part of the taxable party, and then the acting body shall issue the corresponding administrative settlement decisions.

5. The time elapsed between the communication of the mandatory report to the interested party and the receipt of the opinion of the collegiate body referred to in Section 3 above shall be considered, where appropriate, as a justified interruption in the calculation of the time limit for the corresponding proceedings.

   Once the three-month period referred to in Section 4 of this article has elapsed without the competent body having issued the opinion, the period for the duration of the corresponding proceedings shall be resumed, where appropriate, and the obligation to issue the opinion shall be maintained, although the proceedings may continue and, where appropriate, a provisional settlement may be issued in relation to the other elements of the tax obligation not related to the application of the anti-avoidance clause.

6. The opinion of the collegiate body shall be binding on the tax authorities that have requested it.

7. The opinion and other decisions issued in applying the provisions of this article shall not be subject to an independent appeal or claim, but appeals against the resulting decisions and settlements may include a declaration that the anti-avoidance clause has been applied.

CHAPTER V
COLLECTION PROCEEDINGS AND PROCEDURE

SECTION ONE
GENERAL PROVISIONS

Article 164. Tax collection.

1. Tax collection consists of the exercise of administrative functions leading to the collection of tax debts.

2. In particular, the following are tasks involved in tax collection:

   a) To carry out the necessary actions to enable and facilitate the payment of tax obligations.

   b) The performance of actions to obtain information in relation to actions aimed at collecting the debt or demanding administrative, civil, or criminal liability arising from non-payment of the debt.

   c) The taking of actions against the debtor's assets, the enforcement of their assets and rights and the adoption of precautionary measures, where appropriate.

   d) Informing taxable parties in relation to collection proceedings of their rights and obligations and the manner in which these obligations are to be fulfilled.

3. The collection of debts in the field of mutual assistance shall be carried out by means of payment or compliance by the taxable party under the terms provided for in Article 60(1)(c) and Article 63(5) of this Provincial Regulation, as well as, where appropriate, through the application of the provisions of Section 2 of this Chapter.

   Collection procedures processed under mutual assistance may be terminated, in addition to the causes set out in Article 177 of this Provincial Regulation, by the modification or withdrawal of the original request for recovery made by the State or international or supranational entity requesting said assistance.

Article 165. Collection periods.

1. Tax debts may be collected:

   a) In the voluntary period, by means of payment or compliance by the taxable party within the deadlines set out in Article 60 of this Provincial Regulation.

   b) In the enforcement period, through the voluntary payment or compliance by the taxpayer, through the offsetting regulated in Article 75 of this Provincial Regulation or, failing that, through the administrative enforcement procedure.

2. The enforcement period starts automatically after the end of the voluntary payment period.

3. Once the enforcement period has begun, the tax authorities shall collect the settled or self-assessed debts referred to in Section 1(b) of this article by means of the seizure of the assets of the taxable party liable for payment.

4. The start of the enforcement period shall determine the demand for late-payment interest and surcharges for the enforcement period under the terms of Articles 26 and 28 of this Provincial Regulation and, where applicable, the costs of the enforcement procedure.

5. The start of the enforcement period shall be suspended in the following cases:

   a) Due to a submission of a request for deferment, payment in instalments, offsetting, or donation of goods or rights in payment of debt during the voluntary payment period and during the processing of these proceedings.

   b) Due to the lodging of an appeal or claim in due time and form against a settlement, provided that the suspension is agreed by the competent body.

   c) Due to the lodging an appeal or claim in due time and form against a penalty until the penalty becomes final in administrative proceedings.

6. The suspension of the recovery procedure initiated under the rules on mutual assistance shall be ordered as a result of the communication of the existence of a dispute by the requesting State or international or supranational body that may affect the claim in relation to which assistance has been requested. Said suspension shall also take place when the interested party in the procedure notifies and reliably accredits the existence of the procedure. Notwithstanding the foregoing, such a suspension shall not be granted or shall be terminated when said State or international or supranational entity expresses its willingness to proceed with enforcement.

   Where the dispute concerns only part of the request for assistance, the suspension referred to in the previous section shall be deemed to have occurred only in relation to the party affected by the challenge, and enforcement may continue for the unaffected party.

   Unless otherwise provided for in the legislation on mutual assistance, the recovery procedure shall also be suspended where one of the States or international or supranational entities involved in said assistance has initiated an amicable procedure and the outcome of that procedure could affect the claim in relation to which assistance has been requested.

   The suspension shall remain in effect until the conclusion of these proceedings, unless, inter alia, there are reasonable grounds to believe that said recovery will be thwarted or seriously impeded, in which case enforcement shall continue. Notwithstanding the foregoing, precautionary measures may be taken to guarantee the collection of the credit in accordance with the provisions of the third paragraph of Article 81(1) of this Provincial Regulation.

7. The payment of a taxable party's debt shall be suspended in whole or in part, without the provision of guarantees, when it is established that for the same transaction a tax debt has been paid to the same or another tax authority or a charge has been levied for another tax, provided that the payment made or the charge levied is incompatible with the debt demanded and, moreover, in the latter case, the taxable party is not entitled to full deduction of the amount unduly levied.

8. The suspension will also be total or partial for a period of 12 months and without the need to provide guarantees when the tax debt has been settled with another Administration. Due to exceptional circumstances beyond the taxpayer’s control, the aforementioned period may be extended by the Administration.

Article 166. Tax collection powers.

1. In order to ensure or carry out the collection of the tax debt, the bodies carrying out collection actions shall have the powers recognised for the tax inspection in Article 135 of this Provincial Regulation, with the requirements established therein, and may adopt precautionary measures under the terms provided for in Articles 81 and 142, with regard to

the assets, rights, and records of the taxable parties as well as of third parties insofar as they are related to the taxable party's operations.

2. All taxable parties must provide the tax authorities, at their request, with a list of their assets and rights, sufficient to cover the amount of the tax debt.

3. If the taxable party or a third party does not comply with the rulings or requests in such a way as to hinder, delay, or prevent the effectiveness of an attachment or other proceedings in the enforcement procedure, the tax authorities may, after a warning, order the subsidiary enforcement of these rulings or requests, by means of a resolution of the competent body, and, where appropriate, they shall inform the judicial authorities.

SECTION TWO
ENFORCEMENT PROCEDURE

SUBSECTION ONE
GENERAL PROVISIONS

Article 167. The nature of the enforcement procedure.

1. The enforcement procedure is exclusively administrative and consists of the set of actions aimed at collecting tax debts by means of execution against the debtor's assets. The tax authorities alone are competent to hear the case and to resolve all its incidents.

2. The administrative enforcement procedure may not be combined with judicial or other enforcement procedures. Their initiation or processing shall not be suspended due to the initiation of these proceedings, except where appropriate in accordance with the provisions of the legislation on conflicts of jurisdiction or the provisions of the following article.

   The tax authorities shall ensure the scope of the powers attributed to it in this area by the legislation in accordance with the provisions of said legislation.

3. The enforcement procedure shall be initiated and conducted at the discretion of the tax authorities in all its stages and, once initiated, shall only be suspended under the circumstances and in the manner provided for in the tax regulations.

4. Through the corresponding regulations, a special simplified procedure may be implemented for the enforcement of debts of the same taxpayer whose total amount is less than the amount to be determined.

Article 168. Concurrence of proceedings.

1. Notwithstanding respect for the order of priority established by law for the collection of amounts owed according to their nature, in the event that the enforcement procedure for the collection of taxes coincides with other enforcement procedures, whether involving certain or all assets, judicial, or non-judicial, the preference for the seizure of the assets seized in the procedure shall be determined in accordance with the following rules:

   a) Where there is concurrence with other proceedings or individual enforcement procedures, the enforcement procedure shall take precedence if the attachment made in the course of the enforcement procedure is the oldest one.

   b) When it coincides with other insolvency enforcement proceedings or procedures or those against all of the debtor’s assets, the enforcement procedure will be preferential for the enforcement of the assets or rights subject to attachment in said proceedings, provided that the attachment agreed in them had been made prior to the date of the declaration of procedure.

   In both cases, the date of the order for attachment of the asset or right shall be the date of attachment.

2. In the event of insolvency proceedings, the provisions of insolvency legislation and, where applicable, the economic regime regulations of the Historical Territory of Bizkaia shall apply, without this preventing the corresponding order for enforcement being issued and the surcharges for the enforcement period being accrued if the conditions for this were met prior to the date of the declaration of insolvency proceedings or in the case of claims against the estate.

3. Judges and courts shall collaborate with the tax authorities by providing the collection bodies with the data relating to insolvency enforcement proceedings or those against all of the debtor's assets that they require for the exercise of their functions.

   This duty of cooperation shall also apply to any administrative bodies with competence to conduct enforcement proceedings in relation to their procedures.

4. The privileged nature of tax credits gives the Public Treasury the right to abstain from insolvency proceedings. However, during the course of these proceedings, the Public Treasury may sign the agreements or arrangements provided for in insolvency legislation, as well as agree, in agreement with the debtor and with the guarantees deemed appropriate, on special payment conditions, which may not be more favourable for the debtor than those included in the agreement or arrangement that ends the judicial proceedings. This privilege may be exercised under the terms provided for in insolvency law. It may also agree to the offsetting of these credits under the terms provided for in tax legislation.

   The signing and conclusion of the agreements and conventions referred to in the preceding paragraph shall require only the authorisation of the competent body of the tax authorities.

Article 169. Suspension of the enforcement procedure.

1. The enforcement procedure shall be suspended in the manner and with the requirements set out in the provisions governing appeals and economic-administrative claims, and in the other cases provided for in tax regulations, as well as in insolvency regulations.

2. The enforcement procedure shall be automatically suspended by the collection bodies, without the need to provide a guarantee, when the interested party proves that a material, arithmetical, or factual error has occurred in the determination of the debt, when the debt has been paid, remitted, offset, deferred, or suspended, or when the exercise of the tax authorities' power to demand payment has lapsed.

3. When a third party seeks the lifting of the attachment on the grounds that said party is entitled to ownership of the assets or rights subject to attachment, or when it believes that it is entitled to be reimbursed for its claim in preference to the Public Treasury, it shall file a third-party claim with the competent administrative body.

4. If third-party proceedings are brought, the enforcement proceedings shall be suspended in relation to the assets and rights in question once the appropriate security measures have been taken.

5. If the third party is entitled to a better right, the proceedings shall continue until the goods are recovered and the proceeds obtained shall be placed in deposit pending the resolution of the third-party claim.

6. The procedure for processing third-party claims shall be developed by corresponding regulations, the resolution of which shall, in any case, exhaust administrative channels.

Article 170. Preservation of actions.

1. When certain actions of the enforcement procedure are declared null and void, those not affected by the cause of invalidity shall be preserved.

2. The cancellation of surcharges or other components of the tax debt other than the instalment or the cancellation of penalties shall not affect the validity of the proceedings carried out in the course of the enforcement procedure in regard to the components of the tax debt or penalties not annulled.

SUBSECTION TWO
INITIATION AND CONDUCT OF THE ENFORCEMENT PROCEDURE

Article 171. Initiation of the enforcement procedure.

1. The enforcement procedure will begin with the notification of the enforcement order to the taxable party in which the outstanding debt will be identified, including the corresponding surcharges and interest in each case, and the taxable party will be requested to make payment.

2. The enforcement order will be sufficient to initiate the enforcement procedure and will have the same enforceability as a court judgment to proceed against the assets and rights of the taxable parties.

3. Only the following grounds of opposition are admissible against the enforcement order:

   a) Complete extinguishment of the debt or limitation of the exercise of the tax authorities' power to demand payment.

   b) Request for deferment, instalments, or offsetting in the voluntary period and other causes for suspension of the collection procedure.

   c) Failure to notify the settlement.

   d) Cancellation of the settlement.

   e) Error or omission in the content of the enforcement order that prevents the identification of the debtor or the enforced debt.

4. The grounds of objection referred to in the preceding section shall not be admissible against the instrument of execution issued under the rules on mutual assistance. The review of the implementing instrument shall be carried out by the State or international or supranational entity requesting the mutual assistance unless the rules governing mutual assistance provide otherwise.

5. If taxable parties fail to make payment within the period referred to in Article 60(3) of this Provincial Regulation, their assets shall be subject to attachment, and a warning shall be given in the enforcement order.

Article 171 bis. Implementing instrument in the field of mutual assistance.

1. An enforcement instrument shall be considered to be that which, by virtue of the rules on mutual assistance, authorises the exercise of the recovery actions referred to in this Chapter.

2. The enforcement instrument shall be treated as an enforcement order. In particular, it shall be considered sufficient to initiate the collection procedure and shall have the same enforceable nature as the enforcement order referred to in Article 171 of this Provincial Regulation to proceed against the assets and rights of those liable for payment.

3. Where the enforcement instrument is accompanied by other documents relating to it and issued by the requesting State or international or supranational entity, such documents shall be sent to the addressee in the language in which they are received by the tax authorities, unless otherwise provided for in the regulations on mutual assistance.

4. In no case shall the enforcement instrument or the documents accompanying and referring to it, which have been received in accordance with the mutual assistance regulations, be subject to any act of recognition, addition, or substitution by the tax authorities, unless otherwise provided for in those regulations.

Article 172. Enforcement of guarantees.

If the tax debt is guaranteed, the tax authorities may choose to enforce the guarantee, in the first instance, by means of the procedure provided for in Article 176 of this Provincial Regulation, or to dispose of other assets or rights or subject them to attachment. Likewise, other assets or rights may be subject to attachment and disposed of, prior to the enforcement of the guarantee, in those cases in which the taxable party so requests, providing sufficient assets for this purpose. In such cases, the guarantee provided shall be void to the extent of the part secured by the attachments.

Article 173. Implementation of the attachment of goods and rights.

1. With due regard to the principle of proportionality, the assets and rights of the taxable party shall be subject to attachment to an extent sufficient to cover the taxable party's assets and rights:

    a) The amount of the unpaid debt or penalty.

    b) Surcharges and interest that have accrued or will accrue up to the date of payment.

    c) The costs of the enforcement proceedings and, where appropriate, the costs of any precautionary measures taken.

2. The tax authorities shall subject the assets and rights of the taxable party to attachment that are easiest to enforce and cause the least damage to the taxable party until the amount of the outstanding tax debt is covered. In any case, the last attachment shall be those for the attachment of which it is necessary to enter the constitutionally protected domicile of the taxable party.

3. At the request of the taxable party, the assets subject to attachment and rights may be replaced by those specified by said party, if they guarantee the collection of the tax debt with similar efficiency and promptness as those that have been subject to attachment and do not cause harm to third parties.

4. Assets or rights declared not able to be subject to attachment by the Provincial Regulations or by law, or any others in relation to which it is presumed that the cost of their execution could exceed the amount that could normally be obtained from their disposal, shall not be seized.

Article 174. Attachment order and preemptive annotation.

1. Each attachment procedure shall be documented in a record, which shall be notified to the person for whom the attachment action is taken.

    Once the seizure of the assets or rights has been carried out, notice will be given to the taxpayer and, where applicable, to the third-party owner, possessor or custodian of the assets if proceedings have not been carried out involving them, as well as to the taxpayer’s spouse when the seized assets are jointly owned, to the common-law partner when the assets are of such a nature according to the financial or matrimonial property regime agreed upon by such couples, as well as to their joint owners and holders.

    The same notification shall be made to the spouse of the taxable party or to his or her common law partner referred to in the previous paragraph when their economic regime is that relating to transfers of assets under provincial law.

2. If the assets subject to attachment are entered in a public register, the tax authorities are entitled to have a preemptive annotation of the attachment made in the relevant register. To this end, the competent body shall issue an order, with the same validity as if it were a judicial attachment order, and shall also request the issuance of a certificate of the charges appearing in the register. The registrar shall make a note in the margin of the entry of attachment of the issue of this certificate, stating its date and the procedure to which it refers.

   In that case, the attachment shall be notified to the holders of charges subsequent to the entry of the attachment and prior to the marginal note issuing the certificate.

   The preemptive annotation made in this way shall not alter the priority established in Article 78 of this Provincial Regulation for the collection of tax credits, provided that a third-party preferential right is exercised. If this is not the case, the order of registration of the attachment entries shall prevail.

3. Only the following grounds of opposition shall be admissible against the attachment order:

   a) Total extinguishment of the debt.

   b) Failure to notify the enforcement order.

   c) Failure to comply with the provisions on seizures contained in this Provincial Regulation.

   d) Suspension of the collection procedure.

4. Only the grounds of opposition referred to in the preceding section shall be admissible as grounds for opposition to an attachment order issued on the basis of mutual assistance.

   In the event that the grounds for objection are based on evidence obtained in proceedings before administrative or judicial bodies of another State or international or supranational entity, the competent body must request due accreditation of such evidence. The information sent for this purpose shall have the probative value that is legally appropriate in accordance with the provisions of the second paragraph of Article 103(1) of this Provincial Regulation.

   The grounds deriving from this Provincial Regulation and its implementing regulations shall be enforceable against all other actions of the tax authorities deriving from a request for collection received under mutual assistance.

5. Where movable property is subject to attachment, the tax authorities may order it to be stored in a manner to be determined by the corresponding regulations.

6. When the attachment of a commercial or industrial establishment or, in general, of the assets and rights of a company is ordered, if it is found that the ongoing involvement of the persons who manage the activity could harm the solvency of the taxable party, the competent body, after hearing the owner of the business or the administrative body of the entity, may agree to appoint an official or professional to act as administrator or to manage the business in the manner established by the corresponding regulations, auditing those activities specified in the administrative agreement prior to their execution.

7. The tax authorities may order the prohibition to dispose of a company's movable and real estate assets, without the need for the collection procedure to be directed against it, when the taxable party has had shares or holdings of the company or of others through which they exercise effective control, total or partial, direct or indirect, over the company owning the movable and real estate assets in question subject to attachment under the terms of Article 42 of the Commercial Code and even if it is not obliged to draw up consolidated accounts. A preemptive annotation on the prohibition of disposal may be made in the corresponding registers and on the page open to the property in the relevant land register

by virtue of the corresponding order in which the validity of the precautionary measure against a person other than the registered owner is justified by reference to the existence of the corresponding supervisory relationship, the factual assumption of which is detailed in the order itself.

An appeal against a prohibition of disposal may only be founded on the grounds that one of the prerequisites for its adoption is lacking.

The measure shall be lifted when, for whatever reason, the attachment of the holdings or shares belonging to the taxable party is terminated. Likewise, the tax authorities may agree to lift the prohibition of disposal when its maintenance could cause damages that are difficult or impossible to repair, duly accredited by the company.

Article 175. Attachment of goods or rights in credit institutions or depositary entities.

1. When the tax authorities are aware or there are indications of the existence of funds, securities, deeds, or other assets delivered or entrusted to a credit institution or other person or depository entity, they may order their attachment in the appropriate amount without the need to specify the identification data and the situation of each account, deposit, or transaction existing in the aforementioned institution or entity.

2. Where funds or securities are held in accounts in the name of several holders, only the part corresponding to the taxable party shall be subject to attachment.

   For these purposes, in the case of accounts held jointly and severally with the depositary or jointly and severally with the depositary, the balance shall be presumed to be divided equally, unless a different type of material ownership is proved.

3. If wages, salaries, or pensions are regularly paid into the account affected by the attachment, the limitations laid down in the Code of Civil Procedure must be respected by applying them to the amount to be considered the debtor's wages, salaries, or pensions. For these purposes, the amount paid into that account for the month in which the attachment is made or, failing that, in the previous month, shall be considered to be salary, wages, or pension.

Article 176. Disposal of assets subject to attachment and rights.

1. The disposal of assets subject to attachment and rights shall be carried out by auction, tender, or direct award, in the cases and under the conditions established by the corresponding regulations.

   The disposition agreement may only be challenged if the attachment proceedings have been deemed to have been notified in accordance with the provisions of Article 110(3) of this Provincial Regulation. In this case, only the grounds for challenging the attachment proceedings referred to in Article 174(3) of this Provincial Regulation shall be admissible against the disposal agreement.

2. The enforcement procedure may end with the award of assets to the Public Treasury in the case of assets or rights whose award may be in the interest of the Public Treasury and which have not been awarded in the disposal procedure.

   The award shall be made for the amount of the debt sought, without, in any case, exceeding the minimum amount set for the bids and without the debtor being entitled to any financial compensation.

3. The tax authorities will have a preferential award option if, after having been informed of the other bids, they decide to match or exceed the highest bid. This option shall be exercised under the terms and conditions to be determined by the corresponding regulations.

4. The tax authorities may not proceed to dispose of the goods and rights subject to attachment in the course of the enforcement procedure until the act of liquidation of the enforced tax debt is final, except in cases of force majeure, perishable goods, goods in which there is a risk of imminent loss of value, or when the taxable party expressly requests their disposal.

5. At any time prior to the award of assets, the tax authorities shall release the assets subject to attachment if all the amounts due have been paid in full.

6. Assets or rights whose realisation cost could exceed the foreseeable amount to be obtained shall not be disposed of.

7. The tax authorities may authorise the disposal by the holders of assets subject to attachment or assets constituted as security for debts, cancelling the charges registered in their favour, even if the total amount of the debt is not covered, in accordance with the procedure established by the corresponding regulations and provided that the same conditions of publicity are maintained as those regulated for disposal by public auction.

SUBSECTION THREE
TERMINATION OF THE ENFORCEMENT PROCEDURE

Article 177. Termination of the enforcement procedure.

1. The enforcement procedure shall be terminated:

    a) Upon payment of the amounts owed, as referred to in Article 173(1) of this Provincial Regulation.

    b) By agreement declaring the claim to be uncollectible, once all those obliged to pay have been declared insolvent.

    c) By agreement that the tax debt or penalty has been extinguished for any other reason.

2. In cases where the party liable for payment has been declared insolvent, the enforcement procedure shall be resumed, within the limitation period for the exercise of the tax authorities' power to enforce payment, when said party's solvency is ascertained.

3. Through the corresponding regulations, a special simplified procedure for declaring insolvency may be developed for debts of the same taxpayer whose total amount is less than the amount to be determined.

SECTION THREE
PROCEDURES AGAINST LIABLE PARTIES AND SUCCESSORS

SUBSECTION ONE
PROCEDURES AGAINST LIABLE PARTIES

Article 178. Nature of the procedure.

The procedure against liable parties includes all collection actions aimed at declaring those liable for payment of the tax debt, together with the main debtors or other persons or entities, in accordance with the provisions of Articles 40, 41, and 42 of this Provincial Regulation.

Article 179. Declaration of liability.

1. The procedure for a declaration of liability shall be initiated at the discretion of the tax authorities on the basis of a notice to make the file available during the hearing of the interested party. Once the procedure has been completed, the corresponding administrative decision will be issued, where appropriate, which will terminate the procedure.

2. Liability may be declared at any time after the settlement has been made or the self-assessment has been submitted, unless otherwise provided for in the Provincial Regulation.

3. The prior hearing of the liable parties shall not prevent them from also having the right to make the pleadings they deem relevant and to provide the documentation they deem necessary prior to the hearing.

4. The declaration of liability decision shall be notified to the liable parties and shall have the following content:

    a) The full text of the agreement on the declaration of liability, indicating the relevant legal basis and the settlements covered by that basis.

    b) The means of challenging which may be brought against that decision, the body before which they may be brought, and the time limit for bringing them.

    c) The place, time, and manner in which the amount demanded from the liable party is to be paid.

5. In the appeal or claim against the resolution of the declaration of liability, the real hypothesis and the settlements to which said circumstances apply may be challenged, without the resolution of these appeals or claims being able to review the settlements that have become final for other taxable parties, but only the amount of the liability of the liable party who has lodged the appeal or claim.

    However, in the cases provided for in Article 41(5) and Article 42(1)(d) of this Provincial Regulation, it will not be possible to challenge the settlements that are covered by the grounds for the declaration of liability, but rather the overall scope of said declaration. Likewise, in the same cases, the provisions of Article 219(3) of this Provincial Regulation shall not apply whether the origin of the amount derived comes from tax debts or penalties.

6. The period granted to the person liable for making the payment in the voluntary period shall be that established in Article 60(1)(b) of this Provincial Regulation.

7. If the liable party does not pay within this period, the debt will be demanded in the enforcement period by means of the enforcement procedure.

8. Proceedings to establish liability must be concluded within six months of the date on which the taxable party is notified of the commencement of the proceedings. For the purposes of this calculation, delays attributable to the interested party shall not be taken into consideration.

    If the maximum period of duration of the procedure referred to in the previous paragraph elapses without the administrative decision of declaration of liability having been issued, this shall not determine the lapse of the procedure, which shall continue until its termination, but shall mean that the limitation period for the exercise of the power of the tax authorities to demand payment shall not be considered interrupted, as a consequence of the proceedings carried out against the liable party. In this case, the limitation period shall be understood to be interrupted by the resumption of the proceedings with the formal knowledge of the liable party.

Article 180. Procedure to enforce joint and several liability.

1. The procedure for enforcing joint and several liability, as the case may be, shall be as follows:

    a) Where liability has been declared and notified to the liable party at any time prior to the expiry of the original voluntary period for payment of the resulting debt, it shall be sufficient to require payment after the expiry of that period.

b) In other cases, once the original voluntary period for payment of the resulting debt has elapsed, the competent body shall issue a declaration of liability decision, which shall be notified to the liable party.

2. Whoever intends to acquire ownership of holdings and economic activities and in order to limit the joint and several liability referred to in Article 41(2) of this Provincial Regulation, shall be entitled, subject to the agreement of the current owner, to request from the tax authorities detailed certification of the tax debts, penalties, and liabilities arising from the exercise of these activities. The tax authorities must issue said certification within three months of the request. In such a case the liability of the acquirer shall be limited to the debts, penalties, and liabilities under said liability. If the certificate is issued without mentioning debts, penalties, or liabilities or is not provided within the time limit specified, the applicant shall be exempted from the liability referred to in that article.

Article 181. Procedure to enforce subsidiary liability.

Once the main debtor and, where applicable, the jointly and severally liable parties have been declared insolvent, the tax authorities shall issue a declaration of liability, which shall be notified to the jointly and severally liable party.

SUBSECTION TWO
PROCEDURES AGAINST SUCCESSORS

Article 182. Collection procedures against successors.

1. On the death of any party liable to pay the tax debt, the collection procedure shall continue with his or her heirs and, where applicable, legatees, with no other requirements than proof of the death of the taxable party and notification of the successors, with a request for payment of the tax debt and costs pending of the deceased.

   When the heir claims to have made use of the right to deliberate, the collection procedure shall be suspended until the period granted for this purpose has elapsed, during which time the heir may request from the tax authorities a list of the deceased's outstanding tax debts, for information purposes only.

   While the estate is dormant, the proceedings for the collection of outstanding tax debts may continue to be directed against its assets and rights, for which purpose the proceedings must be understood with the person in charge of its administration or representation.

2. When a company or entity is dissolved and liquidated, the recovery procedure will continue with its partners, shareholders, or co-owners, once the extinction of the legal personality has been established.

   Once a foundation has been dissolved and wound up, the recovery procedure shall continue with the recipients of its assets and rights.

