

14. Current tax assets and other current tax assets

Current tax assets amount to € 60.6 million as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Direct taxes	33,671	32,621	1,050
IRAP	1,012	1,863	(851)
Foreign direct taxes	25,961	32,769	(6,808)
Total	60,644	67,253	(6,609)

The 31 December 2013 figure mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the Group has correctly claimed for reimbursement and which bear interest;
- foreign direct tax assets for excess taxes paid abroad by the foreign Group companies which will be recovered as per the relevant legislation.

Other current tax assets of € 96.5 million increased by € 16.0 million over 31 December 2012. They may be analysed as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
VAT	71,704	64,252	7,452
Other indirect taxes	24,834	16,327	8,507
Total	96,538	80,579	15,959

VAT receivables amount to € 71.7 million and include € 21.5 million factored to a major bank, which does have the characteristics required by the accounting standards for the derecognition of the financial assets, as described in note 19 Factoring payables.

“Other indirect taxes” include withholdings of € 7.8 million paid by the Icelandic branch on the remuneration paid to foreign temporary workers involved in the building site. A dispute arose with the local tax authorities about the party required to act as the withholding agent for the remuneration of foreign temporary workers at the building site. Impregilo was firstly wrongly held responsible for the payment of the withholdings on this remuneration, which it therefore paid. Following the definitive ruling of the first level court, the company’s claims were fully satisfied. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly a similar issue. The Supreme Court rejected the company’s claims in its ruling handed down in February 2010, which is blatantly contrary to the previous ruling issued in 2006 on the same matter by the same judiciary authority. The company had expected to be refunded both the unduly paid withholdings of € 6.9 million (at the original

exchange rate) and the related interest accrued to date of € 6.0 million. Impregilo had prudently impaired the interest amount in previous years, despite a previous local court ruling and the opinion of its consultants that confirmed its grounds, and only continued to recognise the unduly paid principal. After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems, again supported by its advisors, that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements which regulate trade relations between the EFTA countries and international conventions which do not allow application of discriminatory treatments to foreign parties (individuals and companies) working in other EFTA countries. On 8 February 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying the infraction of the free exchange of services and requested the government to provide its observations about this. Following this, in April 2013, the EFTA Surveillance Authority issued its documented opinion finding the Icelandic legislation

to be inconsistent with the regulations covering trade relations between the member countries with respect to the regulations for the above dispute. It asked that Iceland amend its position within 60 days. As a result Impregilo Group formally requested the re-opening of the case. Based on the above

considerations, Impregilo does not believe objective reasons currently exist to change the valuations made in relation to this dispute.