   The tax authorities may take action against any of the partners, shareholders, co-owners, or addressees, or against all of them simultaneously or successively, to demand payment of the amounts owed, as referred to in Article 173(1) of this Provincial Regulation.

TITLE IV
POWERS TO IMPOSE PENALTIES

CHAPTER I
PRINCIPLES OF THE POWER TO IMPOSE PENALTIES IN TAX MATTERS

Article 183. Principles of the power to impose penalties.

The power to impose penalties in tax matters shall be exercised in accordance with the principles governing them in administrative matters, with the special features established in this Provincial Regulation and in the rest of the tax regulations.

In particular, the principles of legality, criminality, liability, proportionality, and non-competition shall apply. The principle of non-retroactivity shall be applied in general, taking into consideration the provisions of Article 9(2) of this Provincial Regulation.

Article 184. Principle of liability for tax offences.

1. The natural persons or legal entities and the entities mentioned in Article 34(3) of this Provincial Regulation may be sanctioned for acts constituting a tax offence when they are responsible for them. Taxable parties are always presumed to have acted in good faith.

2. Acts or omissions defined in the Provincial Regulations or in the law shall not give rise to liability for tax offences in the following cases:

   a) When they are carried out by those who lack capacity to act in tax matters.

   b) In the event of force majeure.

   c) When they result from a collective decision, for those who have withheld their vote or did not attend the meeting at which the decision was taken.

   d) When the necessary diligence has been exercised in the fulfilment of tax obligations.

   Among other cases, the necessary diligence will be understood to have been exercised whenever a truthful and complete declaration has been submitted, where appropriate, by filing the corresponding self-assessment or tax return, based on a reasonable interpretation of the provision.

   In particular, the action taken shall be considered to be based on a reasonable interpretation of the rule when the taxpayer has acted in accordance with:

   a') The rulings of the Provincial Economic-Administrative Court of Bizkaia or of the courts of the contentious-administrative jurisdiction, or with the doctrine arising from the rulings of the Constitutional Court and with those of the Court of Justice of the European Union in orders and rulings, with regard to cases in which the facts and circumstances are substantially the same.

   b') The criteria expressed by the tax authorities in:

   - instructions contained in the forms and disclosure manuals for filing tax returns and self-assessments;

   - the disclosure and communications referred to in Article 83 of this Provincial Regulation;

   - the replies to tax queries referred to in Article 85 of this Provincial Regulation, which have been formulated at the initiative of another taxable party, provided that there is a substantial similarity between the circumstances of that scenario and those of the case in which the tax authorities have expressed their opinion, so that these criteria can be understood to be applicable and these have not been modified.

e) When they are attributable to a technical deficiency in the software provided by the tax authorities for the fulfilment of tax obligations.

3. Taxable parties who voluntarily rectify their tax situation by filing tax returns or self-assessments without a prior request from the tax authorities shall not incur liability for tax offences committed.

   Nor shall liability be incurred by those who voluntarily rectify, without a prior request from the tax authorities, incorrectly filed tax returns, self-assessments, or requests, for tax offences committed upon their filing.

   In order for the provisions of this section to be applicable in the case of the filing of self-assessments after the end of the voluntary period for the declaration and payment of the fees included in them, the self-assessments filed must expressly identify the tax or settlement period to which they refer and must contain only the data relating to that period, following the procedure established in Article 119(2) of this Provincial Regulation.

   The provisions of the preceding paragraphs shall be understood notwithstanding any surcharges and late-payment interest that may be applicable and any possible offences that may be committed as a result of the late or incorrect filing of new tax returns, self-assessments, or requests.

4. For the purposes of the provisions of this Provincial Regulation, any administrative proceedings carried out, with the formal knowledge of the taxable party, leading to the recognition, adjustment, verification, inspection, assurance, or settlement of the tax debt shall be considered a prior request.

Article 185. Principle of non-concurrence of tax penalties.

1. The tax authorities shall apply the provisions of Title VI of this Provincial Regulation both for the processing of procedures for the application of taxes and for the imposition of the corresponding penalties in those cases in which they consider that the offence could constitute a crime against the Public Treasury.

2. The same action or omission which is to be taken as a criterion for determining the magnitude of an offence may not be penalised as a separate offence.

3. The perpetration of several acts or omissions constituting several offences shall make it possible to impose the appropriate penalties for all of them.

4. The penalties derived from the committing of tax offences are compatible with the demand for surcharges and late-payment interest, where applicable.

CHAPTER II
GENERAL PROVISIONS ON TAX OFFENCES AND PENALTIES

SECTION ONE
PARTIES LIABLE FOR TAX OFFENCES AND PENALTIES

Article 186. Offending parties.

1. Offending parties shall be the natural persons or legal entities and the entities mentioned in Article 34(3) of this Provincial Regulation responsible for the actions or omissions that constitute offences under the Provincial Regulations or the law. Offending parties shall include, inter alia, the following:

a) Taxable parties.

b) Those obliged to make payments on account.

c) Those liable for obligations between private individuals arising from taxation.

d) Taxable parties required to comply with formal tax obligations.

e) The representative entity in the tax consolidation regime.

f) Entities that are obliged to impute or attribute income to their partners or members.

g) The legal representative of taxable parties who do not have the capacity to act in tax matters.

h) Taxable parties under mutual assistance regulations.

i) The parent entity in the special value-added tax regime for the group of entities.

2. The offending party shall be considered the main debtor for the purposes of the provisions of Article 40(1) of this Provincial Regulation in relation to the declaration of liability.

3. The presence of several offending parties in the perpetration of a tax offence will mean that they will be jointly and severally liable to the tax authorities for the payment of the penalty.

Article 187. Liability and successors for tax penalties.

1. The payment of tax penalties, whether or not derived from a tax debt, shall be the responsibility of the persons or entities that are covered by the cases provided for in Articles 41 and 42 of this Provincial Regulation, under the terms established in these articles.

2. The procedure for declaring and demanding liability shall be that provided for in Articles 178 to 181 of this Provincial Regulation.

3. Tax penalties shall not be passed on to the heirs and legatees of the offending natural persons.

   Tax penalties for tax offences committed by dissolved companies and entities shall be passed on to their successors under the terms provided for in Article 39 of this Provincial Regulation.

SECTION TWO
CONCEPT AND TYPES OF TAX OFFENCES AND PENALTIES

Article 188. Concept of tax offences.

Tax offences are intentional or negligent acts or omissions with any degree of negligence that are classified and sanctioned as such in this or any other Provincial Regulation or law.

Article 189. Types of tax penalties.

1. Tax offences shall be punishable by the imposition of pecuniary penalties and, where appropriate, non-pecuniary penalties of an ancillary nature.

2. Pecuniary penalties may take the form of a fixed or proportional fine.

Article 190. Non-pecuniary penalties for tax offences.

1. When the pecuniary fine imposed for the perpetration of an offence is of an amount equal to or greater than 30,000 euros and the criteria for the scaling of repeated perpetration of tax offences has been used in addition to that of concealment of data or the use of fraudulent means or an intermediary person, the following additional penalties may also be imposed:

   a) Loss of the possibility of obtaining public subsidies or aid and the right to apply tax benefits and incentives for a period of one to two years under the terms established by the corresponding regulations.

   b) Prohibition on entering into contracts with the public administration that imposed the sanction for a period of one to two years under the terms to be established by the corresponding regulations.

2. When the pecuniary fine imposed for the perpetration of an offence is of an amount equal to or greater than 60,000 euros and the criteria for the scaling of the sanction in the terms of the previous section have been used, the following additional sanctions may also be imposed:

   a) Loss of the possibility of obtaining public subsidies or aid and the right to apply tax benefits and incentives for a period of three, four, or five years, when the amount of the sanction imposed is equal to or greater than 60,000, 150,000, or 300,000 euros, respectively.

   b) Prohibition on entering into contracts with the public administration that imposed the sanction for a period of three, four, or five years, when the amount of the sanction imposed is equal to or greater than 60,000, 150,000, or 300,000 euros, respectively.

3. When the authorities or persons exercising official professions commit offences deriving from the violation of the duties of collaboration of Articles 92 and 93 of this Provincial Regulation and provided that, in relation to this duty, they have disregarded three requests as provided for in Article 209 of this Provincial Regulation, in addition to the applicable pecuniary fine, the suspension from the exercise of official professions, employment, or public office for a period of three months may be imposed as an additional sanction.

   The suspension shall be for a period of 12 months if the offending party has been sanctioned with the additional sanction referred to in the previous paragraph by virtue of a final administrative decision within the four years prior to the perpetration of the offence.

   For the purposes of the provisions of this section, official professions shall be considered to be those carried out by property and mercantile registrars, notaries, and all those who, exercising public functions, do not directly receive salaries from provincial institutions, the State, Autonomous Communities, local entities, or other public law entities.

4. When the penalty provided for in Article 208.3 of this Provincial Regulation is imposed, the additional penalties included in Section 1 of this article may also be imposed.

SECTION THREE
QUANTIFICATION OF PECUNIARY TAX PENALTIES

Article 191. Criteria for the scaling of tax penalties.

1. Tax penalties shall be scaled solely according to the following criteria, insofar as applicable:

   a) Repeated perpetration of tax offences.

      This circumstance shall be deemed to have arisen when the offending party has been sanctioned for an offence of the same nature by virtue of a final administrative decision within the four years prior to the perpetration of the offence.

For these purposes, the offences provided for in the same Article of Chapter III of this Title shall be deemed to be of the same nature. However, the offences provided for in Articles 196, 197, and 198 of this Provincial Regulation shall all be considered to be of the same nature.

In such circumstances, the minimum penalty shall be increased by between ten and 30 percentage points or, if the penalty is not proportional, by between 100 and 300%.

b) Concealment of information.

Concealment of information from the tax authorities shall be understood to exist when no tax returns are filed or tax returns are filed that include facts or transactions that do not exist or include false amounts, or in which transactions, income, revenues, products, goods, or any other information that affects the determination of the tax debt are totally or partially omitted.

When this is the case, the minimum penalty shall be increased by 15 to 50 percentage points.

c) Use of fraudulent means or an intermediary.

The following are considered fraudulent means under the terms established by the corresponding regulations:

- substantial discrepancies in the accounts and in the books or records required by tax legislation;

- the use of false or falsified invoices, supporting documents, or other documents, provided that the incident involving false or falsified documents or materials represents at least the percentage established by the corresponding regulations;

- the use of intermediaries when the offending party, for the purpose of concealing that party's identity, has led to the ownership of assets or rights, the obtaining of income or capital gains or the carrying out of taxable transactions from which the tax obligation arises, the non-fulfilment of which constitutes an offence liable for a penalty, to appear in the name of a third party, with or without that party's consent.

When this is the case, the minimum penalty shall be increased by 25 to 100 percentage points.

2. The scaling criteria are applicable simultaneously. The conditions for the application of the scaling criteria shall be established by the corresponding regulations, and in no case shall the simultaneous application of these criteria lead to a penalty higher than the maximum established for the corresponding offence.

Article 192. Reduction of penalties due to compliance by the taxable party.

1. The amount of the pecuniary penalties imposed in accordance with the provisions of Articles 196 to 202 of this Provincial Regulation shall be reduced by the following percentages:

a) 50% in the case of certificates of compliance and in all other circumstances involving compliance on the part of the taxable party and payment of the tax debt and the penalty.

In management procedures as well as in reduced verification procedures and in adjustment procedures without the taxable party being present, unless express consent is required, consent shall be deemed to have been given provided that neither the resulting settlement nor the penalty is subject to appeal or economic-administrative claim and payment of the tax debt and penalty has been made in the voluntary period.

b) 70% in the cases of certificates of compliance with a commitment to pay and in which a commitment to pay is formalised for administrative decisions deriving from a reduced verification procedure provided for respectively in Article 151 and in Section 4 of Article 158.quinquies of this Provincial Regulation.

2. The amount of the reduction made in accordance with the provisions of the previous section shall be demanded from the taxable party when any of the following circumstances apply:

   a) In the cases provided for in point a), when an appeal or claim has been lodged against the rectification or penalty or when the amounts corresponding to the tax debt or penalty are not paid in the voluntary period, without a deferment or payment in instalments having been granted.

   b) In the cases foreseen in point b), when the corresponding contentious-administrative appeal has been lodged against the rectification or sanction, or when a declaration of full invalidity is sought in accordance with the provisions of Article 225 of this Provincial Regulation.

3. When any of the circumstances set out in the previous section arise and, as a result, the reduced penalty is lost, the full amount of the penalty shall be demanded, without the need to notify the taxable party again of the total amount of the penalty to be paid, unless an appeal or claim has been lodged against the reduced penalty, in which case the provisions of Article 219(3)(a) of this Provincial Regulation shall apply.

4. Where, in accordance with the provisions of the previous section, the amount of the reduction applied is demanded, it shall not be necessary to lodge a separate appeal against this act if an appeal or claim against the reduced penalty has been lodged beforehand. In this case, it shall be understood that the amount to which the appeal refers shall be the total amount of the penalty, and the suspensive effects derived from the appeal shall be extended to the reduction applied that is demanded.

Article 193. Reduction of penalties for payment by the taxable party.

The amount of the financial penalties imposed in accordance with the provisions of Articles 203 to 213 of this Provincial Regulation shall be reduced by 30% provided that the full amount of the penalty, and where applicable the tax debt, is paid in full during the voluntary period, or a deferment or payment in instalments has been granted, and no appeal or claim has been lodged against it.

SECTION FOUR
EXTINCTION OF LIABILITY ARISING FROM OFFENCES AND FROM TAX PENALTIES

Article 194. Extinction of liability arising from tax offences.

1. Liability arising from tax offences shall be extinguished by the death of the offending party and by the lapsing of the limitation period or the expiry period for the exercise of the administrative power to impose the corresponding penalties.

2. The limitation period and expiry shall apply simultaneously, so that the exercise of this administrative power may not be carried out once either of them has occurred.

3. The limitation period for the exercise of administrative powers to impose tax penalties shall be four years and shall start to run from the time when the corresponding offences were committed.

4. The limitation period for the exercise of administrative powers to impose tax penalties shall be interrupted:

   a) By any action of the tax authorities, carried out with the formal knowledge of the interested party, leading to the imposition of the tax penalty.

Administrative proceedings leading to the rectification of the taxable party's tax situation shall interrupt the limitation period for the exercise of administrative powers to impose the tax penalties that may derive from said rectification.

b) For the lodging of claims or appeals of any kind, for the submission of a dispute to the Arbitration Board provided for in the Economic Agreement, for the referral of a case to the criminal jurisdiction or for the filing of a claim with the Public Prosecution Service, as well as for the actions carried out with the formal knowledge of the obligor in the course of said procedures.

The limitation period shall not be considered to be interrupted in cases in which the interruption has occurred due to the filing of appeals or claims of any kind, when they have been upheld in their entirety with total annulment of the elements of the administrative decision against which they have been filed.

The provisions of Article 69(11) of this Provincial Regulation shall also apply to the exercise of the power of the tax authorities to impose tax penalties.

5. The expiry period for the exercise of administrative powers to impose tax penalties shall be six years and shall start to run from the time when the corresponding offences were committed.

6. The calculation of the expiry period for the exercise of the administrative power to impose tax penalties shall be suspended in the following cases:

   a) Due to the lodging of an appeal for reconsideration or an economic-administrative claim, due to the request for a contradictory expert appraisal, or due to the lodging of a contentious-administrative appeal.

   b) Due to the filing of a dispute before the Arbitration Board provided for in the Economic Agreement.

   c) On referral of the case to the criminal courts or on the filing of a complaint with the Public Prosecution Service, as well as on receipt of a communication from a court ordering the suspension of the administrative procedure in progress.

7. Likewise, the provisions of Sections 2, 3, and 4 of Article 72 of this Provincial Regulation shall apply to the expiry of the administrative power to impose tax penalties.

8. The statute of limitations and the corresponding expiry shall be applied at the discretion of the tax authorities, without the need for the interested party to invoke them.

Article 195. Extinguishment of tax penalties.

1. Tax penalties are extinguished through payment or compliance, by lapse of the tax authorities' power to demand payment, by offsetting, by remission, and by the death of all those obliged to pay them.

2. The provisions of Chapter IV of Title II of this Provincial Regulation, as well as the provisions of Chapter V of Title III, shall apply to tax penalties.

3. Tax penalties may only be remitted by the General Assembly of Bizkaia by virtue of a Provincial Regulation, in the amount and with the requirements determined by said Provincial Regulation.

4. Tax penalties unduly paid shall be considered as undue payments for the purposes of this Provincial Regulation.

CHAPTER III
TAX OFFENCES AND PENALTIES

Article 196. Tax offence for failure to pay the tax debt that would be due as a result of a self-assessment.

1. It is a tax offence to fail to pay all or part of the tax debt that should result from the correct self-assessment of the tax within the period established in the regulations for each tax, unless it is adjusted without a prior request from the tax authorities.

   Failure to pay all or part of the tax debt of partners, heirs, co-owners, or shareholders deriving from amounts not attributed or incorrectly attributed by the entities in attribution of income also constitutes a tax offence.

2. The basis for the penalty shall be the amount not paid in the self-assessment as a result of the offence.

3. The penalty for the perpetration of this tax offence shall consist of a proportional pecuniary fine of 100 to 250%.

4. When the taxable party has unduly obtained a refund and, as a result of the rectification made, a penalty of the kind regulated in this article is imposed, it shall be understood that the amount not paid is the result of adding the total amount that should have been paid in the self-assessment to the amount of the unduly obtained refund.

   In these cases, the offence referred to in Article 198 of this Provincial Regulation, consisting of unduly obtaining a refund, shall not be subject to a penalty.

5. Notwithstanding the provisions of the previous sections, the failure to pay taxes or payments on account in due time which have been included or adjusted by the same taxable party in a self-assessment submitted at a later date without complying with the requirements established in the third paragraph of Article 184(3) of this Provincial Regulation shall constitute a tax offence.

   In this case, the sanction shall consist of a proportional pecuniary fine of 75% of the amount adjusted without complying with the requirements referred to in the previous paragraph.

   The provisions of this section shall not apply when the self-assessment submitted includes income corresponding to tax items and tax periods in relation to which the tax authorities have previously served a request.

Article 197. Tax offence for failure to comply with the obligation to file complete and correct tax returns or documents required for tax settlements.

1. It is a tax offence to fail to comply with the obligation to file complete and correct tax returns or documents necessary for the tax authorities to be able to make the corresponding settlement of those taxes that are not required by the self-assessment procedure, unless this is adjusted in accordance with the provisions of Article 27 of this Provincial Regulation.

2. The basis for the penalty shall be the amount of the settlement if no tax return has been filed, or the difference between the amount resulting from the due settlement of the tax and the amount that would have been due according to the data declared.

3. The penalty for the perpetration of this tax offence shall consist of a proportional pecuniary fine of 100 to 250%.

Article 198. Tax offence for improperly obtaining refunds.

1. It is a tax offence to unduly obtain refunds derived from the regulations governing each tax.

2. The basis for the penalty shall be the amount unduly refunded as a consequence of the perpetration of the offence.

3. The penalty for the perpetration of this tax offence shall consist of a proportional pecuniary fine of 100 to 250%.

Article 199. Tax offence for improperly claiming tax refunds, benefits, or incentives.

1. It is a tax offence to unduly request refunds derived from the regulations of each tax by omitting relevant data or including false data in self-assessments or tax returns, without the refunds having been obtained.

   The basis for the penalty shall be the amount unduly claimed.

   The penalty shall be a proportional pecuniary fine of 15%.

2. Likewise, it is a tax offence to unduly apply for tax benefits or incentives by omitting relevant data or including false data, provided that, as a consequence of such conduct, no penalty is imposed on the same person for any of the offences provided for in Articles 196, 197, or 200 of this Provincial Regulation, or in the first section of this article.

   The tax offence provided for in this section shall be punishable by a fixed pecuniary fine of 600 euros.

Article 200. Tax offence for improperly determining or crediting positive or negative items or apparent tax credits.

1. It is a tax offence to improperly determine or credit positive or negative items or tax credits to be offset or deducted in the tax base or tax liability of future tax returns, either a party's own or those of third parties.

   This offence is also committed when the net income, the amounts charged, the amounts or tax payable to be deducted, or the tax incentives for a tax period are incorrectly declared without there being a lack of income or undue obtaining of refunds because amounts to be offset, deducted, or applied have been offset in one of the administration procedures or in one of the inspection procedures.

2. The basis for the penalty shall be the amount of the amounts unduly determined or credited. In the case provided for in the second paragraph of the previous section, it shall be understood that the amount unduly determined or credited is the increase in net income or in the amount of tax deducted, or the reduction of the amounts or amounts to be deducted or of the tax incentives, for the tax period.

3. The penalty shall consist of a proportional financial penalty of 15% in the case of items to be offset or deducted from the tax base, or 50% in the case of items to be deducted from the tax liability or apparent tax credits.

4. The penalties imposed in accordance with the provisions of this article shall be deductible in the corresponding proportional part of those that may be applicable for offences committed subsequently by the same offending party as a result of the offsetting or deduction of the aforementioned concepts, without the amount to be deducted exceeding the penalty corresponding to said offences.

Article 200 bis. Offences in cases involving an anti-avoidance clause.

1. Failure to comply with tax obligations by carrying out decisions or transactions whose adjustment has been carried out through the application of the provisions of Article 14 of this Provincial Regulation and in which any of the following situations have been accredited constitutes a tax offence:

a) Failure to pay all or part of the tax debt within the period established in the regulations for each tax.

b) Unduly obtaining a refund derived from the regulations of each tax.

c) Improperly claiming a tax refund, benefit, or incentive.

d) The improper determination or crediting of positive or negative items or tax credits to be offset or deducted in the tax base or tax payable of future tax returns, either a party's own or those of third parties.

2. The non-compliance referred to in the previous section shall constitute a tax offence only when it is proven that the case subject to rectification and that or those other cases in which administrative criteria have been established are substantially similar and these have been made public for general knowledge before the start of the period for filing the corresponding tax return or self-assessment.

   For these purposes, the administrative criterion shall be understood to be that established by applying the provisions of Article 163, sections 3 and 4 of this Provincial Regulation, and the publication of the administrative criterion derived from the resolutions declaring the existence of evasion on the part of the taxable party in accordance with the provisions of the aforementioned sections shall be governed by the corresponding regulations.

3. The penalty shall consist of:

   a) A proportional pecuniary fine of 100% of the amount not paid under the scenario described in Section 1.a).

   b) A proportional pecuniary fine of 100% of the amount unduly refunded under the scenario described in Section 1.b).

   c) A proportional pecuniary fine of 15% of the amount unduly requested under the scenario described in Section 1.c).

   d) A proportional pecuniary fine of 15% of the amount of the amounts unduly determined or credited, for items to be offset or deducted from the tax base, or 50% in the case of items to be deducted from the tax liability or apparent tax credits, under the scenario described in Section 1.d).

4. The offences and penalties regulated in this article shall be incompatible with those that would correspond to those regulated in Articles 196, 198, 199, and 200 of this Provincial Regulation.

Article 201. Tax offence for incorrectly allocating or not allocating tax bases, income, or earnings by entities subject to an income imputation regime.

1. It is a tax offence for entities subject to an income imputation regime to allocate incorrectly or not to allocate tax bases or results to partners or members. This action or omission shall not constitute an offence for the part of the bases or results that would have given rise to the imposition of a penalty on the entity subject to the income imputation system for the committing of the offences under Articles 196, 197, or 198 of this Provincial Regulation.

2. The basis for the penalty shall be the amount of the unallocated amounts. When there are incorrectly attributed amounts, the basis for the penalty shall be the amount resulting from the sum of the positive differences, without offsetting negative differences, between the amounts that should have been attributed to each partner or member and the amounts that were attributed to each of them.

3. The penalty shall be a proportional pecuniary fine of 40%.

Article 202. Tax offence for incorrect allocation of deductions, allowances, and payments on account by entities subject to an income imputation regime.

1. It is a tax offence for entities subject to the income imputation regime to incorrectly allocate deductions, allowances, and payments on account to partners or members. This act shall not constitute an offence for the part of the amounts incorrectly imputed to the members or shareholders that would have given rise to the imposition of a penalty on the entity subject to the income imputation regime for the perpetration of the offences under Articles 196, 197, or 198 of this Provincial Regulation.

2. The basis for the penalty shall be the amount resulting from the sum of the positive differences, without offsetting any negative differences, between the amounts that were charged to each partner or member and the amounts that should have been charged to each of them.

3. The penalty shall be a proportional pecuniary fine of 75%.

Article 203. Tax offence for failure to file self-assessments or tax returns on time or to provide information on the tax domicile.

1. Failure to file self-assessments or tax returns on time shall constitute a tax offence, provided that this conduct does not constitute an offence under Articles 196 to 202 of this Provincial Regulation. The penalty shall consist of:

   a) In general, a fixed pecuniary fine of 400 euros.

   b) In cases involving register declarations or the notification of the designation of the representative of persons or entities when this is established in the corresponding regulations, a fixed pecuniary fine of 800 euros.

   c) In cases involving tax returns generally required in compliance with the obligation to provide information set out in Articles 92 and 93 of this Provincial Regulation, a fixed pecuniary fine of 300 euros for each piece of data or set of data referring to the same person or entity that should have been included in the tax return, with a minimum of 800 euros and a maximum of 40,000 euros.

2. However, under the scenarios of points b) and c) of the previous section, if the tax returns are filed after the deadline without a prior request from the tax authorities, the penalty and the minimum and maximum limits shall be half of those established.

   In the same cases, if incomplete, inaccurate, or false tax returns have been filed within the deadline and a complementary or replacement tax return is subsequently filed outside the deadline without prior notice, the offence referred to in Article 204 of this Provincial Regulation in relation to the tax returns filed before the deadline will not occur and the penalty resulting from the application of this section will be imposed in relation to those filed after the deadline.

3. It is also a tax offence to file self-assessments or tax returns after the deadline without a prior request from the tax authorities.

   The penalty shall be a fixed pecuniary fine of 400 euros.

4. Likewise, it is a tax offence for individuals who do not carry out economic activities to fail to comply with the obligation to provide information on their tax domicile or to report a change to their tax domicile.

   The penalty shall be a fixed pecuniary fine of 200 euros.

5. If requests have been issued, the penalty provided for in Section 1 of this article shall be compatible with that established for resistance, obstruction, excuse, or refusal to comply

with the actions of the tax authorities in Article 209 of this Provincial Regulation for failure to comply with the requests issued.

Article 204. Tax offence for incorrectly filing self-assessments, tax returns, or responses to individual requests for information.

It is a tax offence to file incomplete, inaccurate, or false self-assessments or tax returns, provided that this conduct does not constitute an offence under Articles 196 to 202 of this Provincial Regulation, or to respond to individual requests for information.

The penalty shall consist of:

a) In general, if incomplete, inaccurate, or false self-assessments or tax returns are filed, a fixed pecuniary fine of 300 euros shall be imposed.

b) If incomplete, inaccurate, or false register declarations are filed, a fixed pecuniary fine of 500 euros shall be imposed.

c) For individual requests or tax returns generally required in compliance with the obligation to provide information set out in Articles 92 and 93 of this Provincial Regulation, which do not include data expressed in monetary amounts and which have been answered or submitted incompletely, inaccurately or with false data, a fixed pecuniary fine of 400 euros for each piece of data or set of data referring to the same person or entity that has been omitted, inaccurate, or false.

   In cases involving data expressed in monetary amounts, the penalty shall consist of a proportional financial penalty of up to two per cent of the amount of the transactions not declared or declared incorrectly, with a minimum of 1,000 euros.

   By the corresponding regulations, within the limit indicated, the penalty applicable in each case shall be determined according to the percentage that the undeclared or incorrectly declared transactions represent of the total amount of those that should be declared.

Article 205. Offences regarding the obligation to file self-assessments or tax returns on the form approved for the purpose, in a format directly readable by computer or telematically and the response to individual requests in a format other than electronic, computerised, or telematic formats.

1. It is a tax offence to file self-assessments or tax returns using a form other than that approved and published in each case by the tax authorities.

   The penalty shall be a fixed pecuniary fine of 500 euros.

2. Failure to comply with the obligation to file self-assessments or tax returns on a medium directly readable by a computer or telematically for those individuals or entities that, in accordance with the regulations in force at any given time, are obliged to use these filing methods, also constitutes an offence.

   This offence shall be punishable by a fixed pecuniary fine of 1,500 euros.

3. However, for tax returns generally required in compliance with the obligation to provide information set out in Articles 92 and 93 of this Provincial Regulation, the penalties imposed in accordance with the provisions of this article shall be increased by 100%.

4. It shall also constitute a tax offence to respond to individual requests for information or to provide other documents with tax implications, by means other than electronic, computerised, or telematic means in those cases where there is an obligation to do so by such means or when so required by the tax authorities in those cases where the obligation established in Article 66(2)(a) of this Provincial Regulation is fulfilled by the use of computerised systems.

In cases involving individual requests or other documents that do not relate to data expressed in monetary amounts, the penalty shall be 100 euros for each item of data or set of data relating to the same person or entity declared by means other than electronic, computer, and telematic means, with a minimum of 250 euros.

For individual requests or other documents containing data expressed in monetary amounts, the penalty shall be one per cent of the amount of the transactions declared by means other than electronic, computerised, and telematic means, with a minimum of 250 euros.

Article 206. Tax offence for failure to comply with accounting and registration obligations.

1. Failure to comply with accounting and registration obligations constitutes a tax offence.

2. The penalty shall consist of:

   a) In general, a fixed pecuniary fine of 300 euros.

   b) The inaccuracy or omission of transactions in the accounts or in the books and records required by tax provisions, as well as the use of accounts with a meaning other than that which corresponds to them, according to their nature, which makes it difficult to verify the tax situation of the taxable party, a proportional fine of one per cent of the charges, credits, or entries omitted, inaccurate, falsified, or included in accounts with a value other than that which corresponds to them, with a minimum of 300 and a maximum of 12,000 euros.

   c) El incumplimiento de la obligación de llevar o conservar la contabilidad, los libros y registros establecidos por las normas tributarias, multa pecuniaria proporcional del 1 por 100 de la cifra de negocios del sujeto infractor en el ejercicio al que se refiere la infracción, con un mínimo de 1.200 euros. En el caso de que dicho período impositivo hubiera sido inferior al año natural, se elevará al año la magnitud correspondiente a la cifra de negocios.

   When non-compliance refers to the obligation to preserve computer files and programmes that serve to support the accounting, records, and registries indicated in the previous paragraph, as well as coding systems used, this will result in a proportional pecuniary fine equal to 20% of the infringing individual's business turnover for the financial year to which the infraction refers, with a minimum of 40,000 euros. If this tax period was less than one calendar year, the amount corresponding to the business turnover shall be increased to one year.

   d) The keeping of different accounts for the same activity and financial year that makes it difficult to know the actual situation of the taxable party, a fixed pecuniary fine of 10,000 euros for each of the financial years covered by the accounting in question.

   e) A delay of more than four months in keeping the accounts or the books and records required by tax provisions shall be subject to a fixed pecuniary fine of 600 euros.

   f) The use of books and registers that have not been authenticated or authorised or that have been authorised after the deadline by the tax authorities when such a requirement is laid down in the tax regulations shall be subject to a fixed pecuniary fine of 600 euros.

   g) Delay in the obligation to keep the record books through the electronic portal of the Bizkaia Provincial Council by supplying records under the terms established by regulations entails a proportional pecuniary fine of 0.5% of the amount of the invoice or other digital or physical document justifying operations subject to registration, with a quarterly minimum of 600 euros and a maximum of 12,000 euros.

Article 207. Tax offence for failure to comply with invoicing or documentation obligations.

1. Failure to comply with invoicing obligations constitutes a tax offence.

2. The penalty shall consist of:

   a) When the requirements demanded by the regulations governing the invoicing obligation are not complied with, among others, regarding those relating to the issue, remission, rectification, and retention of invoices or substitute documents, except for the provisions of the following points of this section, a proportional pecuniary fine of one per cent of the total amount of the operations that have given rise to the offence shall be imposed.

   b) When the non-compliance is due to the failure to issue or keep invoices or supporting documents, a proportional pecuniary fine of two per cent of the total amount of the transactions giving rise to the offence shall be imposed. When it is not possible to know the amount of the transactions to which the offence refers, the penalty shall be 600 euros for each transaction for which the corresponding invoice or document has not been issued or kept.

      In the event that the tax authorities establish that the corresponding invoice is not issued and delivered, and this circumstance is accredited in relation to a tax period that has not yet ended at the time of the verification, the penalty shall be 600 euros for each transaction for which the corresponding invoice has not been issued and delivered.

   c) When the non-compliance consists of issuing invoices or replacement documents with false or falsified data, this shall be subject to a proportional pecuniary fine of 100% of the amount of all the transactions that gave rise to the offence.

      When the non-compliance affects more than 20% of the amount of the transactions subject to the duty to invoice in relation to the tax or tax obligation and period subject to the verification or investigation or when, as a result of this non-compliance, the tax authorities cannot ascertain the amount of the transactions subject to the invoicing obligation, the resulting amount of the penalty shall be increased by 100%.

3. Failure to comply with the obligations relating to the correct issue or use of the registration documents required by excise legislation also constitutes an offence.

   The penalty shall be a fixed pecuniary fine of 300 euros for each document incorrectly issued or used.

   Where the non-compliance affects more than 20% of the registration documents issued or used in the period being checked or investigated, the amount of the penalty shall be increased by 100%.

   However, in cases in which non-compliance with these obligations constitutes an offence defined in the regulations governing these taxes, the sanction established in said regulations shall be imposed.

Article 208. Tax offence for failure to comply with obligations relating to the request for and use of the tax identification number, cadastral reference of the real estate, or other numbers or codes.

1. Failure to comply with the obligations relating to the use of the tax identification number, cadastral reference of the real estate, and other numbers or codes established by tax regulations constitutes a tax offence.

2. The penalty shall consist of:

   a) In general, a fixed pecuniary fine of 300 euros.

b) In cases involving non-compliance with the duties specifically incumbent on credit institutions in relation to the use of the tax identification number on accounts or transactions, a proportional pecuniary fine of five per cent of the amounts unduly paid or debited or of the amount of the transaction or deposit that should have been cancelled, with a minimum of 2,000 euros. If the non-compliance refers to the drawing or payment of bearer cheques, a proportional pecuniary fine of five per cent of the face value of the cheque, with a minimum of 2,000 euros.

3. It is also a tax offence to provide false or misleading information when applying for a provisional or definitive tax identification number.

   The penalty shall be a fixed pecuniary fine of 60,000 euros.

Article 209. Tax offence for resisting, obstructing, evading, or refusing the tax authorities' proceedings.

1. It is a tax offence to resist, obstruct, evade, or refuse the tax authorities' proceedings.

   This circumstance is understood to have arisen when the offending party, duly notified to that effect, has carried out actions tending to delay, hinder, or impede the actions of the tax authorities in relation to the fulfilment of their obligations. Among others, the following conduct constitutes resistance, obstruction, evading, or refusal to comply with the proceedings of the tax authorities:

   a) Failure to facilitate the examination of documents, reports, records, books, registers, files, invoices, supporting documents and main or auxiliary accounting entries, computer programs and files, operating and control systems and any other data with tax implications.

   b) Failure to comply with a duly notified request.

   c) Failure to appear, unless there is a justified cause, at the place and time specified.

   d) Unduly refusing or preventing officials of the tax authorities from entering or remaining on land or premises, or from inspecting premises, machines, installations, and operations in relation to tax obligations.

   e) Coercion of officials from the tax authorities.

   f) Non-compliance or inaccurate compliance with attachment orders issued by the collection authorities.

2. The penalty shall be a fixed pecuniary fine of 300 euros unless the following sections of this article apply.

3. When the resistance, obstruction, evasion, or refusal to act by the tax authorities consists of disregarding requests or attachment proceedings within the period granted, the sanction shall consist of a fixed pecuniary fine of:

   a) 300 euros, if the request is not complied with for the first time.

   b) 600 euros, if the request is not complied with for the second time.

   c) 1,200 euros, if the request is not complied with for the third time.

4. When the resistance, obstruction, evasion, or refusal to act in relation to the tax authorities occurs in relation to the exercise of economic activities carried out by natural persons or entities, the sanction shall consist of:

a) A fixed pecuniary fine of 600 euros, if the administrative proceedings or the required information are not provided within the time limit granted in the first request notified to that effect.

b) A fixed pecuniary fine of 3,000 euros, if the administrative proceedings or the required information are not provided within the time limit granted in the second request notified to that effect.

c) A proportional pecuniary fine of up to two per cent of the turnover of the offending party in the last tax period for which the deadline for filing the tax return had expired on the date on which the offence was committed, with a minimum of 10,000 euros and a maximum of 400,000 euros, when the administrative proceedings or the required information was not provided within the period granted in the third request notified to that effect. In the event that the tax period is less than one calendar year, the amount corresponding to the turnover shall be increased to one year.

5. When the resistance, obstruction, evasion, or refusal to act by the taxable party consists of failing to comply with the requirements relating to the information to be contained in the tax returns required in general in compliance with the obligation to provide information set out in Articles 92 and 93 of this Provincial Regulation, the penalty shall consist of:

a) 1,000 euros, if the request is not complied with for the first time.

b) 5,000 euros, if the request is not complied with for the second time.

A proportional pecuniary fine of up to three per cent of the turnover of the offending party in the last tax period for which the deadline for filing the tax return had expired on the date on which the offence was committed, with a minimum of 15,000 euros and a maximum of 600,000 euros, if the request is not complied with for the third time. In the event that the tax period is less than one calendar year, the amount corresponding to the turnover shall be increased to one year.

6. The following rules shall apply in the case of points c) of Sections 4 and 5 above:

a) Where the amount of the transactions is not known or the request does not relate to monetary amounts, the minimum set out in these points shall be imposed.

b) If, before the end of the sanctioning procedure, the third warning is fully complied with, the sanction shall be 12,000 euros.

c) The following shall be determined by the corresponding regulations, within the limits set out in point

c), the penalty applicable in each case according to the percentage that the undeclared transactions represent of the total that should have been declared.

7. Where the taxable party who commits the offences referred to in points a), b), c), and d) of Section 1 is subject to a verification and investigation procedure, a restricted verification procedure, a reduced verification procedure, or a limited verification procedure, said party shall be penalised as follows:

a) When the non-compliance is committed by persons or entities that do not carry out economic activities:

1. A fixed pecuniary fine of 1,000 euros, if the administrative proceedings or the required information are not provided within the time limit granted in the first request notified to that effect.

2. A fixed pecuniary fine of 5,000 euros, if the administrative proceedings or the required information are not provided within the time limit granted in the second request notified to that effect.

3. A fixed pecuniary fine of 10,000 euros, if the administrative proceedings or the required information are not provided within the time limit granted in the third request notified to that effect.

b) When the non-compliance is committed by persons or entities carrying out economic activities and concerns information related to those activities, it shall be sanctioned as follows:

1. If the offence consists of the failure to provide or facilitate the examination of accounting books, tax records, files, programs, operating and control systems, or consists of the failure to comply with the duty to facilitate the entry or stay in properties and premises or the recognition of elements or installations, it shall consist of a proportional fine of two per cent of the turnover of the offending party in the last tax period for which the declaration period has ended on the date on which the offence was committed, with a minimum of 20,000 euros and a maximum of 600,000 euros.

2. If the offence consists of the failure to provide specific data, reports, records, documents, invoices, or other supporting documents:

a) A fixed pecuniary fine of 3,000 euros for failure to appear or to provide the required information within the time limit granted in the first request notified for this purpose.

b) A fixed pecuniary fine of 15,000 euros for failure to appear or to provide the information required within the time limit granted in the second request notified for this purpose.

c) A proportional pecuniary fine of three per cent of the turnover of the offending party in the tax period for which the tax return deadline has expired on the date on which the offence was committed, with a minimum of 30,000 euros and a maximum of 600,000 euros, if said party fails to appear or to provide the information required within the time limit granted in the third formal notice served for that purpose.

If the tax period referred to in this point was less than one calendar year, the amount corresponding to the turnover shall be increased to one year.

When, prior to the termination of the sanctioning procedure, the administrative requirements referred to in this section are fully complied with, the sanction shall be reduced to half the amount resulting from the previous rules.

8. When the resistance, obstruction, evasion, or refusal refers to the breach of the precautionary measures adopted in accordance with the provisions of Articles 81, 142, 166, and 217 of this Provincial Regulation, the penalty shall consist of a proportional pecuniary fine of two per cent of the offending party's turnover in the tax period for which the tax return deadline has expired on the date on which the offence was committed, with a minimum of 6,000 euros. In the event that the tax period is less than one calendar year, the amount corresponding to the trading volume shall be increased to one year.

9. When, in relation to the provisions of Article 92(1)(c) of this Provincial Regulation, the resistance, obstruction, evasion, or refusal refers to non-compliance or inaccurate compliance with the attachment orders issued by the collection bodies, by the persons or entities depositing funds, securities or other assets of debtors to the Administration, the sanction shall consist of a proportional pecuniary fine of 25% of the amount of the funds,

securities, or assets that should have been effectively seized, with a minimum of 2,000 euros.

This penalty shall apply notwithstanding the joint and several liability of those who, through fault or negligence, fail to comply with attachment orders in accordance with the provisions of Article 41(5)(b) of this Provincial Regulation.

10. The provisions of the previous sections shall also apply when the resistance, obstruction, excuse, or refusal relates to actions of foreign officials carried out under mutual assistance.

Article 210. Tax offence for failure to comply with the duty of confidentiality required of withholders and those obliged to make payments on account.

1. Failure to comply with the duty of confidentiality that Article 94 of this Provincial Regulation requires of withholders and those obliged to make payments on account constitutes a tax offence.

2. The sanction shall consist of a fixed pecuniary fine of 600 euros for each item of data or set of data relating to the same person or entity that has been improperly provided.

Article 211. Tax offence for failing to comply with the obligation to correctly communicate data to the payer of income subject to withholding or payment on account.

1. It is a tax offence not to provide data or to provide false, incomplete, or inaccurate data to the payer of income subject to withholding or prepayments, when this results in withholdings or prepayments that are lower than those that should be withheld.

2. The penalty shall consist of:

   a) When the taxable party is obliged to file a self-assessment including income subject to withholding or prepayment, a proportional pecuniary fine of 35% shall be imposed.

   b) When the taxable party is not obliged to file a self-assessment including income subject to withholding or prepayment, a proportional pecuniary fine of 150% shall be imposed.

   In both cases, the basis for the penalty shall be the difference between the withholding or prepayment applicable and that actually made during the period in which the false, incomplete, or inaccurate data was applicable.

Article 212. Offence for failure to deliver the withholding or prepayment certificate.

1. Failure to comply with the obligation to deliver the withholding or prepayment certificate to the taxable parties receiving the income subject to withholding or prepayment constitutes a tax offence.

2. The penalty shall be a fixed pecuniary fine of 300 euros.

Article 213. Offence for failure to comply with other obligations established in the regulations governing each tax.

1. Failure to comply with the tax obligations or duties required of the taxable parties by the regulations governing each tax is a tax offence, when it does not constitute one of the offences specified in the previous articles of this chapter or in another Provincial Regulation and does not operate as a criterion for scaling the penalty to be imposed for the perpetration of another tax offence.

2. The penalty shall be a fixed pecuniary fine of 300 euros.

CHAPTER IV
TAX SANCTIONING PROCEDURE

Article 214. Regulation of the tax sanctioning procedure.

The tax sanctioning procedure shall be regulated:

a) By the special provisions laid down in this Title and the regulations issued for its development.

b) Failing this, by the regulations governing the administrative sanctioning procedure.

Article 215. Procedure for the imposition of tax penalties.

1. The tax sanctioning procedure shall be dealt with separately from tax enforcement procedures under the terms determined by the corresponding regulations.

2. For certificates of compliance with a commitment to pay, matters relating to the offences regulated in Articles 196 to 202 of this Provincial Regulation shall be analysed in the corresponding verification and investigation procedure in accordance with the regulations governing this procedure.

   In reduced verification procedures in which the taxable party chooses to formalise a payment commitment under the terms established in Section 4 of Article 158.quinquies of this Provincial Regulation, the issues relating to the offences regulated in Articles 196 to 202 of this Provincial Regulation shall be processed, from the formalisation of the commitment, together with those relating to the rectification of the tax situation, with a joint administrative decision settling and imposing penalties being issued, which shall also bring the sanctioning procedure to an end.

3. Notifications in tax sanctioning procedures shall be made in accordance with the provisions of Section 3 of Chapter II of Title III of this Provincial Regulation.

Article 216. Initiation of the tax sanctioning procedure.

1. The tax sanctioning procedure will always be initiated at the discretion of the tax authorities, by notifying the decision of the competent body.

2. Sanctioning procedures initiated as a consequence of one of the management or inspection procedures may not be initiated with regard to the person or entity that has been the subject of the procedure once a period of six months has elapsed since the corresponding settlement or resolution has been notified or is understood to have been notified.

   Sanctioning proceedings initiated for the imposition of the penalties referred to in Article 190 of this Provincial Regulation must be initiated within six months of the notification or what has been understood to be the notification of the financial penalty referred to in this provision.

Article 217. Investigation of the tax sanctioning procedure.

1. The special rules on the development of tax proceedings and procedures referred to in Article 97 of this Provincial Regulation shall apply to the investigation of the sanctioning procedure.

2. The data, evidence, or circumstances that are or have been obtained in any of the procedures for the application of taxes regulated in Title III of this Provincial Regulation and are to be taken into account in the sanctioning procedure must be formally incorporated into the procedure before the proposed decision.

3. In the course of the sanctioning procedure, precautionary measures may be adopted in accordance with the provisions of Articles 81 and 142 of this Provincial Regulation.

4. Once the proceedings have been concluded, a proposal for a decision shall be formulated, stating the facts, their legal classification, and the offence that they may constitute or the declaration, where appropriate, of the absence of offence or liability.

   The proposed decision shall also specify the proposed sanction with an indication of the scaling criteria applied, with adequate reasoning as to why they are appropriate.

   The proposed decision shall be notified to the interested party, indicating that the file has been made available to this party and allowing a period of 15 days to present any pleadings deemed appropriate and to submit any documents, supporting documents, and evidence deemed necessary.

5. When, at the time of the initiation of the sanctioning proceedings, the competent body has in its possession all the elements that allow it to formulate the proposal for the imposition of a penalty, this shall be incorporated into the initiation agreement. This decision shall be notified to the interested party, indicating that the file has been made available to this party and allowing a period of 15 days in which to submit any pleadings, documents, supporting documents, and evidence deemed appropriate.

Article 218. Termination of the tax sanctioning procedure.

1. The tax sanctioning procedure shall be terminated by a decision or by expiry.

2. The tax sanctioning procedure must be concluded within a maximum period of six months from the notification of the communication initiating the procedure.

   The procedure shall be deemed to end on the date on which the administrative decision resolving the procedure is notified or is deemed to have been notified.

   The provisions of Article 102(2) of this Provincial Regulation shall apply for the purposes of understanding that the obligation to notify has been fulfilled and of calculating the time limit for resolution.

3. The express decision of the tax offence procedure shall contain the establishment of the facts, the assessment of the evidence, the determination of the offence committed, the identification of the offending party and the quantification of the penalty to be imposed, with an indication of the criteria for its scaling and the reduction that may be applicable, in accordance with the provisions of Articles 192 and 193 of this Provincial Regulation. Where appropriate, it shall contain a declaration that no offence or liability has been committed.

4. If the time limit laid down in Section 2 of this article expires without the express decision having been notified or is deemed to have been notified, the procedure shall be deemed to have lapsed.

   The declaration of revocation may be issued at the discretion of the tax authorities or at the request of the interested party and shall order the proceedings to be closed. Such a lapse shall prevent the initiation of a new sanctioning procedure.

5. The competent bodies for the imposition of penalties are as follows:

   a) The Bizkaia Provincial Council, if they entail suspension from the exercise of official professions, employment, or public office.

   b) The Provincial Councillor for Treasury and Finances, the competent body of the Local Entities or bodies delegated by them, when they entail the loss of the right to apply tax benefits or incentives which they are entitled to receive or the possibility of obtaining public subsidies or aid or the prohibition to enter into contracts with the corresponding Public Administration.

c) The competent body for the recognition of the tax benefit or incentive, when it consists of the loss of the right to apply it, except as provided for in point b) above.

d) In other cases, the body responsible for settlement or the immediate superior body of the administrative unit that proposed the initiation of the sanctioning procedure.

Article 219. Appeals against penalties.

1. The decision of the sanctioning procedure may be subject to a separate appeal or claim.

   In the event that the taxpayer also contests the tax debt, both appeals or claims will be accumulated, with the body that hears the challenge against the debt being the competent body.

2. Penalties deriving from certificates of compliance with a commitment to pay may only be challenged or reviewed administratively by means of the procedure of declaration of full invalidity provided for in Article 225 of this Provincial Regulation.

3. The lodging of an appeal or administrative complaint against a sanction in due time and form shall have the following effects:

   a) The enforcement of penalties shall be automatically suspended without the need to provide guarantees until they become final in administrative proceedings.

   b) Late-payment interest shall not be charged for the time that elapses until the end of the voluntary payment period triggered by the notification of the decision terminating the administrative procedure.

   c) The reduction shall be forfeited if the taxable party agrees to the provisions of Articles 192 and 193 of this Provincial Regulation.

   The provisions of points a) and b) of this section shall be applied for the purposes of suspending the tax penalties subject to derivation of liability, both in the event that the penalty is appealed by the offending party, and when, in exercise of the provisions of Article 179(5) of this Provincial Regulation, the penalty is appealed by the liable party. In no case shall the tax debt subject to referral be subject to automatic suspension under this provision. Nor shall the liabilities for the payment of debts provided for in Articles 41(5) and 42(1)(d) be suspended under this provision.

TITLE V
ADMINISTRATIVE REVIEW

CHAPTER I
COMMON PROVISIONS

Article 220. Means of review.

1. The decisions and proceedings for the application of taxes and the acts imposing tax penalties may be reviewed, in accordance with the provisions of the following chapters, by means of:

   a) Special review procedures.

   b) An appeal for reconsideration.

   c) Economic-administrative claims.

2. The final rulings of the economic-administrative body, as well as the decisions enforcing taxes and imposing penalties on which an economic-administrative ruling has been handed down, may not be reviewed administratively, whatever the alleged cause, except in the cases of full invalidity provided for in Article 225, rectification of errors foreseen in Article 228, and extraordinary appeal for review regulated in Article 246 of this Provincial Regulation.

   The resolutions of the economic-administrative body may be declared invalid in accordance with the provisions of Article 226 of this Provincial Regulation.

3. When they have been confirmed by a final court judgment, the decisions enforcing taxes and imposing penalties and the resolutions of economic-administrative claims shall not be subject to review under any circumstances.

4. The review of the implementing instrument referred to in Article 171 bis of this Provincial Regulation shall be carried out by the State or international or supranational entity requesting the mutual assistance, unless the provisions governing mutual assistance stipulate otherwise.

   The review of attachment proceedings and other actions of the Tax Authorities derived from a request for collection received shall be carried out by the review bodies established in this Provincial Regulation and its implementing regulations.

Article 221. Capacity and representation, evidence, notifications, and time limits for resolution.

1. In the special procedures for review, appeals, and claims provided for in this Title, the rules on capacity and representation set out in Section 4 of Chapter II of Title II of this Provincial Regulation, the provisions on conducting proceedings by means of digital systems contained in Article 97.10 and those relating to evidence and notifications set out in Sections 2 and 3 of Chapter II of Title III shall apply.

2. The provisions of the previous section shall apply taking into consideration the specific aspects regulated in Chapter IV of this Title.

3. The provisions of Article 102(2) of this Provincial Regulation shall apply for the purposes of calculating the time limits for resolution provided for in this Title.

Article 222. Reasons for rulings.

1. Rulings in the special review procedures, appeals, and claims regulated in this Title shall state the underlying reasons, with a brief reference to the facts and legal grounds.

2. Reasons must also be given for the decisions made in these procedures concerning the following issues:

   a) The inadmissibility of any kind of pleadings submitted by the interested parties.

   b) The suspension of the operation of the contested decisions, the refusal of the suspension, and the inadmissibility of the request for suspension.

   c) The court at its discretion refrains from hearing or continuing to hear the case on the grounds of the subject-matter.

   d) The admissibility or inadmissibility of the challenge, the refusal to admit the parties to evidence, or to any other form of evidence and the expiry of the time limit for bringing proceedings.

   e) Those limiting the subjective rights of those interested in the procedure.

f) The suspension of the procedure or causes preventing the continuation of said procedure.

Article 223. Suspension of the enforcement of the contested decision.

1. Enforcement of the decision challenged by way of reconsideration or in economic-administrative proceedings shall be automatically suspended at the request of the interested party if the amount of the decision, the late-payment interest generated by the suspension, and the surcharges that may be applicable at the time of the request for suspension are guaranteed, under the terms established by the corresponding regulations.

   However, the timely and proper filing of a request for reconsideration or the economic-administrative claim shall suspend, without the need to provide guarantees, the execution of the contested act when the tax debt falls under the voluntary payment period or an appeal has been filed against the enforcement order, provided that, in both cases, the amount of the outstanding debt at the date of the appeal or claim is equal to or less than the amount established by the corresponding regulations.

   If the challenge concerns a tax penalty, its enforcement shall be automatically suspended without the need to provide guarantees in accordance with the provisions of Article 219(3) of this Provincial Regulation.

   If the challenge concerns a register measure relating to a shared management tax, the procedure for collection of the settlement that may be made shall in no case be suspended as a result of this circumstance. This is notwithstanding the fact that, if the resolution issued on register matters affects the result of the settlement paid, the corresponding refund of income will be made.

   In the cases of Article 69(11) of this Provincial Regulation, if the appeal or claim affects a tax debt which, in turn, has led to the recognition of a refund in favour of the taxable party, the guarantees provided to obtain the suspension shall also guarantee the amounts to be reimbursed as a result of the total or partial acceptance of the claim.

2. The guarantees required to obtain the automatic suspension referred to in the previous section shall be exclusively the following:

   a) Deposit of money or government securities.

   b) Joint and several guarantee or surety from a credit institution or mutual guarantee company or surety insurance certificate.

   c) Recognised credits with public administrations.

3. When the interested party is unable to provide the necessary guarantees to obtain the suspension of the contested decision in economic-administrative proceedings, this may be agreed after the provision of other guarantees that are deemed sufficient by the competent body, which may modify the decision on the suspension when it finds that the conditions that led to it are not still in force, when the guarantees provided have lost value or effectiveness, or when it becomes aware of the existence of other assets or rights that could be delivered as a guarantee that were undisclosed at the time the decision on the suspension was issued.

4. Notwithstanding the preceding sections, the enforcement of the contested decision may be suspended:

   a) With the total or partial waiver of guarantees when said execution could cause damages that are difficult or impossible to repair, under the terms provided by corresponding regulations, notwithstanding the fact that the competent body may modify the decision on the suspension under the same scenarios provided for in the previous section.

b) No guarantee is required where it is established that an arithmetical, material, or factual error may have been made in the issuing of the decision.

c) In cases involving decisions that do not involve a tax debt or liquid amount and the interested party files the corresponding request and justifies that their enforcement could cause damage that would be impossible or difficult to repair.

5. If the appeal does not affect the entire tax debt, the suspension will refer to the part appealed against, and the appellant will be obliged to pay the remaining amount.

6. The suspension produced in the appeal for reconsideration may be maintained in economic-administrative proceedings under the conditions determined by the corresponding regulations.

7. The suspension produced in administrative proceedings will be maintained when the interested party notifies the tax authorities within the period for filing the contentious-administrative appeal that said appeal has been filed and has requested the suspension in said appeal. This suspension shall continue, provided that the guarantee provided in administrative proceedings remains valid and effective, until the judicial body adopts the corresponding decision in relation to the suspension requested.

   In cases involving penalties, the suspension shall be maintained, under the terms provided for in the previous paragraph and without the need to provide a guarantee, until the judicial decision is adopted.

8. Enforcement of the decision or ruling challenged in an extraordinary review action may under no circumstances be suspended.

9. When all or part of the amount derived from the contested decision must be paid as a consequence of the resolution of the claim or appeal, late-payment interest shall be paid in accordance with the provisions of Article 26, notwithstanding the provisions of Article 219(3) of this Provincial Regulation.

CHAPTER II
SPECIAL REVIEW PROCEDURES

Article 224. Types of special review procedures.

Special review procedures include the following:

a) Reviews of decisions that are null and void.

b) Declaration of invalidity of annullable decisions.

c) Revocation.

d) Rectification of errors.

e) Refund of undue payments.

SECTION ONE
PROCEDURE FOR THE REVIEW OF DECISIONS THAT ARE FULLY NULL AND VOID

Article 225. Declaration of full invalidity.

1. The full invalidity of the decisions issued in tax matters, as well as the rulings of the economic-administrative body, which have put an end to the administrative process or which have not been appealed against in due time, may be declared null and void in the following cases:

a) When they infringe rights and freedoms subject to constitutional protection.

b) When they have been issued by a body manifestly lacking competence on grounds of subject-matter or jurisdiction.

c) When they have unenforceable content.

d) When they constitute a criminal offence or are issued as a consequence of such an offence.

e) When they have been issued in total and absolute disregard of the procedure legally established for this purpose or of the provisions containing the essential rules for the expression of the will of the collegiate bodies.

f) Express or presumed decisions contrary to the legal system by which powers or rights are acquired when the essential requirements for their acquisition are lacking.

g) Any other that is expressly established in a provision of legal rank.

2. The procedure for a declaration of invalidity referred to in this article may be initiated:

   a) By agreement of the body which issued the decision or its hierarchical superior.

   b) At the request of the interested party.

3. A justified rejection of the requests submitted by interested parties may be agreed upon when the decision is not final in administrative proceedings or the request is not based on any of the grounds for invalidity in Section 1 of this article or is manifestly unfounded, as well as in the event that other requests that are substantially the same have been rejected on their merits.

4. The interested party shall be heard in the procedure and those whose rights were recognised by the decision or whose interests were affected by it shall be heard.

   A declaration of invalidity shall require a prior favourable opinion from the body responsible for giving legal advice.

5. The Provincial Council shall be responsible for resolving this procedure when the decision in question falls within its sphere of competence.

6. The maximum period for notification of an express decision shall be one year from the date of submission of the request by the interested party or from the date of notification of the decision to initiate the procedure at the discretion of the tax authorities.

   If the period provided for in the previous paragraph has elapsed without an express decision having been notified, this shall have the following effects:

   a) The procedure initiated automatically lapses, although this does not prevent a new procedure from being initiated at a later date.

   b) The rejection by administrative silence of the request, if the procedure was initiated at the request of the interested party.

7. The express or presumed rulings or the decision not to process the requests of the interested parties shall terminate the administrative procedure.

SECTION TWO
DECLARATION OF THE INVALIDITY OF ANNULLABLE DECISIONS

Article 226. Declaration of invalidity.

1. Apart from the cases provided for in Articles 225 and 228 of this Provincial Regulation, the tax authorities may not annul their own decisions and rulings to the detriment of interested parties.

   The tax authorities may declare their decisions and rulings in favour of the interested parties in any breach of the legal system to be harmful to the public interest, in order to subsequently challenge them in contentious-administrative proceedings.

2. A declaration of invalidity may not be made more than four years after the administrative decision has been notified and requires the prior hearing of all interested parties in the procedure.

3. Once the period of six months from the initiation of the procedure has elapsed without a declaration of invalidity having been made, the procedure will lapse.

4. The Provincial Council shall be responsible for resolving this procedure when the decision in question falls within its sphere of competence.

SECTION THREE
REVOCATION

Article 227. Revocation of decisions regarding tax enforcement and the imposition of penalties.

1. The tax authorities may revoke their decisions for the benefit of the interested parties when it is considered that they manifestly constitute a breach of the law, when unforeseen circumstances affecting a particular legal situation highlight the inappropriateness of the decision issued, or when in the processing of the procedure the interested parties have been left in a state of defencelessness.

   Revocation may in no case constitute a waiver or exemption not permitted under the tax provisions, nor may it be contrary to the principle of equality, public interest, or the legal system.

2. Revocation shall only be possible as long as the limitation period or expiry period, as the case may be, for the exercise of the corresponding powers or rights has not expired.

3. The revocation procedure shall always be initiated at the discretion of the tax authorities, and shall be declared by the body to be determined by the corresponding regulations, which may be the same body that ordered the decision.

   Where appropriate, the interested parties shall be heard and the file shall include, if deemed necessary by the competent body, a report by the body with legal advisory functions on the appropriateness of the revocation of the decision.

4. The maximum period for notification of a decision shall be six months from the date of notification of the decision to initiate the procedure.

   Once the period established in the previous paragraph has elapsed without an express decision having been notified, the procedure shall lapse.

5. Decisions taken in this procedure shall terminate the administrative proceedings.

SECTION FOUR
RECTIFICATION OF ERRORS

Article 228. Rectification of errors.

1. The body that issued the act or the decision on the claim shall rectify at any time, at its discretion, or at the request of the interested party, any material, factual, or arithmetical errors, provided that the limitation period or expiry period, as the case may be, of the corresponding powers has not elapsed.

   In particular, this procedure shall be used to rectify the decisions and rulings of economic-administrative claims in which there has been a factual error resulting from the documents included in the file.

   The ruling shall rectify the error in the amount or any other element of the decision or ruling being rectified.

2. The maximum period for notification of an express ruling shall be six months from the date of submission of the request by the interested party or from the date of notification of the decision to initiate the procedure at the discretion of the tax authorities.

   If the period provided for in the previous paragraph has elapsed without an express decision having been notified, this shall have the following effects:

   a) The procedure initiated automatically lapses, although this does not prevent a new procedure from being initiated at a later date.

   b) The rejection by administrative silence of the request, if the procedure was initiated at the request of the interested party.

3. Rulings issued in this procedure may be subject to an appeal for reconsideration and for an economic-administrative claim.

SECTION FIVE
REFUND OF UNDUE PAYMENTS

Article 229. Procedure for the refund of undue payments.

1. The procedure for the recognition of the right to the refund of undue payments shall be initiated at the discretion of the tax authorities or at the request of the interested party, in the following cases:

   a) When there has been duplicate payment of tax debts or penalties.

   b) When the amount paid has exceeded the amount to be paid resulting from an administrative decision or a self-assessment.

   c) When amounts corresponding to tax debts or penalties have been paid after the limitation periods or expiry periods for the exercise of the corresponding administrative powers have elapsed. Under no circumstances will the amounts paid that have been used to obtain exemption from liability in the cases provided for in Article 250 of this Provincial Regulation be refunded.

   d) When this is stipulated by tax regulations.

   The procedure provided for in this section shall be developed by corresponding regulations, to which the provisions of Article 228(2) of this Provincial Regulation shall apply.

2. When the right to a refund has been recognised by means of the procedure regulated in this article or by virtue of an administrative decision or an economic-administrative or judicial

ruling, the refund shall be carried out under the terms established by the corresponding regulations.

3. When the act of application of taxes or imposition of penalties by virtue of which the undue payment was made has become final, the refund may only be requested by requesting or promoting the review of the decision by means of any of the special review procedures established in paragraphs a), c), and d) of Article 224 and by means of the extraordinary appeal for review governed in Article 246 of this Provincial Regulation.

4. When taxable parties believe that the filing of a self-assessment has given rise to an undue payment, they may request the rectification of the self-assessment in accordance with the provisions of Article 118(2) of this Provincial Regulation.

5. In the refund of undue payments, late-payment interest shall be paid in accordance with the provisions of Article 31(2) of this Provincial Regulation.

6. Rulings issued in this procedure may be subject to an appeal for reconsideration and for an economic-administrative claim.

CHAPTER III
APPEAL FOR RECONSIDERATION

Article 230. Purpose and nature of the appeal for reconsideration.

1. The decisions issued by the tax authorities that are subject to an economic-administrative claim may be subject to an optional administrative reconsideration appeal, in accordance with the provisions of this chapter.

2. The appeal for reconsideration must be lodged, where appropriate, prior to the economic-administrative claim.

   If the interested party lodges an appeal for reconsideration, that party may not file an economic-administrative claim until the appeal has been expressly resolved or until it can be considered to have been rejected by administrative silence.

   When both an appeal for reconsideration and an economic-administrative claim have been lodged within the period established for appeals, the first one lodged will be processed and the second one declared inadmissible. If they have been lodged simultaneously, the appeal for reconsideration shall be processed.

Article 231. Initiation and processing of the appeal for reconsideration.

1. The time limit for lodging such an appeal shall be one month from the day following the day of notification of the decision to be appealed against. It may also be lodged from the moment when the effects of the administrative silence arise.

   In cases involving debts due on a regular basis and with collective notification, the appeal may be lodged during the voluntary payment period or during the period of one month from the day following the end of the voluntary payment period.

2. If appellants need the file in order to present their pleadings, they must appear during the period allowed for lodging the appeal in order to have it made available to them.

3. Parties with standing and interested parties in the appeal for reconsideration shall be subject to the provisions established for this purpose for economic-administrative claims.

4. The reconsideration shall bring to the attention of the competent body for its decision all the factual or legal issues that the case offers, whether or not they have been raised in the appeal, without it being possible under any circumstances to worsen the appellant's initial situation.

If the competent body finds it appropriate to examine and resolve issues not raised by the interested parties, it shall raise them with said parties in order to allow them to make claims.

Article 232. Resolution of the appeal for reconsideration.

1. The body which issued the contested decision shall be competent to hear and determine the appeal for reconsideration.

   In cases involving delegated decision, unless otherwise stated in the delegation, the appeal for reconsideration shall be decided by the delegated body.

2. The body competent to hear the appeal for reconsideration may not refrain from taking a decision, without being able to allege reasonable doubt or a shortcoming in the legal provisions.

   The decision shall contain a succinct statement of the facts and the adequately reasoned legal grounds on which the decision was taken.

3. In the enforcement of a ruling that totally or partially upholds the appeal against the settlement of a tax obligation related to another of the same taxable party in accordance with Article 69(11) of this Provincial Regulation, the related obligation other than the one appealed against in which the tax authorities had applied the criteria or elements on which the settlement of the tax obligation that is the object of the claim was based shall be adjusted.

   If this rectification results in the cancellation of the settlement of the related obligation other than the one appealed against and the making of a new settlement in accordance with the ruling in the appeal, the provisions of Article 26(6) of this Provincial Regulation shall apply.

4. The maximum time limit for notification of the ruling shall be three months from the day following the day on which the appeal is lodged.

   Once the maximum period for a ruling has elapsed without an express decision having been notified, late-payment interest shall cease to accrue in accordance with the terms set out in Article 26(9) of this Provincial Regulation.

5. Once the period of three months has elapsed from the lodging of the appeal, the interested party may consider the appeal to be dismissed in order to lodge the appropriate claim.

6. No further appeal for reconsideration may be lodged against a decision on such an appeal.

CHAPTER IV
ECONOMIC-ADMINISTRATIVE CLAIMS

SECTION ONE
GENERAL PROVISIONS

SUBSECTION ONE
SCOPE OF ECONOMIC-ADMINISTRATIVE CLAIMS

Article 233. Scope of requests for economic-administrative claims.

Claims may be lodged in economic-administrative proceedings in relation to the following matters:

a) Enforcement of taxes and imposition of tax penalties.

b) The collection of other revenues under public law.

c) Any other matters expressly established by a Provincial Regulation.

Article 234. Decisions subject to economic-administrative claims.

1. The economic-administrative claim shall be admissible, in relation to the matters referred to in the previous article, against the following decisions:

    a) Those which provisionally or definitively recognise or deny a right or declare an obligation or duty.

    b) Procedural measures which directly or indirectly decide the merits of the case or terminate the proceedings.

2. In the field of taxation, the following issues are subject to claims:

    a) Provisional or final settlements.

    b) Express or presumed rulings arising from a request for rectification of a self-assessment.

    c) The verification of the value of income, products, goods, rights, and expenses, as well as the decisions that establish values, yields, and bases, when the tax regulations so provide.

    d) Decisions denying or recognising tax exemptions, benefits, or incentives.

    e) Decisions approving or rejecting special repayment plans.

    f) The decisions that determine the tax regime applicable to a taxable party, insofar as they determine future obligations, including formal obligations, to be borne by this party, with the exception of the provisions for prior administrative binding procedures in Section 2 of Chapter I of Title III of this Provincial Regulation.

    g) The decisions issued in the proceedings of the collection bodies.

    h) Other decisions in relation to which tax regulations so stipulate.

3. In addition, tax penalties are also subject to claims.

4. The following actions or omissions by private individuals may also be subject to claims, upon compliance with the requirements and in the manner to be determined by the corresponding regulations:

    a) Those relating to the obligations to pass on and bear the passing on provided for by law.

    b) Those relating to the obligations to make and bear withholdings or prepayments.

    c) Those relating to the obligation to issue, deliver, and rectify invoices incumbent on entrepreneurs and professionals.

    d) Those arising from the relationship between the substitute and the taxpayer.

5. Economic-administrative claims will not be admitted with regard to the following decisions:

    a) Those that give rise to a claim in administrative proceedings prior to judicial, civil, or labour proceedings or put an end to said proceedings.

    b) Those issued in proceedings in which the Provincial Councillor for Treasury and Finances is responsible for the final administrative decision.

c) Those issued by virtue of a Provincial Regulation that excludes them from economic-administrative claims.

SUBSECTION TWO
ORGANISATION AND POWERS

Article 235. Economic-administrative body.

Tax claims in economic-administrative proceedings shall be heard in a single instance by the Provincial Economic-Administrative Court of Bizkaia, which shall act with functional independence in the exercise of its powers, which shall be inalienable and may not be extended nor may they be altered by the will of the interested parties.

Article 236. Jurisdiction of the Provincial Economic-Administrative Court of Bizkaia.

1. The Provincial Economic-Administrative Court of Bizkaia shall hear the following in a single instance:

   a) Claims lodged against administrative decisions issued by the bodies of the Provincial Council in the matters provided for in Article 233 of this Provincial Regulation

   b) Extraordinary appeals for review referred to in Article 246 of this Provincial Regulation.

   c) The rectification of errors in their own decisions, in accordance with the provisions of Article 228 of this Provincial Regulation.

2. Likewise, it shall hear, in a single instance, any claims filed against actions between private individuals that may be subject to claims when the applicable regulations for the withholding or prepayment are those of the Historical Territory of Bizkaia or, in the case of passing on decisions, when the operation is deemed to have been carried out in said Territory, in accordance with the provisions of the Economic Agreement.

Article 237. Functioning of the Provincial Economic-Administrative Court of Bizkaia.

1. The Provincial Economic-Administrative Court of Bizkaia shall operate in a plenary session or in divisions. It may also operate with a single judge in cases to be determined by the corresponding regulations.

2. The composition, organisation, and operation of the Provincial Economic-Administrative Court of Bizkaia shall be determined by the corresponding regulations.

SUBSECTION THREE
INTERESTED PARTIES

Article 238. Parties with standing and interested parties in economic-administrative claims.

1. The following parties shall be entitled to file economic-administrative claims:

   a) Taxable parties and offending parties.

   b) Any other party whose legitimate interests are affected by the tax decision, omission, or proceedings.

2. The following parties shall not be entitled to do so:

   a) Civil servants and public employees, except in cases where there is an immediate and direct infringement of a right that is recognised in particular for them or where their legitimate interests are affected.

b) Private individuals, when they act by delegation of the administration or as agents or representatives of the administration.

c) The complainants.

d) Those who assume tax obligations under an agreement or contract.

e) The agencies or bodies that issued the contested decision, as well as any other entity on the sole ground that it is the recipient of the funds managed by means of that decision.

3. In the economic-administrative procedure already initiated, all those who are holders of rights or legitimate interests that may be affected by the decision to be handed down may appear, without the processing of the procedure having to be retroactive in any case.

   If, during the course of the procedure, other holders of rights or legitimate interests who have not appeared in the procedure are found to exist, they will be notified of the existence of the claim so that they can make pleadings, and the provisions of Article 244(5) of this Provincial Regulation will be applicable.

4. When acting by proxy, the document proving representation shall be attached to the first document not signed by the interested party, which shall not be forwarded without this condition being met. However, the absence or insufficiency of a power of attorney shall not prevent the document from being deemed to have been lodged provided that the appearing party accompanies the power of attorney, rectifies the deficiencies in the power of attorney or ratifies the actions carried out in their name and on their behalf without sufficient power of attorney.

SECTION TWO
GENERAL ECONOMIC-ADMINISTRATIVE PROCEDURE

Article 239. General provisions.

1. The economic-administrative procedure shall be free of charge. However, if the claim or appeal is rejected or rejected as inadmissible and the economic-administrative body finds that the claim or appeal is unfounded or in bad faith, the person to whom said unfounded nature or bad faith is attributable may be required to pay the costs of the procedure, in accordance with the criteria to be established by the corresponding regulations.

2. The economic-administrative procedure shall be regulated in accordance with the provisions laid down in this chapter and in the regulations issued for its development.

Article 240. Initiation.

1. The economic-administrative claim shall be lodged within a period of one month from the day following that of notification of the contested decision or from the day following that on which there is proof of the making or omission of the withholding or prepayment, of the repercussion that is the subject of the claim, or of the substitution derived from the relations between the substitute and the taxpayer, by means of a letter addressed to the Provincial Economic-Administrative Court of Bizkaia. It may also be lodged from the moment when the effects of the administrative silence arise. If, after the claim has been lodged and before the decision is taken, an express decision is taken, it shall be forwarded to the court, once it has been notified to the interested party.

   The notification will warn that the express ruling, depending on its content, will be considered challenged in economic-administrative proceedings, or will cause the termination of the proceedings due to an out-of-court settlement, which will be declared by the court.

In cases involving claims relating to the obligation to issue and deliver invoices incumbent on entrepreneurs and professionals, the period referred to in the first paragraph of this section shall begin to run one month after the formal request for compliance with this obligation has been made.

For debts due on a regular basis and with collective notification, the claim may be lodged during the voluntary payment period or during the period of one month from the day following the end of the voluntary payment period.

2. The procedure must be initiated in writing, which may be limited to requesting that the claim be deemed to have been lodged, identifying the complainant, the decision or action against which the claim is being lodged, and the address for notifications. Likewise, the claimant may submit the pleadings on which the claim is based.

   In cases involving claims relating to withholdings, prepayments, effects, the obligation to issue and deliver invoices, and the relations between the substitute and the taxpayer, the letter must also identify the person appealed against and his or her address, and attach all the background information available to the claimant or in public records.

Article 241. Processing.

1. The procedure shall be conducted at the court’s discretion, subject to the time limits laid down, without it being necessary to declare its termination.

2. Once the court has received and, where appropriate, finalised the file, it shall make it available to the interested parties who have appeared in the claim and who have not presented their pleadings in the appeal or who have presented them but with the express request for this procedure, a common time frame of one month in which they must present the written pleadings with the appropriate evidence.

3. In cases involving claims relating to withholdings, prepayments, effects, the obligation to issue and deliver invoices, or the relations between the substitute and the taxpayer, the court shall notify the respondent of the lodging of the claim so that this party may appear, by means of a brief filed to enter an appearance in the proceedings, enclosing all the background information available to the respondent or available in public registers.

4. The Court may also request a report from the body that issued the contested decision, in order to clarify the issues that need to be clarified, and the report must be sent to the claimant so that this party can present pleadings in response.

5. When from the pleadings formulated in the written submission of the claim or from the documents attached by the interested party, all the information necessary to reach a decision is accredited or can be considered to be certain, or when a reason for inadmissibility is evident, the formalities indicated in the previous sections of this article may be waived.

6. The arrangements for the taking of evidence shall be governed by the corresponding regulations.

7. The cases in which the file is made available to the appellant when the claim is lodged may also be determined by the corresponding regulations.

Article 242. Extension of the review in economic-administrative proceedings.

1. Economic-administrative claims submit all factual and legal issues raised in the file to the Regional Economic-Administrative Court of Bizkaia for resolution, whether or not they have been raised by the interested parties, without it being possible under any circumstances to worsen the appellant's initial situation.

2. If the court finds it appropriate to examine and resolve issues not raised by the interested parties, it shall raise them with the interested parties in order to allow them to make claims.

3. The procedure for referring matters to the Court of Justice of the European Union for preliminary rulings shall be laid down by the corresponding regulations. When the preliminary ruling has not been requested by the interested parties in the economic-administrative claim, prior to the preliminary ruling, the interested parties shall be granted a period of 15 days in which to submit their pleadings exclusively in relation to the appropriateness of the preliminary ruling.

   In any event, before making a reference for a preliminary ruling, the court shall allow the tax authorities a period of 15 days in which to submit their observations.

   When a preliminary ruling has been made to the Court of Justice of the European Union in accordance with the provisions of the preceding paragraphs, the economic-administrative procedure shall be suspended from the time it is made until the decision on the preliminary ruling is received. Likewise, the course of those economic-administrative proceedings shall be suspended for the resolution of which it is necessary to know the result of the matter referred for a preliminary ruling. Said suspension shall be communicated to the interested parties in the economic-administrative procedure and shall determine the suspension of the calculation of the limitation or expiry periods for the exercise of the powers referred to in Article 64 of this Provincial Regulation. Once the time limits have been suspended, they shall start to run again when the decision on the matter in question is received by the court.

Article 243. Termination.

1. The procedure shall be terminated by waiver of the right on which the claim is based, by withdrawal of the petition or request, by lapse of the petition or request, by an out-of-court settlement, or by a decision.

2. If the claimant withdraws or waives the claim, the proceedings lapse or the claim is settled out of court, the court shall decide to close the proceedings with a justified decision.

   The decision to close the proceedings may be reviewed in accordance with the provisions of Article 245 bis of this Provincial Regulation.

Article 244. Resolution.

1. The Court may not refrain from deciding on any claim submitted to it without being able to allege reasonable doubt or a shortcoming in the legal provisions.

2. The rulings handed down shall contain the factual background and the legal grounds on which they are based and shall decide all the issues raised in the file, whether or not they have been raised by the interested parties.

3. The ruling may be upheld, rejected, or declared inadmissible. An upheld ruling may annul the contested decision in whole or in part on grounds of substantive law or due to the existence of formal defects.

   When the ruling identifies formal defects that have diminished the claimant's possibilities of defence, the decision shall be annulled for the affected part and the proceedings shall be ordered to be taken to the point in time at which the formal defect arose.

   With the exception of the case referred to in the preceding paragraph, enforcement decisions, including the carrying out of settlements resulting from the court's rulings, shall not form part of the proceedings in which the contested decision originated.

   Except in cases involving retroactive enforcement, the acts resulting from the enforcement of the decision must be notified within one month of the decision being entered in the register of the tax authorities.

4. Inadmissibility shall be declared in the following cases:

   a) When challenging decisions or rulings that are not subject to claim or appeal in economic-administrative proceedings.

   b) When the claim has been lodged after the deadline.

   c) When the identification of the decision or proceedings against which the claim is made is missing.

   d) Where the request contained in the request does not relate to the decision or proceedings appealed against.

   e) When there is a lack of legal standing or representation.

   f) When there is a final and binding decision which is the exclusive basis for the decision that is the subject of the claim, when an appeal is brought against decisions which reproduce other previous decisions which are final and binding or against those that act as confirmation for other final and binding decisions, as well as when the principle of res judicata applies.

5. The ruling issued shall be fully effective with regard to the interested parties who have been notified of the existence of the claim.

   The rulings of the Provincial Economic-Administrative Court of Bizkaia handed down in claims relating to actions or omissions by individuals, as referred to in Article 234(4) of this Provincial Regulation, once they have become final, shall be binding on the tax authorities in relation to the legal classification of the facts taken into account to issue a ruling, notwithstanding their powers of verification and investigation. To this end, such rulings shall be communicated to said tax authorities.

6. When the court's ruling imposing the obligation to issue an invoice is not complied with within the legally established time limit, the claimant may, in the name and on behalf of the respondent, issue the invoice documenting the transaction, in accordance with the following rules:

   a) The exercise of this power must be communicated in writing to the Provincial Economic-Administrative Court, indicating that the ruling has not been complied with and that the corresponding invoice is to be issued. It shall also inform the respondent by any means that provides proof of receipt that this option is to be exercised.

   b) The invoice documenting the transaction shall be drawn up by the claimant, who shall appear as the consignee of the transaction, with the party who has failed to comply with this obligation appearing as the issuer.

   c) The claimant shall send a copy of the invoice to the respondent, and the original invoice shall remain in the claimant's possession. It must also send the tax authorities a copy of the invoice and of the letter submitted to the Provincial Economic-Administrative Court informing them of the non-compliance with the decision.

7. In the enforcement of a decision that totally or partially upholds the claim against the settlement of a tax obligation related to another of the same taxable party in accordance with Article 69(11) of this Provincial Regulation, the related obligation other than the one appealed against in which the tax authorities had applied the criteria or elements on which the settlement of the tax obligation that is the object of the claim was based shall be adjusted.

   If this rectification results in the cancellation of the settlement of the related obligation other than the one appealed against and the making of a new settlement in accordance with the decision of the court, the provisions of Article 26(6) of this Provincial Regulation shall apply.

8. The doctrine established repeatedly by the Provincial Economic-Administrative Court of Bizkaia shall be binding for the rest of the tax authorities.

Article 245. Resolution period.

1. The maximum duration of the procedure shall be one year from the lodging of the claim. Once this period has elapsed, the interested party may consider the claim to have been rejected in order to lodge the appropriate appeal.

   In any case, the court shall issue an express ruling. The time limits for lodging the corresponding appeals shall start to run from the day following the day of notification of the express ruling.

   Notwithstanding the provisions of the first paragraph of this section, if the court deems that the contested decisions may be affected by rulings pending in proceedings in other spheres or jurisdictions, it may, after hearing the interested party, decide to suspend the proceedings, suspending the calculation of the decision period as well as the limitation period referred to in Article 67 of this Provincial Regulation, until the end of those proceedings.

2. Once a year has elapsed without an express decision having been notified, late-payment interest shall cease to accrue in accordance with the terms set out in Article 26(9) of this Provincial Regulation.

Article 245 bis. Appeal for annulment.

1. An appeal for annulment may be lodged with the court within a period of one month against the decisions of the economic-administrative claims, exclusively in the following cases:

   a) When the claim has been incorrectly declared inadmissible.

   b) When the pleadings or evidence submitted in due time have been declared non-existent.

   c) When a complete and manifest inconsistency of the decision is alleged.

2. An appeal for annulment may also be lodged against the decision to close the proceedings referred to in Article 243 of this Provincial Regulation.

3. No further appeals may be lodged against its decision. An appeal for annulment shall not be brought against the decision in the extraordinary appeal for review.

4. The appeal shall contain the pleadings and attach any relevant evidence. The selection board shall decide without further formalities, failing which the application shall be dismissed.

Article 245 ter. Appeal against enforcement.

1. The enforcement decisions of the economic-administrative decisions shall comply exactly with the rulings of those decisions.

2. If the interested party does not agree with the decisions issued as a result of the enforcement of the ruling, said party may lodge this appeal, which must be resolved by the Regional Economic-Administrative Court.

3. The appeal against enforcement shall be lodged within one month of the day following service of the instrument of enforcement and shall be governed by the general procedural provisions, with all formalities that are not indispensable to the settlement of the matter being dropped at the court’s discretion.

4. In no case shall the suspension of the appealed decisions be admitted when no new issues are raised with regard to the economic-administrative decision that is being enforced.

5. No appeal for reconsideration may be lodged prior to an appeal against enforcement.

6. The Provincial Economic-Administrative Court will declare the inadmissibility of the appeal against enforcement with regard to those issues raised in the appeal on matters already decided by the ruling that is being enforced, on matters that could have been raised in the claim whose ruling is being enforced or when any of the cases referred to in Article 244(4) of the General Provincial Regulation on Taxation apply.

Article 246. Extraordinary appeal for review.

1. An extraordinary appeal for review may be lodged by the interested parties against final decisions of the tax authorities and against final economic-administrative rulings when any of the following circumstances apply:

    a) Essential documents for the decision on the case that were produced before the contested decision or ruling or that could not be produced at the time the contested act or decision was given and which show the error committed.

    b) That the decision or ruling was essentially influenced by documents or testimonies declared false by a final judicial decision prior or subsequent to that decision.

    c) The decision or ruling was taken as a result of judicial misconduct, bribery, violence, a fraudulent scheme, or other punishable conduct and has been declared as such by virtue of a final court ruling.

2. The parties concerned and the Director-General of the Treasury have the standing to bring such an action.

3. The appeal shall be lodged within three months of knowledge of the documents or of the date on which the court ruling became final.

4. The provisions of Article 245(1) of this Provincial Regulation shall apply in the resolution of this appeal.

SECTION THREE
CONTENTIOUS-ADMINISTRATIVE APPEAL

Article 247. Contentious-administrative appeal.

Resolutions that put an end to the economic-administrative procedure will be subject to contentious-administrative appeal before the competent jurisdictional body.

TITLE VI
PROCEEDINGS AND PROCEDURES FOR THE APPLICATION OF TAXES RELATING TO OFFENCES AGAINST THE PUBLIC TREASURY

Article 248. Carrying out of settlements in cases where there is circumstantial evidence of offences against the Public Treasury.

1. Where there is circumstantial evidence of an offence against the Public Treasury, the proceedings shall continue in accordance with the applicable general provisions, notwithstanding the fact that the case may be referred to the competent court or the case may be referred to the Public Prosecution Service in accordance with the rules laid down in this Title.

Except in the cases referred to in the following article, a settlement shall be made of the elements of the tax obligation under examination, dividing into individual settlements those which are linked to the possible offence against the Public Treasury and those which are not linked to the possible offence against the Public Treasury.

The competence to make the settlements referred to in this section shall be attributed to the Bizkaia Provincial Council when it is responsible for inspecting the taxable party in accordance with the provisions of the Economic Agreement, and shall have effect in relation to all the competent authorities, including the proportion of taxation applicable to them, and the collection of all the settlements shall be the responsibility of the Bizkaia Provincial Council, notwithstanding any offsetting that may be applicable between the authorities.

2. The settlement that may be issued in relation to those elements of the tax obligation that are linked to the possible offence against the Public Treasury shall be in accordance with the provisions of this Title.

   In the cases referred to in this section, the tax authorities shall refrain from initiating or, as the case may be, continuing the sanctioning procedure corresponding to these same facts. In the event that a sanctioning procedure has been initiated, if it has not been concluded previously, such a conclusion shall be deemed to have taken place, in any case, at the moment when the case is referred to the competent jurisdiction or the file is referred to the Public Prosecution Service, notwithstanding the possibility of initiating a new sanctioning procedure in the cases referred to in the last paragraph of this section.

   A conviction by a judicial authority shall prevent the imposition of an administrative penalty for the same offences.

   If no offence is found to have been committed, the tax authorities shall, where appropriate, initiate administrative sanctioning procedures in accordance with the facts that the courts have found to be proven.

3. The settlement issued in relation to tax items that are not linked to the possible offence against the Public Treasury shall be processed in accordance with the ordinary procedure that corresponds to the provisions of Title III of this Provincial Regulation and shall be subject to the review system established in Title V of the Regulation.

Article 249. Exceptions to the carrying out of settlements where there is circumstantial evidence of an offence against the tax authorities.

1. When the tax authorities identify circumstantial evidence of an offence against the Public Treasury, they will refer the case to the competent jurisdiction or transfer the file to the Public Prosecution Service, refraining from making the settlement referred to in Article 248 of this Provincial Regulation, in the following cases:

   a) When the processing of the administrative settlement may result in the statute of limitations of the offence in accordance with the time limits provided for in Article 131 of the Criminal Code.

   b) If, as a result of the investigation or verification, the amount of the settlement cannot be accurately determined or it has not been possible to attribute it to a specific taxable party.

   c) Where the administrative settlement could in any way prejudice the investigation or verification of the fraud.

   d) When the powers of the tax authorities to determine the tax debt by means of the appropriate settlement is time-barred or has expired.

   In the aforementioned cases, the reasoned agreement justifying the existence of any of the circumstances determining the administrative decision not to issue a settlement shall also be forwarded together with the written complaint or the private criminal complaint filed by the tax authorities.

In such cases, the taxable party shall not be given the opportunity to be heard or to make pleadings.

2. In the cases indicated in the previous section, the tax authorities shall refrain from initiating or, as the case may be, continuing the administrative procedure, which shall be suspended until the judicial authority issues a final ruling, the proceedings are dismissed or closed, or the Public Prosecution Service returns the file.

   However, if sanctioning procedures have been initiated, they shall in any case be deemed to have been terminated when the case is referred to the competent court or the file is referred to the Public Prosecution Service. This is notwithstanding the possibility of initiating new sanctioning procedures if, ultimately, no offence is found to have been committed and in accordance with the facts that, where appropriate, the courts may have considered proven.

   The transfer or the referral of the case file will interrupt the limitation periods and will suspend the expiry periods of the exercise of the power of the tax authorities to determine the tax debt by means of the appropriate settlement and to impose the appropriate tax penalties in accordance with the provisions of Articles 69(1), 72(1), and 194(4) and (6) of this Provincial Regulation.

   A conviction by a judicial authority shall prevent the imposition of an administrative penalty for the same offences.

   The actions of tax management or inspection procedures carried out during the suspension period in relation to the facts reported shall be considered non-existent.

3. In the above cases, if the existence of an offence has not been established, the tax authorities shall initiate or continue their proceedings in accordance with the facts that the courts have considered proven in the period remaining until the end of the period referred to in Article 146(1) of this Provincial Regulation, taking into account the provisions of section 4(b) of the same article, or within six months, whichever is longer, to be calculated from receipt of the court decision or the file returned by the Public Prosecution Service by the competent body that is to continue the procedure.

   The calculation of the limitation and expiry periods shall begin again or continue from the moment of receipt of the court decision by the tax authorities.

Article 250. Voluntary rectification.

The tax authorities shall not refer the case not transfer the file to the competent court or the Public Prosecution Service unless it is established that the taxable party has not rectified their tax situation by fully acknowledging and paying the tax debt before said party has been notified of the initiation of verification or investigation proceedings aimed at determining the tax debt to be adjusted in the event that said proceedings have not taken place, before the Public Prosecution Service or the procedural representative of the tax authorities files a private criminal complaint or accusation against said party, or before the Public Prosecution Service or the Investing Judge carries out proceedings that allow them to have formal knowledge of the initiation of proceedings.

The tax debt is understood to be made up of the elements referred to in Article 56 of this Provincial Regulation, and the taxable party must proceed with the self-assessment and simultaneous payment of both the tax liability and the late-payment interest and surcharges legally accrued at the date of payment. However, when the taxes voluntarily adjusted are not demanded by the self-assessment procedure, the taxable party must file the corresponding tax return, paying the total tax debt settled by the tax authorities within the payment period established in the tax regulations.

The provisions of this article shall also apply when the rectification has taken place after the limitation period has expired or the exercise of the tax authorities' power to determine the tax debt by means of the appropriate settlement has lapsed.

In order to determine the existence of the full recognition and payment referred to in the first paragraph of this article, the tax authorities may carry out the appropriate verification or investigation proceedings, even in the event that these affect tax periods and concepts in relation to which the expiry of the limitation period or of the exercise of its corresponding administrative powers has occurred in accordance with the provisions of Articles 64 et seq. of this Provincial Regulation.

Article 251. Processing of the inspection procedure in the event that a settlement is to be carried out.

1. When the tax authorities find that there is circumstantial evidence of an offence against the Public Treasury and the circumstances preventing a tax settlement from being issued in accordance with the provisions of Article 249(1) of this Provincial Regulation do not exist, they will proceed to formalise a settlement proposal linked to the offence, in which the facts and legal grounds on which it is based will be stated.

   This proposal shall be notified to the taxable party, who shall be given a period of ten days from the day following the date of notification of the proposal in which to submit any pleadings and provide any documents that may be relevant to the case.

   No hearing shall be necessary in the cases provided for in Article 110(3) of this Provincial Regulation.

   In no case shall the procedural defects that may have been incurred during the administrative procedure have the effect of totally or partially extinguishing the tax obligation linked to the offence or those provided for in points a) and b) of Article 146(2) of this Provincial Regulation in relation to the proceedings carried out by the tax authorities aimed at settling the tax debt, notwithstanding those which may arise in the event of the Public Prosecution Service returning the case file or in the event of a final court ruling which makes it necessary to carry out the rectification provided for in Article 255(2)(c) of this Provincial Regulation on the grounds that no offence against the Public Treasury has been found to have been committed.

   Once the time limit for pleadings has elapsed and, where appropriate, the body competent to issue the administrative decisions resulting from the procedure has been examined, it will issue an administrative settlement, with the prior or simultaneous authorisation of the body of the tax authorities competent to file the complaint or private criminal complaint, when it considers that the rectification in question reveals the existence of a possible offence against the Public Treasury.

   Once the administrative settlement has been issued, the tax authorities shall transfer the case to the competent jurisdiction or refer the file to the Public Prosecution Service and the verification procedure shall end, with regard to the elements of the tax obligation adjusted by means of said settlement, by notifying the taxable party of it, warning that the voluntary payment period shall only begin to be calculated once the corresponding complaint or private criminal complaint has been notified, under the terms established in Article 253 of this Provincial Regulation.

   The transfer or the referral of the case file will interrupt the limitation periods and will suspend the expiry periods of the exercise of the power of the tax authorities to determine the tax debt by means of the appropriate settlement and to impose the appropriate tax penalties in accordance with the provisions of Articles 69(1), 72(1), and 194(4) and (6) of this Provincial Regulation.

2. The rejection of the complaint or private criminal complaint will determine the reinstatement of the administrative proceedings to the time prior to that at which the proposed settlement

linked to the offence was issued, in which case the corresponding inspection report or provisional settlement will be formalised, which will be processed in accordance with the provisions of this Provincial Regulation and its implementing regulations.

In cases involving inspection procedures, the termination of the inspection proceedings shall follow the provisions of Subsection 3 of Section 3 of Chapter IV of Title III of this Provincial Regulation.

The procedure must end within the period remaining from the time at which the proceedings are taken back until the end of the period referred to in Article 146(1) of this Provincial Regulation, taking into account the provisions of section 4(b) of the same article, or within six months, if the latter period is longer. Said time frame shall be calculated by the competent body which is to continue the proceedings from the date of receipt of the court decision or the date the file is returned by the Public Prosecution Service.

Late-payment interest shall be due for the new settlement that terminates the procedure. The starting date for calculating interest for late payment shall be the same date that, in accordance with the provisions of Article 26 of this Provincial Regulation, would have corresponded to the cancelled settlement and interest shall accrue until the new settlement has been issued.

In these cases, the limitation period will start to run and the expiry period for the exercise of the power of the tax authorities to determine the tax debt by means of the appropriate settlement and to impose the corresponding penalties in accordance with the provisions of Article 69(7) and Article 72(3) of this Provincial Regulation will start to run again.

3. In cases in which, for the same tax concept and period, it is possible to identify elements in which fraudulent conduct is identified that may be a determining factor in an offence against the Public Treasury, together with other elements and amounts to be adjusted in relation to which such fraudulent conduct is not detected, two separate settlements shall be made.

   In order to quantify both settlements, a settlement proposal linked to the offence and an inspection report shall be drawn up in accordance with the following rules:

   a) The settlement proposal linked to an offence shall include the elements that have been the subject of the tax return, where applicable, to which shall be added all those elements in which fraud is detected, and shall subtract any adjustments in favour of the taxable party to which they may be entitled, as well as the items to be offset or deducted from the base or the tax liability that may also apply to them. If the tax return submitted had generated tax payable, this will be deducted for the calculation of this settlement proposal.

   b) The settlement proposal contained in the report shall cover all the elements established, whether or not they are linked to the possible offence, and the amount resulting from the settlement proposal referred to in point a) above shall be deducted.

   However, the taxable party may opt for the application of a system for calculating both tax payments based on the proportional application of the items to be offset or deducted in the tax base or tax liability, under the terms to be determined by the corresponding regulations. This option must be communicated to the tax authorities within the period of time for making pleadings following the notification of the settlement proposal linked to the offence.

Article 252. Challenging settlements.

1. Against the administrative settlement issued as a consequence of the provisions of Article 248(2) of this Provincial Regulation, no appeal or claim shall be lodged in administrative proceedings, notwithstanding the rectification that may be made in accordance with what is determined in the criminal proceedings, in accordance with the provisions of Article 305 of the Criminal Code and Article 255 of this Provincial Regulation. The criminal judge shall be responsible for determining in a judgment the amount of tax evaded linked to the offences

against the Public Treasury that has been settled under the provisions of Article 305(5) of the Criminal Code and Title VI of this Provincial Regulation.

Under no circumstances will the procedural defects that may have been incurred during the administrative process have the effect of totally or partially extinguishing the tax obligation linked to the offence or those provided for in points a) and b) of Article 146(2) of this Provincial Regulation in relation to the actions carried out by the tax authorities aimed at settling the tax debt.

2. The appeals and claims provided for in Title V of this Provincial Regulation may be lodged against the settlement resulting from the rectification of the elements and amounts that are not linked to the possible offence.

Article 253. Recovery of the settled debt in the event that there is circumstantial evidence of an offence against the Public Treasury.

In the cases referred to in Article 248(2) of this Provincial Regulation, the existence of criminal proceedings for offences against the Public Treasury shall not hinder the administrative proceedings aimed at collecting the tax debt assessed, unless the judge has ordered the suspension of the enforcement proceedings.

The administrative proceedings aimed at collection referred to in the previous paragraph shall be governed by the general provisions established in Chapter V of Title III of this Provincial Regulation, except for the special features established in this Title.

Once the accusation or private criminal complaint for a crime against the Public Treasury has been admitted, the tax authorities shall notify the taxable party of the start of the voluntary payment period, requiring them to pay the tax debt assessed within the periods referred to in Article 60(1) of this Provincial Regulation.

Article 254. Grounds for opposition to collection proceedings.

Only the grounds provided for in Articles 171(3), 174(3), and 176(1), paragraph two, second subparagraph, of this Provincial Regulation shall be enforceable against the decisions of the collection procedure carried out for the recovery of the tax debt settled in accordance with the provisions of Article 248(2) of this Provincial Regulation, and their review shall be carried out in accordance with the provisions of Title V of this Provincial Regulation.

Article 255. Effects of the court decision on the tax settlement.

1. The settlement issued by the tax authorities in the cases referred to in Article 248(2) of this Provincial Regulation shall be in accordance with what is eventually determined in the criminal proceedings in relation to the existence and amount involved in the fraud.

2. The settlement shall be carried out as follows:

    a) If a conviction is handed down in the criminal proceedings for an offence against the Public Treasury and in said proceedings, a fraudulent amount is determined that is identical to the amount settled administratively, it will not be necessary to modify the settlement made, notwithstanding the settlement of the corresponding late-payment interest and surcharges.

    If the amount defrauded determined in the criminal proceedings differs, to a greater or lesser extent, from the amount determined in the administrative proceedings, the settlement issued under Article 248(2) of this Provincial Regulation must be amended. In this case, the initial decision shall stand, which shall be rectified in accordance with the content of the judgment to conform to the amount established in the criminal proceedings as the amount fraudulently obtained.

This modification, carried out by the tax authorities in accordance with the provisions of the previous paragraph, shall not affect the validity of the collection actions carried out, in relation to the amount confirmed in the criminal proceedings.

The agreement to amend shall be communicated to the court competent for enforcement, to the party liable for payment and to the other parties to the criminal proceedings.

If the amount defrauded determined in the criminal proceedings is lower than the amount established in administrative proceedings, the general provisions established for this purpose in the tax regulations in relation to the refund of payments and the reimbursement of the cost of guarantees shall apply.

b) If the criminal proceedings do not ultimately establish the existence of an offence due to the absence of the tax obligation, the administrative settlement will be annulled and the general provisions established for this purpose in the tax regulations in relation to refunds of payments and the reimbursement of the cost of guarantees will be applicable.

c) If a final ruling is handed down in the criminal proceedings and no offence is found to have been committed for reasons other than the non-existence of the taxable party's tax obligation, the administrative proceedings shall be taken back to the time prior to when the proposed settlement linked to the offence provided for in Article 251(1) of this Provincial Regulation was issued, taking into account the facts that the judicial body had considered proven, and the formalisation of the record shall proceed, which shall be processed in accordance with the provisions of this Provincial Regulation and its implementing regulations.

In cases involving inspection procedures, the termination of the inspection proceedings shall follow the provisions of Subsection 3 of Section 3 of Chapter IV of Title III of this Provincial Regulation.

The procedure must end within the period remaining from the time at which the proceedings are taken back until the end of the period referred to in Article 146(1) of this Provincial Regulation, taking into account the provisions of section 4(b) of the same article, or within six months, if the latter period is longer, to be calculated from receipt of the court ruling or the case file returned by the Public Prosecution Service by the body responsible for the resumption of the proceedings.

Late-payment interest shall be due for the new settlement that terminates the procedure. The starting date for calculating interest for late payment shall be the same date that, in accordance with the provisions of Article 26 of this Provincial Regulation, would have corresponded to the cancelled settlement and interest shall accrue until the new settlement has been issued.

This settlement will be subject to the review and appeals system for all tax settlements regulated in Title V of this Provincial Regulation, but the facts considered proven in the court ruling cannot be challenged.

In these cases, the limitation period will start to run and the expiry period for the exercise of the power of the tax authorities to determine the tax debt by means of the appropriate settlement and to impose the corresponding tax penalties in accordance with the provisions of Article 69(7) and Article 72(3) of this Provincial Regulation will start to run again.

Article 256. Responsible Parties.

1. Those jointly and severally liable for the tax debt assessed in accordance with the provisions of Article 248(2) of this Provincial Regulation shall be those who have caused or actively collaborated in issuing the decisions giving rise to said settlement and who are

under investigation or charged in the criminal proceedings initiated for the offence reported or who have been convicted as a result of the aforementioned proceedings.

The data, evidence, or circumstances which are or have been obtained in the winding-up proceedings and which are to be taken into account in the proceedings to enforce the liability provided for in this article shall be formally incorporated into the proceedings before the proposal for a decision.

2. In relation to the settlements referred to in Article 248(2) of this Provincial Regulation, the cases of liability regulated in Article 41(5) of this Provincial Regulation shall also apply.

3. In the appeal or claim against the decision declaring the liability provided for in Section 1 above, only the overall extent of such liability may be contested.

4. If the criminal proceedings result in the dismissal or acquittal of any of the responsible parties referred to in Section 1, the declaration of their liability shall be annulled, and the general provisions established in the tax regulations in relation to refunds and reimbursement of the cost of guarantees shall apply.

5. Notwithstanding the provisions of Article 69(8) and (9) of this Provincial Regulation, in the cases of liability referred to in Section 1 of this article, once the limitation period for a taxable party has been interrupted, this effect extends to all the other taxable parties, including responsible parties.

6. Competence for issuing decisions declaring liability in the cases regulated in Sections 1 and 2 of this article shall correspond to the bodies with collection powers.

7. The time limit for the declaration of liability procedure shall be suspended for the period of time elapsing from the filing of the complaint or private criminal complaint with the Public Prosecution Service or the court until the defendants are formally charged.

   The provisions of Article 81(5)(e) of this Provincial Regulation shall apply to the precautionary measures adopted during the proceedings for the declaration of liability provided for in this article.

TITLE VII
RECOVERY OF STATE AID AFFECTING THE FIELD OF TAXATION

CHAPTER I
GENERAL PROVISIONS

Article 257. General provisions.

1. The tax authorities are responsible for carrying out the necessary actions for the implementation of decisions to recover state aid affecting the field of taxation.

2. The exercise of administrative activities necessary for the implementation of state aid recovery decisions affecting the field of taxation, as well as the actions of the taxable parties in the exercise of their rights or in compliance with their tax obligations deriving from these decisions, are considered to be the application of taxes.

3. In addition to the cases referred to in the preceding paragraphs of this article, the provisions of this Title shall apply in any case in which, in compliance with European Union law, it is appropriate to demand the repayment of sums received as state aid affecting the field of taxation.

4. Within the sphere of competence of the Bizkaia Provincial Council, the body responsible for agreeing the initiation and resolution of state aid recovery procedures affecting the field of taxation shall be the Director-General of the Treasury.

5. Tax benefits that constitute state aid under EU law are not available to those who have received state aid declared unlawful and incompatible with the domestic market, with an outstanding recovery order following a previous Commission decision, until said aid has been repaid.

Article 258. Procedures for the enforcement of state aid recovery decisions.

The following are procedures for the implementation of decisions to recover state aid:

a) Recovery procedure in cases involving rectification of the elements of the tax obligation affected by the decision.

b) Recovery procedure for other cases.

Article 259. Statute of limitations.

1. The exercise of the power of the tax authorities to determine and demand payment of the tax debt, if any, resulting from the enforcement of the recovery decision shall be time-barred within the ten-year period laid down in Article 17 of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed provisions for the implementation of Article 108 of the Treaty on the Functioning of the European Union.

2. The limitation period shall start to run from the day following the day on which the application of the state aid in fulfilment of the tax obligation to be adjusted has taken legal effect in accordance with tax law.

3. The limitation period shall be interrupted:

    a) By any action of the European Commission or of the tax authorities at the request of the European Commission that is related to state aid.

    b) Any action by the tax authorities, carried out with the formal knowledge of the taxable party, leading to the recognition, rectification, verification, inspection, assurance, and settlement of the tax debt derived from those elements affected by the recovery decision, or to the demand for its payment.

    c) By any reliable action of the taxable party leading to the settlement or payment of the tax debt or by the lodging of the appropriate appeals.

4. The limitation period shall be suspended for as long as the recovery decision is the subject of proceedings before the Court of Justice of the European Union.

5. The provisions of Section Three of Chapter IV of Title II of this Provincial Regulation relating to the expiry of the tax authorities' power to determine the tax debt by means of the appropriate settlement shall not apply to the aid recovery procedure referred to in this Title.

Article 260. Effects of the implementation of the recovery decision.

1. Where there is a previous decision or settlement made by the tax authorities in relation to the tax obligation affected by the decision to recover the state aid, the enforcement of that decision shall determine the modification of the decision or assessment, even if it is final.

2. Late-payment interest shall be governed by Article 16(2) of Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the implementation of Article 108 of the Treaty on the Functioning of the European Union and Chapter V of Commission Regulation (EC) No 794/2004 of 21 April 2004 laying down detailed rules for the implementation of Council Regulation (EU) 2015/1589 laying down detailed rules for the implementation of Article 108 of the Treaty on the Functioning of the European Union.

3. Debts resulting from the enforcement of decisions to recover state aid shall not be eligible for deferral or payment by instalments.

Article 261. Appeals against the enforcement order.

The resolution or settlement derived from the implementation of the recovery decision shall be subject to appeal for reconsideration and, where appropriate, to an economic-administrative claim, under the terms provided for in this Provincial Regulation.

If the decision or settlement is subject to review in accordance with the provisions of this article, the suspension of the enforcement of administrative decisions shall only be admissible by means of providing a guarantee in the form of a deposit of money with the tax authorities.

CHAPTER II
RECOVERY PROCEDURE IN THE EVENT OF RECTIFICATION OF THE ELEMENTS OF THE TAX OBLIGATION AFFECTED BY THE RECOVERY DECISION

Article 262. Recovery in cases involving rectification of the elements of the tax obligation affected by the recovery decision.

1. In the recovery procedure in cases of rectification of the elements of the tax obligation affected by the decision, the tax authorities shall limit themselves to the verification of those elements of the obligation to which the decision relates.

2. In this procedure, the tax authorities may only carry out the following actions:

   a) Examination of the data provided by the taxable parties in their tax returns and of the supporting documents filed or required for this purpose.

   b) Examination of data and background information held by the tax authorities.

   c) Examination of the registers and other documents required by tax legislation and of any other official books, registers, or documents, including business accounts, as well as the examination of invoices or documents serving as proof of the transactions included in such books, registers, or documents.

   d) Information requests to third parties.

3. The proceedings may be carried out outside the offices of the tax authorities, for which purpose the rules contained in Article 135(2) and Article 139 of this Provincial Regulation shall apply.

4. The examination of the documents and actions referred to in the preceding paragraphs shall be deemed to be carried out for the sole purpose of establishing whether or not the state aid has been recovered, and shall not prevent or restrict subsequent verification of the same facts or documents.

Article 263. Initiation.

1. Recovery procedure in cases involving rectification of the elements of the tax obligation affected by the decision shall be initiated at the discretion of the tax authorities through an agreement reached by said authorities.

2. The taxable parties must be notified of the initiation of the proceedings by means of a communication that must state the nature and scope of the proceedings and inform them of their rights and obligations in the course of said proceedings.

   When the information in the possession of the tax authorities is sufficient to make the settlement proposal, the procedure may be initiated by notifying the tax authorities of this proposal.

Article 264. Processing.

1. The actions of the recovery procedure in cases of rectification of the elements of the tax obligation affected by the decision shall be documented in the notifications and formalities referred to in Article 97(8) of this Provincial Regulation.

2. The taxable parties are obliged to assist the tax authorities and to cooperate with them in the performance of their duties. The taxable party who has been summoned must appear at the place, date, and time indicated for the proceedings to be carried out, and must provide or have at the disposal of the tax authorities the documentation and other elements requested.

3. Prior to the provisional settlement, the tax authorities will notify the taxable party of the proposed tax settlement so that they may present any pleadings deemed appropriate within a period of ten days.

Article 265. Termination.

1. The recovery procedure in cases involving rectification of the elements of the tax obligation affected by the decision shall be terminated by an express decision of the tax authorities, which shall include at least the following content:

    1. Elements of the tax obligation affected by the recovery decision and the time frame of the proceedings.

    2. Statement of facts and legal grounds for the decision.

    3. Provisional settlement or, where applicable, express statement that it is not advisable to rectify the tax situation as a result of the recovery decision.

2. Failure to comply with the time limit for the duration of the procedure regulated in Article 102 of this Provincial Regulation shall not result in the lapsing of the procedure, which shall continue until its termination. In this case, the limitation period shall not be deemed to have been interrupted as a result of administrative proceedings undertaken during that period.

    In such cases, the limitation period shall be deemed to be interrupted by the carrying out of proceedings with the formal knowledge of the interested party after the end of the period referred to in the previous paragraph.

3. When a court decision finds formal defects and orders the administrative proceedings to be reinstated, these must be completed within the period remaining from the time the proceedings are reinstated until the end of the period referred to in Article 102 of this Provincial Regulation, or within three months, whichever is longer. This time limit shall be calculated from the date of receipt of the file by the body responsible for initiating the procedure for the recovery of state aid.

4. The enforcement of the judicial decision referred to in the previous section may under no circumstances entail the refund of the sums recovered from the taxpayer, which shall be deposited with the tax authorities until they are applied in accordance with the provisions of the administrative decision that ends the proceedings.

CHAPTER III
RECOVERY PROCEDURE FOR OTHER CASES

Article 266. Recovery procedure for other cases.

1. When the enforcement of the recovery decision does not involve the rectification of a tax obligation, the procedure to be followed shall be that regulated in this chapter.

2. For the enforcement of the recovery decision, the competent body shall have the powers granted to the tax authorities in Article 166 of this Provincial Regulation, subject to the requirements set out therein.

Article 267. Initiation.

The recovery procedure shall be initiated at the discretion of the tax authorities through an agreement reached by said authorities.

The taxable parties must be notified of the initiation of the proceedings by means of a communication that must state the nature of the proceedings and inform them of their rights and obligations in the course of said proceedings.

The notification of initiation shall contain the proposed decision, and taxable parties shall be granted a period of ten days in which to submit any pleadings they may have.

Article 268. Termination.

1. The recovery procedure shall be terminated by an express decision of the tax authorities, which must be notified within four months of the date on which the taxable party is notified of the commencement of the procedure, unless the recovery decision establishes a different time limit, and the provisions of Article 265(2) of this Provincial Regulation shall apply.

2. The decision terminating the proceedings shall contain at least the following content:

   a) An agreement to modify, in relation to the recovery decision, the ruling previously issued by the tax authorities or, where appropriate, express statement that no modification is required as a result of the recovery decision.

   b) Statement of facts and legal grounds for the decision.

   c) A settlement in the event that the execution of the recovery decision determines the demand for tax debt, in particular from the accrual of late-payment interest in accordance with the provisions of Article 260(2) of this Provincial Regulation.

3. When a court decision finds formal defects and orders the administrative proceedings to be reinstated, these must be completed within the period remaining from the time the proceedings are reinstated until the end of the period referred to in Section 1 of this article, or within two months, whichever is longer. This time limit shall be calculated from the date of receipt of the file by the body responsible for initiating the procedure for the recovery of state aid.

4. The enforcement of the judicial decision referred to in the previous section may under no circumstances entail the refund of the sums recovered from the taxpayer, which shall be deposited with the tax authorities until they are applied in accordance with the provisions of the administrative decision that ends the proceedings.

ADDITIONAL PROVISIONS

First Additional Provision. Provisions of public assets.

1. Provisions of public assets are those referred to in Article 31.3 of the Constitution and which are demanded in a compulsory manner.

2. The provisions of public assets referred to in the previous section may be of a taxable or non-taxable nature.

The benefits mentioned in Section 1 that are considered to be fees, special contributions, and levies referred to in Article 16 of this Provincial Regulation shall be considered to be taxes.

Untaxed provisions of public assets shall be other benefits which are compulsory for general interest purposes.

In particular, untaxed provisions of public assets shall be considered to be those which, being regarded as such, are required for the provision of a service managed directly through private ownership or through indirect management.

In particular, those required for the operation of works or the provision of services, under concession companies or public-private joint ventures, public business entities, wholly publicly owned companies and other private law structures, shall be considered as such.

Second Additional Provision. Register declarations.

1. Register declarations must be filed with the Bizkaia Provincial Council by those persons or entities that carry out or are going to carry out business or professional activities in Bizkaia or pay income subject to withholding tax, and whose tax domicile is in the Historical Territory of Bizkaia. Those do not have one must file one of the following declarations with the Provincial Council:

   - Withholding and prepayment returns.
   - Corporate income tax return/settlement.
   - Value added tax return/settlement.
   - Business activity tax return.

   The same obligation shall apply to the members of entities with or without legal personality, under the income attribution regime, which have their tax domicile in the Historical Territory of Bizkaia and carry out their activity through an entity with tax domicile outside said Territory.

2. The register of exporters and other economic operators under a commercial regime shall be made up of entrepreneurs or professionals who are entitled to the refund procedure regulated in Article 116 of Provincial Regulation 7/1994, of 9 November, on Value Added Tax.

3. The tax authorities shall keep, together with the Register of Taxable Parties, a Register of Intra-Community Operators in which taxable parties liable for Value Added Tax who carry out intra-Community supplies and acquisitions of goods, as well as certain supplies of services, shall be registered under the terms established by the corresponding regulations.

4. The content, form, and deadlines for the filing of these register declarations shall be regulated by the corresponding regulations.

Third Additional Provision. Register identification number.

1. All natural persons or legal entities, as well as the entities without legal personality referred to in Article 34(3) of this Provincial Regulation, shall have a tax identification number for their relations of a tax nature or with tax implications.

   This tax identification number will be provided by the tax authorities, at their discretion, or at the request of the interested party.

Legal entities and entities without legal personality must apply to the Bizkaia Provincial Council for the assignment of a tax identification number when their tax domicile is located in the Historical Territory of Bizkaia.

Non-resident entities without a permanent establishment must apply to the Bizkaia Provincial Council for the assignment of a tax identification number when they are going to carry out acts or operations of a tax nature or with tax implications in the Historical Territory of Bizkaia, unless they have previously been assigned a tax identification number by another tax authority.

2. The procedure for assignment and revocation, the composition of the tax identification number and the way in which it is to be used in relations of a tax nature or with tax implications shall be regulated by the corresponding regulations. Likewise, through the corresponding regulations, the reporting obligations to be fulfilled by credit institutions in relation to the tax identification number may be established.

3. The Bizkaia Provincial Council shall be responsible for revoking the tax identification number when the tax domicile is located in the Historical Territory of Bizkaia, unless the competence for verification and investigation is attributed to another tax authority, in which case, it shall be the responsibility of said authority.

   In cases involving non-resident entities without a permanent establishment, the tax authority that assigned it shall be able to revoke it.

4. The publication of the revocation of the tax identification number assigned to legal entities or entities in the “Official Gazette of Bizkaia” will result in the loss of validity of said number for tax identification purposes.

   Likewise, said publication will mean that credit institutions will not debit or credit bank accounts or deposits held or authorised by the holders of said revoked numbers, unless the tax identification number is reinstated.

   When the revocation refers to the tax identification number of an entity, its publication in the “Official Gazette of Bizkaia” shall entail the notary's refusal to authorise any public instrument relating to declarations of intent, legal acts involving consent, contracts, and legal business of any kind, as well as the prohibition of accessing any public register, including those of an administrative nature, unless the tax identification number is reinstated.

   In the notarial instruments referred to in Articles 23 and 24 of the Notaries Law of 28 May 1862, the General Council of Notaries shall provide the tax authorities, in accordance with the provisions of Article 17 of said law, information relating to transactions in which the obligation to inform the notary of the tax identification number for inclusion in the instrument has been breached, as well as the means of payment used and, where applicable, the refusal to identify the means of payment. These data shall be recorded in the computerised indexes.

   Likewise, the General Council of Notaries shall establish an automated system for the notary to provide the tax authorities with the identification of those legal entities with a revoked tax identification number that have not been reinstated and which have sought to issue a public document.

   The public register in which the entity affected by the revocation is registered, depending on the type of entity in question, shall issue a marginal note on the page open to that entity stating that no further registration affecting that entity may be made, unless the tax identification number is reinstated.

   By way of exception, the necessary formalities for the cancellation of the marginal note referred to in the previous paragraph shall be permitted.

Similarly, all registration certificates of the entity holding the revoked number must state that the number has been revoked.

The provisions of this paragraph shall not prevent the tax authorities from enforcing outstanding tax obligations. However, the acceptance of self-assessments, tax returns, communications, or letters containing a revoked tax identification number shall be subject to, under the terms established by the corresponding regulations, the reinstatement of said tax identification number.

5. In order to secure the effects of the procedure for revocation of the tax identification number, the tax authorities may take precautionary measures when there are reasonable grounds to believe that the purpose of the procedure would otherwise be thwarted or seriously impeded.

   The precautionary measure, duly substantiated, must be notified together with the proposed resolution containing the proposal to revoke the tax identification number, with express mention of the reasons for its adoption, so that the taxable parties may make the pleadings they deem appropriate.

   Precautionary measures, which must be proportionate to the damage to be avoided and which may in no case cause damage that is difficult or impossible to repair, may consist of:

   a) The withholding of tax refunds or other payments to be made by the tax authorities.

   b) Precautionary deregistration from the Intra-Community Operators Register.

   c) Precautionary deregistration from the VAT Monthly Refunds Register.

   d) The pre-emptive attachment order on the accounts or deposits held by the taxable party, with a preemptive annotation where appropriate.

Fourth Additional Provision. Insolvency proceedings.

The provisions of this Provincial Regulation shall be applied notwithstanding the provisions of current insolvency legislation.

Fifth Additional Provision. Competences regarding the duty to provide information.

For the purposes of Article 8(1) of Organic Law 1/1982 of 5 May on the Civil Protection of the Right to Honour, Individual and Family Privacy, and Personal Image, the Provincial Councillor for Treasury and Finances, the Director-General of the Treasury, or the governing body of local entities shall be considered the competent authority.

Sixth Additional Provision. Enforcement of civil liability and fines for offences against the Public Treasury.

1. In proceedings for offences against the Public Treasury, civil liability, which shall include the amount of the tax debt that the tax authorities have not settled due to the statute of limitations or any other legal cause under the terms set out in this Provincial Regulation, including late-payment interest, together with a fine, shall be demanded through the administrative compulsory payment procedure.

2. Once the judgment has become final, the judge or court responsible for enforcement shall send a copy to the tax authorities, ordering that it be levied. The same shall apply where the judge or court has ordered the provisional enforcement of a judgment under appeal.

3. If payment of the civil liability or fine has been agreed in instalments in accordance with Article 125 of the Criminal Code, the judge or court shall notify the tax authorities. In this case, the enforcement procedure will be initiated if the terms of the payments in instalment are not complied with.

4. The tax authorities shall inform the sentencing judge or court, for the purposes of Article 117(3) of the Spanish Constitution, of the processing and, where appropriate, of the incidents relating to the enforcement ordered.

5. The competence for the levying of the amounts referred to in this Additional Provision shall be attributed to the Bizkaia Provincial Council when it is responsible for inspecting the taxable party in accordance with the provisions of the Economic Agreement, and shall be binding on all the competent authorities, including the proportion of taxation applicable to them, and the collection of all the amounts shall be the responsibility of the Bizkaia Provincial Council, notwithstanding any offsetting that may be applicable between the authorities.

Seventh Additional Provision. Refund of Personal Income Tax at the discretion of the tax authorities.

Article 104(4) of Provincial Regulation 10/1998, of 21 December, on Personal Income Tax, is amended to read as follows:

> "4. Once the period for making the refund has elapsed without the agreement having been adopted for reasons attributable to the tax authorities, the late-payment interest referred to in Article 26(3) of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall be applied to the amount pending a refund, from the day following the end of said period until the date on which the agreement recognising the right to receive the corresponding refund is adopted, without the taxpayer needing to request it".

Eighth Additional Provision. Refund of Corporate Income Tax at the discretion of the tax authorities.

Article 132(3) of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax, is amended to read as follows:

> "3. Once the period established in Section 1 of this article has elapsed without the refund agreement having been adopted for reasons attributable to the tax authorities, the late-payment interest referred to in Article 26(3) of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall be applied to the amount pending a refund, from the day following the end of said period and until the date on which the agreement recognising the right to receive the corresponding refund is adopted, without the taxpayer needing to request it.

Ninth Additional Provision. Refund of Value Added Tax at the discretion of the tax authorities.

Article 115(3) of Provincial Regulation 7/1994, of 9 November, on Value Added Tax, is amended and shall be worded as follows:

> "Three. In the cases referred to in this article and the following one, the tax authorities shall, where appropriate, make a provisional settlement within six months of the end of the deadline for filing the tax return in which the tax refund is requested. However, when the aforementioned tax return/settlement has been filed outside this period, the six months shall be calculated from the date of its filing.
>
> When the tax return/settlement or, where applicable, the provisional settlement results in an amount to be refunded, the tax authorities shall refund it at their discretion, notwithstanding the carrying out of subsequent provisional or definitive settlements, as appropriate.
>
> If the provisional settlement has not been made within the period established in the first paragraph of this section, at their discretion the tax authorities shall refund the total amount requested, notwithstanding any subsequent provisional or definitive settlements that may be appropriate.
>
> Once the period established in the first paragraph of this section has elapsed without the refund agreement having been adopted for reasons attributable to the tax authorities, the late-payment interest referred to in Article 26(3) of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall be applied to the amount pending a refund, from the day following the end of said period and until the date on which the agreement recognising the right to receive the corresponding refund is adopted, without the taxpayer needing to request it.
>
> The procedure and method of payment of the refund at the discretion of the tax authorities referred to in this section shall be determined by the corresponding regulations".

Tenth Additional Provision.

In any event, the provisions of the legislation in force on the date of accrual of the corresponding Corporate Income Tax shall apply in relation to tax periods completed prior to the date on which the ruling in appeal number 7893/99 takes effect, if applicable.

> 10th Additional Provision annulled by Judgment TSJ Basque Country 10/2008 (Contentious-Administrative Chamber, 1st Section) of 14 January 2008. The annulment is confirmed by Judgment of the Supreme Court (Contentious-Administrative Chamber, 2nd Section) of 3 April 2012, appeal 1207/2008

Eleventh Additional Provision. Contradictory expert appraisal on Inheritance and Gift Tax.

Section 6 is added to Article 17 of the Consolidated Text of Provincial Regulation 2/1989, of 15 February, on Inheritance and Gift Tax approved by Provincial Regulation Decree 3/1993, of 22 June, to read as follows:

> "6. The interested parties may, in any case, request a contradictory expert appraisal.
>
> If there is disagreement between the experts on the value of the assets and rights and the appraisal of the administration's expert is not lower or higher by more than ten per cent than that of the interested party, the valuation of the administration's expert shall prevail for the determination of the tax base. If the valuation of the administration's expert exceeds the limits indicated, the competent body shall proceed to appoint a third-party expert".

Twelfth Additional Provision. Amendment of Provincial Regulation 3/1987, of 13 February, on the Election, Organisation, Regime, and Functioning of the Provincial Institutions of the Historical Territory of Bizkaia.

A Section 9 is added to Article 11 of Provincial Regulation 3/1987, of 13 February, on the Election, Organisation, Regime, and Functioning of the Provincial Institutions of the Historical Territory of Bizkaia, which reads as follows:

> "9. In addition to the cases of regulatory delegation regulated in the preceding sections, the Provincial Council may issue Provincial Decrees on taxation matters in the event that their purpose is exclusively the adaptation of the legislation of the Historical Territory of Bizkaia, when, in accordance with the provisions of the Economic Agreement, the same substantive and formal provisions as in the common regime territory must apply in the Historical Territory of Bizkaia.
>
> Likewise, the Provincial Council, at the proposal of the Provincial Councillor from the Department of Treasury and Finances, may issue Provincial Decrees, as a matter of urgency, and whenever it is appropriate to establish or adapt tax regulations.
>
> The approval of the Legislative Provincial Decrees referred to in this section shall be reported to the General Assembly for subsequent ratification.

Thirteenth Additional Provision. Modification of Provincial Regulation 4/1990, of 26 June, on Fees and Public Prices and other tax resources of the Bizkaia Provincial Administration.

Article 7 of Provincial Regulation 4/1990, of 26 June, on Public Fees and Prices and other tax resources of the Provincial Administration of Bizkaia, is amended and shall be worded as follows:

> "Article 7. Concept of a fee.
>
> Fees are taxes whose taxable event consists of the private use or special use of the public domain, the provision of services, or the performance of activities under public law that refer to, affect, or benefit the taxpayer in a particular way, when the services or activities are not requested or received voluntarily by taxable parties or are not provided or carried out by the private sector.
>
> Services shall be understood to be provided or activities to be carried out under public law when they are carried out in any of the forms provided for in administrative legislation for the management of the public service and when they are carried out by a public body".

Fourteenth Additional Provision. Amendment of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax.

1. Article 53(7) of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax, is hereby amended to read as follows:

   "7. Any positive or negative income arising as a result of the transfer of a vessel covered by this regime shall be considered as part of the tax base calculated in accordance with Section 1 above.

   Notwithstanding the provisions of the preceding paragraph, when an entity opts for this regime having previously been taxed under the general Corporate Income Tax regime, it must constitute, in the first year in which it is applicable, a restricted reserve equivalent to the positive difference between the normal market value of each of the vessels already owned when it opted for this special regime and their net carrying amount, or it must specify the aforementioned difference and for all the financial years in which they are still owned, in the notes to its annual accounts. The same shall apply in the case of used vessels acquired after the application of this regime has commenced, with the reserve being set aside for the positive difference, if any, between the acquisition value and the market value of the vessel.

   Likewise, in the case of vessels acquired by means of a transaction in which the special regime of Chapter X of Title VIII of this Provincial Regulation has been applied, the net carrying amount shall be determined on the basis of the acquisition value at which they appear in the accounts of the transferring entity.

   Failure to comply with the obligation not to make available the reserve or the obligation to mention it in the annual report shall constitute a tax offence, punishable by a fine of five per cent of the aforementioned difference.

   The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of the previous paragraph.

   This reserve shall not be subject to taxation unless the vessel from which it derives is used for activities other than those referred to in Section 2 above or is disposed of".

2. Article 70(2) of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax, is hereby amended to read as follows:

   "2. Failure to comply with this requirement shall be considered a tax offence. The penalty shall consist of a fixed pecuniary fine of 3,000 euros for each tax period in which non-compliance has occurred, provided that no administrative requirement has been made to that effect. If an administrative requirement has been issued, the penalty shall be 6,000 euros for each tax period in which non-compliance persists.

   The directors of the company shall be jointly and severally liable for this offence, except for those who have expressly proposed the measures necessary to comply with the provisions of the preceding section, but which have not been accepted by the other directors.

   The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section".

3. Article 77(4) of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax, is hereby amended to read as follows:

   "4. The absence of the agreements referred to in Sections 1 and 2 of this article shall make it impossible to apply the tax consolidation regime.

   Failure to implement the corresponding agreements for the companies that are to be included in the tax group in the future shall constitute a tax offence by the parent entity. The penalty shall consist of a fixed pecuniary fine of 2,000 euros for the first tax period in which the regime has been applied without complying with this requirement and 4,000 euros for the second, and shall not prevent the effective integration into the group of the companies affected, with the impossibility of applying the tax consolidation regime being determined if, within a period of two years from the day on which the first tax period in which they must pay tax under the tax consolidation regime ends, the failure to comply with the agreement referred to in this article persists.

   The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section".

4. Article 100(4) of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax, is hereby amended to read as follows:

   "4. Failure to comply with the obligations set out in the preceding paragraphs shall be considered a tax offence. The penalty shall consist of a fixed pecuniary fine of 200 euros for each item of information omitted, in each of the first three years in which the information is not included, and of 1,000 euros for each item of information omitted, in each of the following years, up to a limit of five per cent of the value at which the acquiring entity has reflected the assets and rights transferred in its accounts.

The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section”.

5. Article 128(2) of Provincial Regulation 3/1996, of 26 June, on Corporate Income Tax, is hereby amended to read as follows:

“2. Failure to comply with the obligation set out in the previous paragraph shall constitute a tax offence.

This offence shall be punishable, on a single occasion, by a proportional pecuniary fine of five per cent of the amount of the revaluation, the payment of which shall not mean that said amount is incorporated, for tax purposes, into the value of the asset or liability that is the object of the revaluation.

The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section”.

Fifteenth Additional Provision. Amendment of Provincial Regulation 5/1999, of 15 April, on Non-resident Personal Income Tax.

Article 9(3) of Provincial Regulation 5/1999, of 15 April, on Non-resident Personal Income Tax, is amended and shall be worded as follows:

“3. Failure to comply with the obligations referred to in Section 1 shall constitute a tax offence, punishable by a fine of 6,000 euros.

The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section”.

Sixteenth Additional Provision. Amendment of Provincial Regulation 11/1991, of 17 December, on Wealth Tax.

Sections 1 and 2 of Article 6 of Provincial Regulation 11/1991, of 17 December, on Wealth Tax, are amended and shall be worded as follows:

“1. The taxable persons not resident in Spanish territory referred to in point b) of Section 1 of the previous article shall be obliged to appoint a natural person or legal entity resident in Spain to represent them before the tax authorities in relation to their obligations for this tax, when they operate through a permanent establishment or when, due to the amount and characteristics of the taxable person's assets located in Spanish territory, the tax authorities so require, and to notify this appointment, duly accredited, before the end of the tax return period.

2. Failure to comply with the obligations referred to in Section 1 shall constitute a tax offence, punishable by a fixed pecuniary fine of 6,000 euros if the representative is not appointed and of 3,000 euros if, having been appointed, the obligation to notify the tax authorities is not complied with.

The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section”.

Seventeenth Additional Provision. Amendment of the Consolidated Text of Provincial Regulation 2/1989, of 15 February, on Inheritance and Gift Tax, approved by Provincial Regulation Decree 3/1993, of 22 June.

Article 41 of the Consolidated Text of Provincial Regulation 2/1989, of 15 February, on Inheritance and Gift Tax, approved by Provincial Regulation Decree 3/1993, of 22 June, is hereby amended and shall read as follows:

“Article 41. Penalty regime.

1. Notwithstanding the provisions of the following sections of this article, tax offences relating to Inheritance and Gift Tax shall be sanctioned in accordance with the provisions of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia.

2. Late filing of tax returns or self-assessments of goods or rights resulting from exempt acquisitions or those in which the reductions applicable in accordance with the provisions of Article 19 above equal or exceed the amount of the tax base, shall be punishable by a fixed pecuniary fine of 9,000 euros per taxable party.

3. Failure to comply, within the time limit established for this purpose, with the obligations imposed on the administrator of the estates for which the distribution is left at the discretion of various trustees or

testamentary power of attorney in Article 32(4) of this Provincial Regulation shall be considered a tax offence, which shall be sanctioned in accordance with the provisions of the following rules:

a) Failure to file the inventory of the assets of the estate or the documentary justification of the power of attorney by the administrator shall be punishable by a pecuniary fine of 600 euros.

b) Failure to notify the exercise of the testamentary power of attorney or the occurrence of any of the other causes for its extinction shall be sanctioned by a pecuniary fine of 9,000 euros.

4. The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of Sections 2 and 3 of this article".

Eighteenth Additional Provision. Modification of Provincial Regulation 9/1989, of 30 June, on Real Estate Tax.

Article 23(2) of Provincial Regulation 9/1989, of 30 June, on Real Estate Tax, is amended and shall be worded as follows:

"Two. Failure to file the tax returns referred to in the previous section, or failure to file them within the deadlines mentioned therein, shall constitute a tax offence punishable by a fixed pecuniary fine of 3,000 euros.

The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section".

Nineteenth Additional Provision. Amendment of Provincial Regulation 7/1994, of 9 November, on Value Added Tax.

1. Article 170(2) of Provincial Regulation 7/1994, of 9 November, on Value Added Tax, is amended and shall be worded as follows:

"Two. The following shall constitute tax offences:

1. The acquisition of goods by taxable persons covered by the special equivalence surcharge regime without the equivalence surcharge being expressly stated on the corresponding invoices, except in cases where the acquirer has notified the tax authorities in the manner determined by the corresponding regulations.

2. Obtaining, through a fraudulent or negligent act or omission, an incorrect tax charge, provided that the recipient is not entitled to deduct the full amount of the tax payments made.

Offending parties shall be the persons or entities to whom the aforementioned operations are addressed and who are responsible for the action or omission referred to in the previous paragraph.

3. The improper charging of tax payments on invoices by persons who are not taxable persons, without said payments having been made.

4. Failure to include in the self-assessment to be filed for the corresponding period the amounts of which the recipient of the transactions is the taxable person in accordance with numbers 2 and 3 of Section 1 of Article 84 or Article 85 of this Provincial Regulation".

2. Article 171 of Provincial Regulation 7/1994, of 9 November, on Value Added Tax, is amended and shall be worded as follows:

"Article 171. Sanctions.

One. The offences referred to in Section 2 of the preceding article shall be punishable in accordance with the following provisions:

1. Those established in number 1 of Section 2, with a proportional pecuniary fine of 50% of the amount of the equivalence surcharge that should have been passed on, with a minimum amount of 30 euros for each of the acquisitions made without the corresponding passing on of the equivalence surcharge.

2. Those established in number 2 of Section 2, with a proportional pecuniary fine of 50% of the unduly obtained benefit.

3. Those established in number 3 of Section 2, with a proportional pecuniary fine of 100% of the amounts unduly charged, with a minimum of 300 euros for each invoice or substitute document in which the offence occurs.

4. Those established in number 4 of Section 2, with a proportional pecuniary fine of 10% of the amount corresponding to the transactions not included in the self-assessment.

Two. The provisions of Article 192 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the terms of Provision 4 of Section 1 of this article.

Three. The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the terms of Provisions 1 to 3 of Section 1 of this article.

Four. The sanction of forfeiting the right to obtain tax benefits shall not be applicable in relation to the exemptions established in this Provincial Regulation and other regulations governing Value Added Tax".

Twentieth Additional Provision. Offences and penalties in the field of excise duties.

One. General provisions.

1. The system of offences and penalties for manufacturing excise duties shall be governed by the provisions of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia and by the specific provisions laid down for each of these taxes in the following sections of this Additional Provision.

   In particular, when the penalties imposed in accordance with the provisions of this Additional Provision are derived from the prior rectification of the taxable party's tax situation, the provisions of Article 192 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to them.

   In all other cases, the provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the corresponding penalties.

2. The following penalties may also be imposed for the perpetration of the tax offences referred to in this Additional Provision, with the exception of what is regulated in number four of this Section 1:

   a) The temporary closure of the establishments owned by the offending parties, for a period of six months, which shall be agreed, where appropriate, by the Provincial Councillor for Treasury and Finances, or their definitive closure, which shall be agreed, where appropriate, by the Bizkaia Provincial Council. Definitive closure may be agreed when the offending party has been sanctioned by a final administrative decision for the perpetration of a tax offence within the previous two years that gave rise to the imposition of the sanction of temporary closure of the establishment.

   b) The sealing for a period of six months or the definitive seizure of vending machines when the offences are committed using these machines. Definitive seizure may be ordered when the offending party has been sanctioned by a final administrative decision for the perpetration, by means of a vending machine, of a tax offence within the previous two years that would have led to the imposition of the sanction of sealing the machine.

      For the purposes of imposing the penalties provided for in this point, both the owner of the vending machine and the owner of the establishment where it is located shall be considered offending parties.

      Except in the cases set out in point c) below, the imposition of these sanctions shall be decided by the body competent for the imposition of the main sanction.

   c) However, where the imposition of the penalties provided for in point b) coincides with the imposition of the penalties provided for in point a) above, the vending machine shall be definitively confiscated if the establishment is permanently closed down. Where there is such a concurrence, the imposition of penalties shall be decided by the bodies referred to in point a).

3. In any event, the following shall constitute tax offences:

   a) The manufacture and importation of products subject to excise duties in breach of the conditions and requirements laid down in the regulations in force.

b) The circulation and possession of products subject to manufacturing excise duties for commercial purposes when this is carried out without complying with the provisions of Article 15(7) of Law 38/1992 of 28 December on Excise Duties.

The offences referred to in this number shall be punishable by a proportional pecuniary fine of 100% of the amounts which would correspond to the quantities of products, calculated at the rate in force on the date on which the offence was discovered.

Penalties shall be scaled by increasing the penalty by 25% in the event of repeated perpetration of tax offences. This circumstance shall be deemed to exist when the offending party, within the two years prior to the perpetration of the new offence, has been sanctioned by a final administrative decision for infringing any of the prohibitions established in this point.

Likewise, penalties shall be scaled up by increasing the penalty by 25% when the offence is committed in breach of the inspection provisions.

4. The circulation of products subject to manufacturing excise duties without being accompanied by the documents established by corresponding regulations, when this does not constitute another tax offence of those established in this Additional Provision, shall be punishable by a proportional pecuniary fine of 10% of the tax that would correspond to the products in circulation, subject to a minimum of 1,200 euros.

5. The possession, for commercial purposes, of tobacco products that do not bear tax or identification markings, when such a requirement is required by the corresponding regulations, shall be punishable by:

   a) A fine of 150 euros for every 1,000 cigarettes held for commercial purposes without bearing such markings, with a minimum fine of 1,200 euros for each offence committed.

   b) A fine of 1,200 euros for each offence committed in relation to other tobacco products.

   The penalties set out in points a) and b) above shall be scaled up by increasing the amount of the fine by 50% in the event of repeated perpetration of such offences. Repeat offences shall be deemed to have been committed when the offending party, within the two years prior to the perpetration of the new offence, has been sanctioned by virtue of a final administrative decision for the perpetration of the offences referred to in this number.

Two. Offences and penalties regarding the Tax on Intermediate Products. The following constitute tax offences for this tax:

a) The existence of differences in more in relation to the actual alcoholic strength by volume of wine or fermented beverages in stock in a factory of intermediate products or used in a factory.

   The penalty shall consist of a proportional pecuniary fine of 100% of the amount that would correspond to the difference expressed in hectolitres of pure alcohol, applying the tax rate established for the Tax on Alcohol and Alcoholic Beverages.

b) The existence of negative differences in relation to the actual alcoholic strength by volume of intermediate products in process, in stock at the factory, or having left the factory.

   The penalty shall consist of a proportional pecuniary fine of 100% of the amount that would correspond to the difference expressed in hectolitres of pure alcohol, applying the tax rate established for the Tax on Alcohol and Alcoholic Beverages.

c) The existence of a difference in more than the percentages of raw materials, other than alcohol and alcoholic beverages, in intermediate product factories, exceeding the percentages authorised by the corresponding regulations.

The penalty shall consist of a proportional pecuniary fine of 100% of the tax payable for the intermediate products for the manufacture of which the raw materials were intended, with it being presumed that, in the absence of proof to the contrary, the intermediate products for which they were intended would have an actual alcoholic strength by volume of more than 15%.

Three. Offences and penalties regarding the Tax on Alcohol and Alcoholic Beverages.

1. In the following cases, which shall be considered tax offences, the special penalties shall be imposed as detailed for each scenario:

   a) Putting alcohol-producing apparatus into operation without complying with the formalities established by the corresponding regulations or after expiry of the declared working period shall be punishable by a proportional pecuniary fine of 150% of the amount that would result from applying the tax rate in force at the time the offence was discovered to the volume of production, expressed in hectolitres of pure alcohol at a temperature of 20ºC, which could be obtained in uninterrupted work from the expiry of the last declaration of work, if any, until the date of discovery, up to a maximum of three months.

   b) The breaking of seals that enable the operation of alcohol-producing apparatus or their removal from sealed tanks shall be punishable by a proportional pecuniary fine of 100% of the amount calculated according to the previous point or of that corresponding to the total capacity of the tank, respectively, unless the authorities have been informed of the breakage prior to its discovery by them.

   c) Differences in excess of the percentages of raw materials in alcohol factories that exceed the percentages authorised by corresponding regulations shall be punishable by a proportional pecuniary fine of 100% of the amount that would correspond to the pure alcohol that could be manufactured using the raw materials in question.

   d) The absence of tax or identification markings of more than 0.5 per 1,000 of those used in the counts carried out in establishments authorised to bottle derived beverages shall be punishable by a proportional pecuniary fine of 150% of the amount that would result from applying the tax rate in force at the time the offence was discovered to the volume of pure alcohol corresponding to the quantity of derived beverages whose circulation could have been carried out under said markings, assuming the beverages with an acquired alcoholic strength by volume of 40% is bottled in the containers with the largest capacity according to the type of marking.

2. The regeneration of totally or partially denatured alcohol shall constitute a tax offence which shall be punishable, notwithstanding the tax liability, by a proportional pecuniary fine of three times the amount resulting from applying to the volume of regenerated alcohol, expressed in hectolitres of pure alcohol, at a temperature of 20ºC, the tax rate in force at the time of discovery of the offence, and may also impose the penalty of closure of the establishment in which the regeneration took place, in accordance with the provisions of number 2 of Section 1 of this Additional Provision. Wholly or partially denatured alcohol shall be deemed to have been regenerated if its use or destination is not justified.

Four. Offences and penalties regarding the Hydrocarbon Tax.

1. Failure to comply with the prohibitions and limitations on use established in Article 54 of Law 38/1992 of 28 December on Excise Duties shall constitute a tax offence. Such

offences shall be penalised in accordance with the provisions of this Section 4, irrespective of the penalties that may be applicable, in accordance with the provisions of Section 1 of this Additional Provision, for the possible perpetration of other tax offences.

2. For the purposes of the imputation of liability for the perpetration of the offences referred to in the previous paragraph, the following shall be considered as offending parties:

   a) Those who use the hydrocarbons referred to in Article 46(3) of Law 38/1992 of 28 December on Excise Duties as fuel without due authorisation.

   b) Owners of self-propelled vehicles, boats, and machinery that use or contain in their tanks fuels not expressly authorised for their operation, even when they are not driven or piloted by the owner, except in the cases referred to in point c) of this number 2 and in number 3 below.

   c) The lessees of the vehicles and vessels referred to in the previous point, when there is a rental contract without a driver or pilot, if the offence is discovered in the period between the date of the contract and the return of the machinery, vehicle, or vessel to its owner.

3. In cases of theft, offences discovered in the period between the date of the complaint and its recovery shall not be attributable to the owners of the vehicles or vessels.

4. The sanction to be imposed on the offending party or offending parties shall consist of:

   a) When the engine of the vehicle, appliance, or vessel with which the offence has been committed has horsepower for tax purposes of up to 10 hp, a fixed pecuniary fine of 2,400 euros.

   b) For engines with horsepower for tax purposes of more than 10 to 25 hp, a fixed pecuniary fine of 7,200 euros.

   c) For engines with horsepower for tax purposes of more than 25 to 50 hp, a fixed pecuniary fine of 14,400 euros.

   d) For engines with horsepower for tax purposes of more than 50 hp, a fixed pecuniary fine of 24,000 euros.

   e) In the cases referred to in point 2(a) above, the penalty shall consist of a fixed pecuniary fine of 2,400 euros.

5. In cases of repeated offences of this kind, the amounts and periods set out in the previous number shall be doubled.

   This circumstance shall be deemed to exist when the offending party, within the two years prior to the perpetration of the new offence, has been sanctioned by a final administrative decision for infringing any of the prohibitions established in Article 54 of Law 38/1992 of 28 December on Excise Duties.

6. In cases involving extraction of samples for analysis, if the interested party does not agree with the analytical report issued as referred to in Article 121(4) of the Excise Regulation, said party may, within a period of one month from the date of notification, request a second analysis to be carried out before the body responsible for resolving the sanctioning proceedings, stating the reasons and including all the supporting information available to that effect. Interested parties may request that the second analysis be carried out in their presence, or in the presence of a representative with an express power of attorney granted for this purpose.

   To this end, the body responsible for deciding on the sanctioning proceedings, having analysed the request for a second analysis and the documentation included therein, shall authorise its performance or, on the contrary, may refuse it. Such a refusal, which must be reasoned, as a mere procedural act, shall not be subject to any appeal, notwithstanding the fact that the interested party may appeal the matter before the corresponding body, as the case may be, once the resolution of the corresponding sanctioning procedure has been notified.

The Central Customs and Excise Laboratory shall be the competent body for the second analysis.

7. The period between the date of submission of the samples referred to in the previous paragraph to the Customs Laboratory and the date of receipt of the opinion shall be considered a period of justified interruption in the sanctioning procedure under way.

Five. Offences and penalties regarding other Excise Duties.

In cases involving the other Excise Duties regulated in Law 38/1992, of 28 December, on Excise Duties, and in particular, in the Excise Duty on Certain Means of Transport, the provisions on tax offences and penalties regulated in the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply.

Twenty-first Additional Provision. Amendment of the Provincial Regulatory Decree 2/1997, of 16 September, on Tax on Insurance Premiums.

1. The current content of Article 14 of the Provincial Regulatory Decree 2/1997, of 16 September, on Insurance Premium Tax, becomes Section 1 of the aforementioned provision.

2. A new Section 2 is added to Article 14 of Provincial Regulatory Decree 2/1997, of 16 September, on Insurance Premium Tax, which shall be worded as follows:

> “2. Failure to comply with the obligations referred to in Section 1 shall constitute a tax offence, punishable by a fixed pecuniary fine of 6,000 euros if the representative is not appointed and of 3,000 euros if, having been appointed, the obligation to notify the tax authorities is not complied with.
>
> The provisions of Article 193 of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia shall apply to the penalties imposed in accordance with the provisions of this section”.

Twenty-second Additional Provision. Amendment of Provincial Regulation 6/2002, of 28 June, on the Tax on the Retail Sales of Certain Hydrocarbons.

Article 13 of Provincial Regulation 6/2002, of 28 June, on the Tax on the Retail Sales of Certain Hydrocarbons is hereby amended and shall be worded as follows:

> “Article 13. Offences and penalties.
>
> Tax offences under this tax shall be sanctioned in accordance with the provisions of Title IV of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia, notwithstanding the penalties that may be imposed in accordance with the provisions of the 20th Additional Provision of the aforementioned Provincial Regulation”.

Twenty-third Additional Provision. Modification of Provincial Regulation 2/2003, of 3 February, adapting the tax provisions of the Historical Territory of Bizkaia to the new Economic Agreement.

The Additional Provision of Provincial Regulation 2/2003, of 3 February, adapting the tax provisions of the Historical Territory of Bizkaia to the new Economic Agreement, is hereby amended and shall be worded as follows:

> “ADDITIONAL PROVISION.
>
> The regulations on Excise Duties established or to be established for the common regime territory shall apply in the Historical Territory of Bizkaia, with the same effects and entry into force, until such time as they are specifically regulated by the competent Institutions of said Territory. The State regulations shall be applied taking into account the provisions of Article 33 of the Economic Agreement approved by Law 12/2002 of 23 May.

The provisions of the preceding paragraph shall be understood notwithstanding the application of the provisions on the regime of offences and penalties in the field of Excise Duties established in the 20th Additional Provision of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia".

Twenty-fourth Additional Provision. Definition of non-cooperative jurisdiction.

1. The countries and territories, as well as the harmful tax regimes, which are determined by the head of the Department of Treasury and Finances by means of a Provincial Order in accordance with the criteria set out in the following sections of this provision, shall be considered to be non-cooperative jurisdictions.

2. The list of countries and territories that are considered to be non-cooperative jurisdictions may be updated on the basis of the following criteria:

   a) On tax transparency:

      1. The existence with that country or territory of regulations on mutual assistance in the exchange of tax information under the terms provided for in this Provincial Regulation.

      2. Compliance with an effective exchange of tax information with Spain.

      3. The outcome of peer reviews conducted by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

      4. The effective exchange of information on the beneficial owner, as defined in the terms of Spanish legislation on the prevention of money laundering and terrorist financing.

      For the purposes of this point a), effective exchange of information means the application of the regulations on mutual assistance on exchange of tax information in accordance with the terms of reference adopted by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

   b) Facilitating the establishment or existence of offshore instruments or companies aimed at attracting profits that do not reflect actual economic activity in those countries or territories.

   c) The existence of low or zero taxation.

      Low taxation exists where the effective level of taxation in the country or territory concerned is significantly lower, including zero taxation, than that required for a tax identical or similar to Personal Income Tax, Corporate Income Tax, or Non-resident Personal Income Tax.

      There is zero taxation where the country or territory concerned does not levy a tax identical or similar to Personal Income Tax, Corporate Income Tax, or Non-resident Personal Income Tax, as the case may be.

      Taxes whose purpose is to tax income, even partially, regardless of whether the subject of the tax is income itself, income, or any other element reflecting income, shall be considered to be identical or similar taxes.

3. The list of harmful tax practices that qualify as non-cooperative jurisdictions may be updated on the basis of the criteria of the EU Code of Conduct for Business Taxation or the OECD Forum on Harmful Tax Practices.

4. The provisions of each tax may lay down special rules for the application of the provisions contained in this article.

5. With regard to those countries or territories considered as non-cooperative jurisdictions, in accordance with the provisions of this provision, with which the Kingdom of Spain has signed a double taxation avoidance treaty in force, the tax regulations relating to non-cooperative jurisdictions shall also be applicable, insofar as they are not contrary to the provisions of the aforementioned treaty.

Twenty-fifth Additional Provision. Regimes subject to administrative authorisation.

In the absence of specific applicable regulations, the tax authorities shall refuse to grant special regimes which require their authorisation in order to be applied, when the requirements established in the regulations governing each of them are not met and when it is not duly accredited that the primary purpose for which the special regime in question is established is fulfilled.

Likewise, if it is found that the entity has not complied with the main purpose for which the special regime in question was established, the tax authorities may revoke the authorisation granted, with the temporary effects established in the revocation agreement, without such effects impacting taxable events in relation to which the exercise of the administrative power to determine the tax debt by means of the appropriate settlement has lapsed or expired, or those accrued prior to the entry into force of this Provincial Regulation.

Twenty-sixth Additional Provision. Cadastral reference and fixed number.

1. The cadastral reference and the fixed number of the real estate must appear in the public instruments, judicial orders and resolutions, administrative files and resolutions, and in the documents containing the facts, acts, or transactions with effect in rem relating to ownership and other rights in rem, lease contracts or contracts for the assignment in any manner of the use of the real estate, electricity supply contracts, technical projects, or any other documents relating to the real estate that are determined by the corresponding regulations. It shall also be recorded in the Land Registry, in the cases provided for by law.

2. The cadastral reference does not need to be stated in:

   a) The documents recording the cancellation of security rights in rem.

   b) Administrative decisions adopting or cancelling measures to ensure the recovery of debts under public law.

   c) Proceedings for the purpose of payment deferrals or instalments regulated in the tax collection regulations and in tax verification, investigation, and settlement procedures, when this reference is already known to the tax authorities.

   d) Entries to be made in the Land Registry in compliance with and execution of a court decision or an administrative decision issued in enforcement proceedings.

3. Notaries, registrars, judicial, or administrative bodies or authorities, with their district or jurisdiction in the Historical Territory of Bizkaia, before whom acts, businesses, or procedures are filed in which any alterations to real estate are disclosed, must request that they be duly accredited with the identity of the real estate object of them with the fixed cadastral number in the case of urban property and with the cadastral reference of the cadastral area and plot for rural property, in the manner established by corresponding regulations, in order to guarantee coordination between acts or businesses with effect in rem and the Urban and Rural Real Estate Cadastre.

4. The cadastral reference of the real estate must be provided:

   a) Before the judicial or administrative authority competent to investigate or resolve a procedure affecting the real estate, the holders of rights in rem or with effect in rem over said real estate.

b) Before the notary, the applicants, or grantors of the notarial instrument in which the deed, act, or business constituted on the property in question is recorded.

c) Before the Land Registry, whoever requests the registrar to make a registration entry relating to real estate.

d) Before the supply companies referred to in Section 1 of this provision, those who procure such supplies and, in the case of private leases or contracts for the transfer of the use of the property, the lessors or transferors.

e) Apart from the cases provided for in the preceding paragraphs, the parties or interested parties shall themselves include the aforementioned reference in the documents they grant or issue.

5. ...

6. If there are several parties obliged to provide the cadastral reference, once the obligation has been fulfilled by one party, it will be understood to have been fulfilled by all the other parties who may be obliged to do so.

Twenty-seventh Additional Provision. Reporting obligation on assets and rights located abroad.

The taxable parties must provide the tax authorities with the following information, in accordance with the provisions of Article 17(4) and Article 92 of this Provincial Regulation and under the terms established by the corresponding regulations:

a) Information on accounts located abroad opened with institutions engaged in banking or credit transactions of which they are the holders or beneficiaries or on which they are authorised or otherwise have power of disposal.

b) Information on any shares, assets, securities, or rights representing the share capital, own funds or equity of all types of entities, or on the transfer to third parties of shareholders' equity, of which they are holders and which are deposited or located abroad, as well as on the life or disability insurance policies of which they are policyholders and on the annuities or temporary annuities of which they are beneficiaries as a result of the delivery of a capital sum of money, movable property, or real estate, acquired with entities established abroad.

c) Information on real estate and rights to real estate owned abroad.

d) Information on movable property and rights over movable property owned by them whose unit value exceeds 50,000 euros and which, at the time of the declaration, are located abroad.

e) Information on movable property and rights over movable property owned by them that are registered or recorded in foreign registers.

f) Information on such crypto-assets, as determined by the corresponding regulations, located abroad of which a person is the holder, or in relation to which they have the status of beneficiary or otherwise hold power of disposal, held in custody by persons or entities providing services to safeguard private cryptographic keys on behalf of third parties, for holding, storing and transferring crypto-assets. The concept of a crypto-asset shall be understood as defined in Article 3(1)(5) of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

The obligations provided for in the preceding letters shall extend to those who are considered to be beneficial owners in accordance with the provisions of Article 4(2) of Law 10/2010 of 28 April on the prevention of money laundering and terrorist financing.

Twenty-eighth Additional Provision. Information and due diligence obligations relating to the information declaration of obliged platform operators in the field of mutual assistance.

1. The entities that have the status of "platform operators obliged to communicate information", in accordance with the provisions of Article 8ac and Annex V of Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as well as in the Multilateral Agreement between Competent Authorities for the automatic exchange of information on income obtained through digital platforms and the Model Rules for reporting by platform operators of information on sellers in the collaborative economy and the gig economy, and in other international agreements signed for the same purpose, shall apply the due diligence rules and procedures and comply with the registration and reporting obligations under the aforementioned legislation.

   Likewise, the persons or entities that are considered "sellers", in accordance with the regulations referred to in the previous paragraph, must comply with the obligations deriving from the application of the due diligence rules and procedures.

   The due diligence rules and procedures, as well as the obligations to register and report the information referred to in this section, shall be developed in the regulations.

   The terms used in this additional provision and its implementing regulations shall have the meaning established in the regulations, unless otherwise stated.

2. The infringements and penalties deriving from non-compliance with the obligations to register and report information provided for in section 1 of this additional provision shall be governed by the provisions of Title IV of this Provincial Law with the special aspects established in this provision.

3. Non-compliance with the due diligence rules and procedures referred to in section 1 by the "platform operators obliged to communicate information" shall constitute a tax infringement.

   In particular, non-compliance or incorrect or late compliance with the obligations arising from due diligence procedures related to the following will be considered an infringement for the purposes of this section:

   a) Determination of "sellers" not subject to review.

   b) Collection of information about the "seller".

   c) Verification of information about the "seller".

   d) Determination of the State or States of residence of the "seller".

   e) Collection of information on rented real estate.

   The tax infringement provided for in this section will be punished with a fixed monetary fine of 200 euros for each "seller" in respect of whom the obligations derived from the application of the due diligence rules and procedures were breached.

   Where a "reporting platform operator" uses an external service provider to fulfil due diligence obligations, these remain the responsibility of said operator.

4. It constitutes a tax infringement by the "sellers" not to communicate the mandatory information on time or to communicate false, incomplete or inaccurate information to the "platform operators obliged to communicate information", in compliance with the obligations derived from the application by the operator of the due diligence procedures referred to in the previous section.

The tax infringement established in this section shall be punishable by a fixed monetary fine of 300 euros.

5. When a “seller” fails to provide the “reporting platform operator” with the information required under the due diligence rules and procedures, having received two reminders regarding the operator’s initial request and after a period of 60 calendar days from the initial request, said operator will close the “seller’s” account and prevent them from registering on the platform again or will withhold payment of the “consideration” until they provide the information requested.

6. The declarations that are required from the obligated parties, the documentary evidence, the records and any information used to apply the due diligence procedures and to comply with the obligations to register and report information referred to in this additional provision must be preserved and kept available to the Tax Administration during the 10 years following the end of the reference period to which the provision of information corresponds.

   Without prejudice to the authorities responsible for the verification and investigation of the obligations to register and report information referred to in this additional provision in accordance with the general rules of this Provincial Law, the Tax Administration may verify and investigate compliance with the rules and procedures of due diligence that must be applied by “platform operators obliged to communicate information”.

7. All “platform operators obliged to communicate information” shall inform each natural person “seller” subject to reporting requirements that the information concerning them referred to in this provision will be provided to the Tax Administration and transferred to the relevant State in accordance with Directive 2011/16/EU and the international agreements indicated in this provision. The operator shall also provide the natural person with all the information that he or she is entitled to receive in sufficient time to enable him or her to exercise his or her right to the protection of his or her personal data and, in any event, before the information collected by the intermediary is provided to the tax authorities.

   Notwithstanding the final sentence of the preceding paragraph, every “platform operator required to report information” shall inform each “seller subject to reporting” of the information relating to the “consideration” that has been transferred to the relevant State in accordance with Directive 2011/16/EU and the international agreements referred to in this provision.

Twenty-ninth Additional Provision. Legal nature of claims managed in the field of mutual assistance.

1. For the purposes of the mutual assistance referred to in Article 1(2) of this Provincial Regulation and notwithstanding the provisions of Article 78(3) of this Provincial Regulation, any claim of another State or supranational or international entity in relation to which the actions of assistance, collaboration, cooperation, and others of a similar nature provided by the tax authorities in the exercise of such mutual assistance are exercised shall be considered to be rights of the Public Treasury of a public nature.

2. For the purposes of the exercise of these mutual assistance actions, such rights shall retain their original legal nature in accordance with the regulations of the Historical Territory of Bizkaia and the legal regime regulated in the General Budgetary Provincial Regulation and in this Provincial Regulation shall apply to them.

Thirtieth Additional Provision. Reporting obligations for the maintenance of tax registries.

In accordance with the provisions of Article 93(1) of this Provincial Regulation, the public administration responsible for assigning the number constituting the tax identification number shall notify the tax authorities on a quarterly basis of the name and surname, gender, date, and place of birth of the persons to whom it assigns the number and, where appropriate, their address in Spain, and their passport number, provided that this number has been issued in the

Historical Territory of Biscay, or their declared address is in the aforementioned Historical Territory.

The Provincial Councillor for Treasury and Finances shall establish the form, manner, and deadlines for submitting the information declaration referred to in this Additional Provision.

Thirty-first Additional Provision. Reporting and due diligence obligations relating to financial accounts in the field of mutual assistance.

1. Financial institutions shall apply due diligence rules in relation to certain financial accounts held or controlled by persons, and report information to the tax authorities regarding these accounts, in accordance with the provisions of Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation, as amended by Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation, and by Council Directive (EU) 2023/2226 of 17 October 2023 amending Directive 2011/16/EU on administrative cooperation in the field of taxation, and with the provisions of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and its Addendum.

   Furthermore, persons who own or control financial accounts shall comply with the obligations arising from the application of due diligence rules regarding their identification and tax residence when dealing with the financial institutions at which said accounts are open.

   The corresponding regulations will set out the rules on due diligence, as well as the reporting obligations of financial institutions regarding financial accounts open with them by persons who own or control those accounts.

2. Offences and penalties deriving from non-compliance with the obligation to provide information provided for in Section 1 of this Additional Provision shall be governed by the provisions of Title IV of this Provincial Regulation.

3. The failure to comply, or incorrect compliance, with the obligations arising from the due diligence rules relating to the following shall constitute a tax offence.

   a) The identification of reportable financial accounts of natural persons.

   b) The identification of reportable financial accounts of entities.

   The tax offence provided for in this section shall be penalised with a fixed fine of 200 euros for each person in relation to whom the non-compliance has occurred.

   Where a financial institution uses an external service provider to fulfil its reporting and due diligence obligations, these shall remain the responsibility of that institution.

4. The communication of false, incomplete or inaccurate data to the financial institution by persons who own or control financial accounts, in compliance with the obligations arising from the financial institution's application of the due diligence rules referred to in the preceding section, shall constitute a tax offence.

   The tax offence established in this section shall be punishable by a fixed fine of 300 euros.

5. In relation to the declarations required of persons who own or control financial accounts opened on or after 1 January 2016, or from 1 January 2026 for financial accounts considered as such solely by virtue of the amendments made by Council Directive (EU) 2023/2226 of 17 October 2023, relating to their identification and tax residence for the purposes set out in this additional provision, these must be obtained at the time the account is opened. Failure to provide said declarations to the financial institution within a period of 90 days from the request to open the account shall result in the institution not carrying out

any debits, credits or any other transactions on the account until such time as they are provided.

6. The documentary evidence, the declarations required from the persons who hold or control the financial accounts and other information used in compliance with the reporting and due diligence obligations referred to in this Additional Provision must be available to the tax authorities until the end of the fifth year following the year in which the financial account is closed.

7. All financial institutions obliged to report information under this provision shall inform each natural person subject to reporting requirements that the information concerning them subject to this reporting obligation will be disclosed to the tax authorities and transferred to the relevant Member State in accordance with Directive 2011/16/EU and the international agreements referred to in this provision. Said disclosure must be made by 31 January of the calendar year following the first year in which the account is classified as an account subject to disclosure.

   The financial institution shall also provide the natural person with all the information that he or she is entitled to receive in good time to enable him or her to exercise his or her right to personal data protection and, in any event, before the information collected by said financial institution is provided to the tax authorities.

8. The provisions of Sections 5 and 6 shall also apply in relation to the reporting and due diligence obligations relating to financial accounts under the Agreement between the United States of America and the Kingdom of Spain on enhancing international tax compliance and the implementation of the Foreign Account Tax Compliance Act - FATCA.

   Likewise, for accounts opened during 2015 for which the declarations referred to in Section 5 had not been provided by 1 January 2016, failure to provide them to the financial institution within 60 days of that date shall mean that the financial institution shall not debit, credit, or carry out any other transactions on the account until such time as they are provided.

Thirty-second Additional Provision. Suspensions in cases of amicable procedures.

In the event that, in accordance with the provisions of Section 1 of Additional Provision Four of the Provincial Regulation on Non-Resident Personal Income Tax, an amicable procedure on direct taxation provided for in international conventions or treaties is carried out simultaneously with a review procedure regulated in Title V of this Provincial Regulation, the latter procedure shall be suspended until the end of the amicable procedure.

Thirty-thirth Additional Provision. Reporting obligations for certain tax planning mechanisms.

1. The intermediaries and the taxable parties concerned shall provide to the tax authorities the following information in accordance with Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, under the Multilateral Agreement between Competent Authorities on the Automatic Exchange of Information Concerning Circumvention Mechanisms of the Common Reporting Standard and Opaque Offshore Structures and its Model Mandatory Reporting Rules to Address Circumvention Mechanisms of the Common Reporting Standard and Opaque Offshore Structures, and other international agreements entered into for the same purpose, and in Articles 17.4, 5, and 92 of this Provincial Regulation, under the terms established by the corresponding regulations:

   a) Cross-border mechanisms in which they are involved or participate defined in Article 3.18 of Council Directive 2011/16/EU of 15 February 2011, if any of the distinguishing features set out in Annex IV of that Directive apply.

b) Information updating the cross-border tradable mechanisms as referred to in Article 3.24 of Council Directive 2011/16/EU of 15 February 2011.

c) Information on the use of the cross-border tax planning mechanisms referred to in a) and b) above.

d) Information on cross-border mechanisms as defined in the Multilateral Agreement between Competent Authorities on the Automatic Exchange of Information Concerning Circumvention Mechanisms of the Common Reporting Standard and Opaque Offshore Structures, and in other international agreements concluded for the same purpose.

For the purposes of this reporting obligation, cross-border arrangements, legal arrangements, schemes, or cross-border transactions based on reported tax regimes and expressly authorised by a European Commission decision shall not be considered as a reportable cross-border tax planning mechanism.

2. The duty of professional secrecy referred to in Section 5 of Article 8 bis ter of Council Directive 2011/16/EU and the aforementioned Rules shall apply to those who are considered as intermediaries, irrespective of the activity carried out, and have provided consultancy services in relation to the design, marketing, organisation, provision for execution, or management of the execution of a cross-border mechanism, for the sole purpose of evaluating the compliance of said mechanism with the applicable regulations and without procuring or facilitating its implementation.

   The intermediary bound by the duty of professional secrecy may be relieved of this duty by means of an authorisation duly communicated by the taxable party concerned.

3. Compliance by intermediaries with the obligation to provide information on tax planning mechanisms referred to in Council Directive 2011/16/EU and the aforementioned Multilateral Agreement, in the legally enforceable terms shall not constitute a breach of the restrictions on disclosure of information imposed by a contract or regulations, and shall not entail any liability for the obligated parties with regard to the taxable party concerned who is the holder of said information.

4. Failure to file the information declarations referred to in this Additional Provision in due time and submitting incomplete, inaccurate, or false information shall constitute a tax offence.

   It will also constitute a tax offence to file them by means other than electronic, computerised, or telematic means in those cases where there is an obligation to do so by such means.

   The penalty corresponding to the offences referred to in the first paragraph of this section shall consist of a fixed pecuniary fine of 2,000 euros for each item of data or set of data referring to the same mechanism that should have been included in the declaration that was not submitted on time or that was provided incompletely, inaccurately, or falsely, with a minimum of 4,000 euros.

   The maximum applicable shall be the equivalent of the fees received or to be received by the intermediary when the intermediary is the offending party. This maximum limit shall not apply when the above calculation results in an amount of less than 4,000 euros.

   Where there is no fee, or where a lower fee is set, the above limit shall refer to the market value, defined as the value that would have been agreed by independent persons or entities under conditions of free competition, of the activity for which competition would have given rise to the status of intermediary.

   For the purposes of applying the above maximum limit, the offending party must provide reliable proof of the occurrence and extent of the offence.

Where the offending taxable party is the taxable party concerned, the applicable maximum is 400,000 euros.

The penalty and the minimum and maximum limits provided for in the preceding paragraphs shall be reduced by half when the information has been filed after the deadline without a prior request from the tax authorities.

The filing of information by means other than electronic, computerised, and telematic when there is an obligation to do so by such means, shall be sanctioned with a fixed fine of 250 euros per item or set of data referring to the same mechanism that should have been included in the declaration, with a minimum of 750 euros and a maximum of 1,500 euros.

5. The offences and penalties regulated in this Additional Provision shall be incompatible with those established in Articles 203 and 204 of this Provincial Regulation.

6. All intermediaries obliged to provide information under this provision shall inform each taxable party concerned who is a natural person subject to reporting requirements that the required information concerning said taxable party will be provided to the tax authorities and transferred in accordance with Directive 2011/16/EU and the international agreements referred to in this provision. The intermediary shall also provide the natural person with all the information that he or she is entitled to receive in sufficient time to enable him or her to exercise his or her right to the protection of his or her personal data and, in any event, before the information collected by the intermediary is provided to the tax authorities.

Thirty-fourth Additional Provision. Obligations between private individuals arising from the reporting obligations of cross-border tax planning mechanisms.

1. Intermediaries exempted from the duty of professional secrecy from filing declarations concerning cross-border tax planning mechanisms must clearly report this exemption under the terms established by the corresponding regulations to their clients, whether they are other intermediaries or the taxable parties concerned who participate in the aforementioned mechanisms.

2. The persons or entities that are legally obliged to file a declaration and that have filed the declaration must reliably notify the rest of the intermediaries or, where appropriate, the rest of the taxable parties concerned, who, by virtue thereof, shall be exempt from the obligation to file the declaration, in accordance with the terms established by the corresponding regulations.

3. Failure to notify the tax offence referred to in Section 1 of this Additional Provision within the established period or making any such notifications omitting data or including false, incomplete, or inaccurate data in said notification shall constitute a tax offence.

   The offence established in this section shall be punishable by a fixed fine of 600 euros.

   When this offence coincides with the failure of the taxable party concerned, who would have had to file the declaration if said notification had been made, to declare the corresponding cross-border tax planning mechanism in due time, as referred to in Section 1(a) of the thirty-third Additional Provision of this Provincial Regulation, it shall be penalised under the same terms as the offence deriving from the failure to file the aforementioned declaration in due time, in accordance with the provisions of Section 4 of the aforementioned Additional Provision.

4. Failure to notify the tax offence referred to in Section 2 of this Additional Provision within the established period or making such a notification omitting data or including false, incomplete, or inaccurate data shall constitute a tax offence. The offence established in this section shall be punishable by a fixed fine of 600 euros.

Thirty-fifth Additional Provision. Regulatory references.

1. References made in the regulations to tax havens, to countries or territories with which there is no effective exchange of information, or to countries or territories with which there is no or low taxation shall be understood to be made to the definition of non-cooperative jurisdiction in the 24th Additional Provision of this Provincial Regulation.

2. The references made to Section 3 of the 24th Additional Provision of this Provincial Regulation, in its wording prior to the entry into force of Provincial Regulation 8/2022 of 20 July introducing certain tax amendments, shall be understood to be deleted.

3. References made to States with which there is an effective exchange of tax information or in tax matters shall be understood to be made to States with which there are regulations on mutual assistance in the exchange of tax information under the terms provided for in this Provincial Regulation.

Thirty-sixth Additional Provision. Common-law couples.

For the purposes of this Provincial Regulation, the references made to common-law couples shall be understood to refer to those constituted in accordance with the provisions of Law of the Basque Parliament 2/2003, of 7 May, regulating common-law couples.

Similarly, any such references shall also include common-law couples that have been constituted and registered in a similar manner in public records in other autonomous communities, EU Member States, the European Economic Area or third countries.

In the same way, references made to relationships by affinity will include those relationships that derive from the establishment of a common-law couple.

Thirty-Seventh Additional Provision. Reporting and due diligence obligations relating to the information return of “reporting crypto-asset service providers” in the field of mutual assistance.

1. Persons or entities considered to be “reporting crypto-asset service providers” shall apply due diligence rules and comply with reporting and, where applicable, registration obligations, in accordance with the provisions of Article 8 bis quinquies and Annex VI to Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by Council Directive (EU) 2023/2226 of 17 October 2023, as well as the Multilateral Competent Authority Agreement on Automatic Exchange of Information under the Crypto-Asset Reporting Framework, and other international agreements signed with the same objective, this provision and under the terms established by the corresponding regulations.

   Likewise, persons or entities considered to be “crypto-asset users” and, in the case of entities, the “controlling persons” of those users shall comply with the obligations arising from the application of due diligence rules regarding their identification and tax residence, in accordance with the regulations referred to in the preceding paragraph.

   Due diligence rules, as well as the reporting and registration obligations referred to in this section, shall be developed by the corresponding regulations.

   The terms used in this additional provision and its implementing regulations shall have the meaning established in the corresponding regulations, unless otherwise stated.

2. For the purposes of this provision, the terms “reportable user” and “reportable person” shall refer to residents or non-residents in Spanish territory, with the exclusions established by the corresponding regulations.

3. Offences and penalties arising from non-compliance with the reporting and, where applicable, registration obligations provided for in Section 1 shall be governed by the provisions of Title IV, subject to the specific features established in this provision.

4. The failure to comply, or incorrect or late compliance, with the obligations arising from the due diligence rules relating to the following shall constitute a tax offence:

    a) Determining whether the "natural person crypto-asset user" is a "reportable user".

    b) Determining whether the "entity crypto-asset user" is a "reportable user" or an "entity", other than an "excluded person" or an "active entity", in which one or more "controlling persons" are "reportable persons".

    The tax offence provided for in this section will be punished with a fixed monetary fine of 200 euros for each person in relation to whom the obligations derived from the application of the due diligence rules were breached.

    Where a "reporting crypto-asset service provider" uses an external service provider to fulfil due diligence obligations, these shall remain the responsibility of that provider.

5. The communication of false, incomplete or inaccurate information to "reporting crypto-asset service providers" by "crypto-asset users" or by "controlling persons" of those users, in compliance with the obligations arising from the provider's application of the due diligence rules referred to in the preceding section, shall constitute a tax offence.

    The tax offence established in this section shall be punishable by a fixed monetary fine of 300 euros.

6. Where a "crypto-asset user" or, in the case of entities, the "controlling persons" of that user fail to provide the "reporting crypto-asset service provider" with the information required under the due diligence rules, having received two reminders following the initial request from the provider and after a period of 60 calendar days has elapsed since the initial request, that provider shall prevent the "crypto-asset user" from carrying out "reportable transactions".

7. The tax authorities shall order the precautionary de-registration from the relevant register of the "crypto-asset operator" that is a "reporting crypto-asset service provider" when it fails to comply with the reporting obligation referred to in Section 1 after two formal requests. De-registration shall be carried out within a maximum period of 90 calendar days from the second formal notice, but never before 30 calendar days have elapsed from that date.

    Once de-registration has been ordered, the operator may only re-register if it provides the tax authorities with adequate guarantees that it undertakes to comply with the reporting obligation, including any outstanding information to be provided. For these purposes, the tax authorities may consider a statutory declaration or any other guarantee provided for in tax regulations to be an adequate guarantee. The tax authorities may determine that those guarantees are adequate following verification, where applicable, of their registration status through the registration verification actions and procedures referred to in Articles 66 et seq. of the Regulation governing formal tax obligations of the Historical Territory of Bizkaia, approved by Provincial Decree 205/2008 of 22 December of the Bizkaia Provincial Council.

8. The declarations required of "crypto-asset users" and, in the case of entities, of the "controlling persons" of those users, the documentary evidence, records and any information used to apply the due diligence rules and to comply with the reporting and, where applicable, registration obligations referred to in this additional provision must be retained and kept at the disposal of the tax authorities until the end of the fifth year following that in which the information on the "reportable transactions" of those users is due to be reported.

Without prejudice to the powers to verify and investigate the reporting and, where applicable, registration obligations referred to in this additional provision in accordance with the general rules of this Provincial Regulation, the tax authorities may verify and investigate compliance with the due diligence rules to be applied by "reporting crypto-asset service providers".

9. Every "reporting crypto-asset service provider" shall inform each reportable natural person that information concerning them referred to in this provision will be provided to the tax authorities and transferred to the relevant State in accordance with Council Directive 2011/16/EU of 15 February 2011 and the international agreements referred to in this provision. Likewise, the "reporting crypto-asset service provider" shall provide the natural person, sufficiently in advance, with all the information that they are entitled to receive so that they may exercise their right to the protection of their personal data and, in any event, before the information collected by the provider is provided to the tax authorities.

TRANSITIONAL PROVISIONS

First transitional provisions. Statute of limitations and expiry.

1. The provisions of Section 3 of Chapter IV of Title II of this Provincial Regulation shall apply to:

   a) The taxable events occurring after its entry into force with regard to the exercise of the tax authorities' power to determine the tax debt by means of the appropriate settlement. However, the regulation on the expiry of the power to determine the tax debt shall apply to taxable events accrued prior to its entry into force, at which time the period provided for in Article 70 of this Provincial Regulation shall commence.

   b) Tax debts settled or self-assessed after its entry into force with regard to the exercise of the tax authorities' power to demand payment of such debts.

   c) The requests submitted and the rights recognised after its entry into force with regard to the exercise of the rights of taxable parties to request and obtain refunds derived from the regulations of each tax, refunds of undue payments, and the reimbursement of the cost of guarantees, which were not statute-barred at the time of its entry into force in accordance with the regulations previously in force.

2. The provisions of Articles 194 and 195(2) of this Provincial Regulation shall apply to offences committed after its entry into force. However, the regulation on the expiry of the power to impose tax penalties shall apply to offences committed prior to its entry into force, at which time the period provided for in Article 194 of this Provincial Regulation shall commence.

3. With regard to the taxable events, tax debts, requests, rights, offences, and penalties referred to in the previous sections of this Transitional Provision, to which the new statute of limitations and expiry regime established in Section 3 of Chapter IV of Title II and in Articles 194 and 195 of this Provincial Regulation does not apply, the provisions of Articles 64 to 67 of Provincial Regulation 3/1986, of 26 March, General Taxation of the Historical Territory of Bizkaia, shall continue to apply to them.

Second transitional provisions. Surcharges and late-payment interest.

1. The provisions of Articles 27 and 28 of this Provincial Regulation shall apply to tax debts whose enforcement period begins on or after the entry into force of this Provincial Regulation. It shall also apply to surcharges accrued prior to its entry into force, provided that they are more favourable to the taxable party and have not become final.

2. The provisions of Articles 26(9) and 32(2) on late-payment interest shall apply to proceedings, pleadings, and requests initiated or submitted after the entry into force of this Provincial Regulation.

Third transitional provisions. Tax queries.

The provisions of Articles 85 and 86 of this Provincial Regulation shall apply to written tax queries submitted on or after 1 July 2005. Consultations submitted before that date shall be governed by the provisions of Article 108 of Provincial Regulation 3/1986, of 26 March, on General Taxation of the Historical Territory of Bizkaia.

Fourth transitional provisions. Tax procedures.

1. Procedures for the application of taxes and the imposition of penalties initiated before the date of entry into force of this Provincial Regulation shall be governed by the regulations prior to that date until their conclusion, except for the provisions of the following section.

2. The following articles shall apply to procedures initiated before the date of entry into force of this Provincial Regulation:

   a) Article 60(1)(b) of this Provincial Regulation, concerning the deadlines for payment in the voluntary period, when the administrative settlement is notified after the entry into force of this Provincial Regulation.

   b) Article 81 of this Provincial Regulation, relating to precautionary measures, when they are adopted after the entry into force of this Provincial Regulation.

   c) Article 173 of this Provincial Regulation, regarding the attachment of goods and rights, when the attachment order is issued after the entry into force of this Provincial Regulation.

   d) Article 176 of this Provincial Regulation, regarding the disposal of assets subject to attachment and rights, when the disposal agreement is adopted after the entry into force of this Provincial Regulation.

   e) Article 219(3) of this Provincial Regulation, concerning the effects of lodging appeals or complaints against penalties.

   f) Article 231(1) of this Provincial Regulation, relating to the time limit for lodging an appeal for reconsideration, when the decision or ruling subject to appeal is notified after the entry into force of this Provincial Regulation.

3. Articles 14 and 163 of this Provincial Regulation, relating to the anti-avoidance clause, shall apply when the acts or businesses that are the subject of the opinion have been carried out after the entry into force of this Provincial Regulation. The provisions of Article 24 of Provincial Regulation 3/1986, of 26 March, on General Taxation of the Historical Territory of Bizkaia, shall apply to the aforementioned acts or transactions.

4. Tax penalty proceedings initiated before 1 July 2005 must be concluded before 31 December 2005, without being subject to the maximum resolution period provided for in Article 81(4) of Provincial Regulation 3/1986 of 26 March on the General Taxation of the Historical Territory of Bizkaia and in Article 12(3) of Provincial Decree 18/1999 of 2 March establishing the tax penalty regime.

Fifth transitional provisions. Tax offences and penalties.

This Provincial Regulation shall apply to tax offences committed prior to its entry into force, provided that its application is more favourable to the offending party and the penalty imposed has not become final.

The review of non-final penalties and the application of the new regulations shall be carried out by the administrative and judicial bodies hearing the claims and appeals, after giving the interested party a hearing.

Sixth transitional provisions. Administrative review.

The provisions of this Provincial Regulation shall apply to claims or appeals filed as of the date of entry into force of this Provincial Regulation. Those filed prior to that date shall be governed by the regulations applicable prior to that date until they are concluded.

Seventh transitional provisions. Transitional application of the consideration of non-cooperative jurisdiction.

Until such time as the countries or territories that are considered to be non-cooperative jurisdictions are determined by a Provincial Order, the countries or territories provided for in Provincial Decree 188/2003, of 7 October, which determines the countries and territories regarded as being tax havens, shall be considered to be non-cooperative jurisdictions.

REPEALING PROVISION

Sole Provision. Repeal of legislation.

1. Except as provided for in the transitory provisions of this Provincial Regulation, on the entry into force of this Provincial Regulation, all provisions that oppose its provisions shall be repealed, and in particular:

    a) Provincial Regulation 3/1986, of 26 March, on General Taxation of the Historical Territory of Bizkaia.

    b) The 12th Additional Provision of Provincial Regulation 2/2004, of 23 April, on Tax Measures in 2004, relating to offences and penalties in the field of Excise Duties.

    c) The Second Additional Provision of Provincial Regulation 1/1996, of 19 April, partially amending Provincial Regulation 3/1986, on Tax Identification Numbers.

    d) Article 88 of Provincial Regulation 1/1988 of 14 March on the General Budget of the Historical Territory of Bizkaia, concerning the Tax Identification Number and identification of the operations of credit establishments.

2. The regulations issued in development of the repealed texts referred to in the previous section shall remain in force, insofar as they do not oppose the provisions of this Provincial Regulation, until the entry into force of the various regulations that may be issued in development of this Provincial Regulation.

3. References contained in current regulations to the provisions that are expressly repealed shall be understood as references to the provisions of this Provincial Regulation that regulate the same subject matter as those provisions.

FINAL PROVISIONS

First final provision. Regulatory empowerment.

1. The Provincial Council shall issue such provisions as may be necessary for the development and application of this Provincial Regulation.

2. Within the sphere of competence of the Provincial Council, the Provincial Councillor for Treasury and Finances may issue the corresponding implementing regulations applicable to tax proceedings and procedures carried out by electronic, computerised, or telematic means and those related to the means of authentication used by the tax authorities.

Second final provision. Entry into force.

This Provincial Regulation shall enter into force on 1 July 2005, except for the 10th Additional Provision and Section 4 of the 4th Transitional Provision, which shall enter into force on the day following its publication in the "Official Gazette of Bizkaia".

In relation to the application of the amendments approved by Provincial Regulation 2/2017, of 12 April (Official Gazette of Bizkaia 19 May 2017), **in force since 1 June 2017**, the following criteria are established in the Transitional Provisions:

"**One. Powers of the tax authorities**

The provisions of Articles 64(1) and 66(3) of Provincial Regulation 2/2005, of 10 March, on General Taxation of the Historical Territory of Bizkaia, as amended by this Provincial Regulation, shall apply to all procedures that have already begun when this Provincial Regulation enters into force and in which, at that date, a settlement proposal has not been made. Likewise, the aforementioned provisions shall apply to procedures initiated after the entry into force of this Provincial Regulation, regardless of the time at which the events, acts, activities, operations, and businesses referred to in the third paragraph of Article 64(1) of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia were carried out.

Two. Interruption of limitation periods

1. The new wording of Article 69(11) of Provincial Regulation 2/2005, of 10 March, on General Taxation of the Historical Territory of Bizkaia, shall apply to those cases in which the interruption of the limitation period of the right referred to in Article 64(1) of the General Provincial Regulation on Taxation of the Historical Territory of Bizkaia occurs as from the date of entry into force of this Provincial Regulation.

2. The new wording of Article 194(4) of Provincial Regulation 2/2005, of 10 March, General Taxation of the Historical Territory of Bizkaia, shall apply to those cases in which the interruption of the limitation period for the exercise of the administrative power to impose tax penalties occurs as from the date of entry into force of this Provincial Regulation.

Three. Tax management procedures

The amendments introduced by means of this Provincial Regulation in tax management procedures shall apply to procedures that begin on or after 1 August 2017.

Four. Contradictory expert appraisal and suspension of the time limit for initiating the sanctioning procedure

The new wording of Article 128(1) of Provincial Regulation 2/2005, of 10 March, on General Taxation of the Historical Territory of Bizkaia shall apply to requests for contradictory expert appraisal submitted as from the date of entry into force of this Provincial Regulation.

Five. Reduced verification procedures where a commitment to pay is entered into

The new wording of Article 158(4).quinquies of Provincial Regulation 2/2005, of 10 March, General Taxation of the Historical Territory of Bizkaia, and the other related provisions, shall apply to the reduced verification procedures that are being processed on the entry into force of this Provincial Regulation, unless the taxable party has already been notified of the corresponding settlement proposal.

Six. Waiver of tax penalties

Tax penalties imposed prior to the date of entry into force of this Provincial Regulation shall be governed by the provisions of Article 195(3) of Provincial Regulation 2/2005, of 10 March, on General Taxation of the Historical Territory of Bizkaia, in the wording in force up to that time, and by its implementing regulations.

Seven. Administrative review

The amendments made by this Provincial Regulation to Title V of Provincial Regulation 2/2005, of 10 March, on General Taxation of the Historical Territory of Bizkaia, shall apply as follows:

1. The new wording of Article 223(1) shall apply to requests for suspension made after its entry into force.

2. The new wording of Article 232(3) and Articles 244(3), (5), (6), and (7) shall apply to decisions taken as from their entry into force.

3. The new wording of Articles 239(1), 242(3), 245 bis and 245 ter shall apply to claims and appeals lodged as from their entry into force.

4. The new wording of Article 240(1) shall apply to express decisions taken after its entry into force.

Eight. Proceedings and procedures for the application of taxes relating to offences against the Public Treasury

1. The provisions of Title VI of Provincial Regulation 2/2005, of 10 March, on the General Taxation of the Historical Territory of Bizkaia, shall apply to proceedings initiated prior to the entry into force of this Provincial Regulation, where there is evidence as referred to in Article 248(1) of Provincial Regulation 2/2005, of 10 March, General Taxation of the Historical Territory of Bizkaia, and when at that date the case had not yet been referred to the competent jurisdiction or the Public Prosecution Service.

2. The tax authorities may declare liable, in accordance with the provisions of Article 256 of Provincial Regulation 2/2005, of 10 March, on General Taxation of the Historical Territory of Bizkaia, those persons who, in accordance with the conditions set out in the aforementioned provision, were responsible for or collaborated in the perpetration of a tax offence when this could not be formally declared prior to the entry into force of this Provincial Regulation as a result of the processing of criminal proceedings for a crime against the Public Treasury".

In Bilbao, on 10 March 2005

The First Secretary of the General Assembly,

NEKANE ALONSO SANTAMARÍA

Approval: The President of the General Assembly,

ANA MADARIAGA UGARTE