EUROPEAN COURT OF HUMAN RIGHTS
COUR EUROPÉENNE DES DROITS DE L'HOMME

SECOND SECTION

CASE OF RADOBULJAC v. CROATIA (No. 2)

(Application no. 38785/18)

JUDGMENT

Art 1 P1 • Secure the payment of taxes • Lawful refusal to extinguish the applicant's tax debt by offsetting it with his enforceable claims against the State unrelated to taxation • Collecting the applicant's tax debt by way of enforcement pursued the general interest of securing the payment of taxes • Sums imposed on the applicant, a lawyer, not undermining his financial situation or his professional activities • State's broad margin of appreciation in the field of taxation

Prepared by the Registry. Does not bind the Court.

STRASBOURG

17 June 2025

FINAL

17/09/2025

This judgment has become final under Article 44 § 2 of the Convention.
It may be subject to editorial revision.

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

In the case of Radobuljac v. Croatia (no. 2),

The European Court of Human Rights (Second Section), sitting as a Chamber composed of:

Arnfinn Bårdsen, *President*,
Jovan Ilievski,
Péter Paczolay,
Anja Seibert-Fohr,
Davor Derenčinović,
Gediminas Sagatys,
Stéphane Pisani, *judges*,
and Hasan Bakırcı, *Section Registrar,*

Having regard to:

the application (no. 38785/18) against the Republic of Croatia lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms ("the Convention") by a Croatian national, Mr Silvano Radobuljac ("the applicant"), on 8 August 2018;

the decision to give notice to the Croatian Government ("the Government") of the complaint concerning the applicant's property rights and to declare the remainder of the application inadmissible;

the parties' observations;

Having deliberated in private on 27 May 2025,

Delivers the following judgment, which was adopted on that date:

INTRODUCTION

1. The application concerns the applicant's complaint under Article 1 of Protocol No. 1 to the Convention that the domestic authorities' refusal to offset his tax debt against his enforceable claims against the State was unlawful and that, by instituting enforcement and minor offence proceedings against him for failing to pay taxes on time, while at the same time not paying its own debts to him, the State had imposed an excessive individual burden on him.

THE FACTS

2. The applicant was born in 1963 and lives in Pula. He represented himself in the proceedings before the Court.

3. The Government were represented by their Agent, Ms Š. Stažnik.

4. The facts of the case may be summarised as follows.

I. TAX AUDIT

5. In February 2014 the Tax Administration (*Ministarstvo financija, Porezna uprava, Područni ured Pazin* – the Ministry of Finance, Tax

Administration, Pazin Regional Office) conducted a tax audit of the applicant, who is a practising lawyer. The audit established that the applicant had not paid value-added tax, advance income tax and compulsory social insurance contributions on time, and that he owed in total 24,260.17 Croatian kunas (HRK) (3,235 euros (EUR)).

6. The audit report of 3 March 2014 specified that, under the relevant domestic provisions, failure to pay contributions and taxes within the statutory time-limits constituted minor offences (the applicant had failed to pay *inter alia* compulsory social insurance contributions for December 2013 by 15 January 2014, advance income tax for December 2013 by 31 January 2014, and value-added tax for the last quarter of 2013 by 31 January 2014). The applicant was warned that, if he failed to pay the contributions and taxes due within 10 days, he could be suspended from professional practice.

7. During the audit, the applicant asked the Tax Administration to offset his tax debt against his enforceable claims against the State. He submitted that those claims had been established by domestic court decisions rendered in September, October and November 2013 on the basis of the services he had provided as officially appointed counsel in several sets of criminal proceedings, and that they altogether amounted to HRK 13,715.25 (EUR 1,828). He repeated his request that the claims be set off in his subsequent objection against the audit report of 3 March 2014 (see paragraph 6 above) but the Tax Administration did not address it. The applicant complained about the situation in which the State collected its claims by force and threatened to suspend his professional activities, while at the same time not paying its own debts to him.

II. MINOR OFFENCES CONVICTION

8. On 10 November 2014 the Tax Administration fined the applicant HRK 6,900 (EUR 920) for failing to pay social security contributions and taxes within the statutory time-limits (see paragraph 6 above).

III. ENFORCEMENT PROCEEDINGS

9. Meanwhile, on 1 April 2014 the Tax Administration issued an enforcement order (*rješenje o ovrsi*), ordering the collection of the applicant's tax debt by seizing funds from his bank accounts.

10. On 15 April 2014 the applicant appealed against that order, repeating his request for the claims to be set off and adding that he had meanwhile obtained further decisions in his favour, establishing his claims against the State in the amount of HRK 4,625 (EUR 616). He asked that those claims also be set off against his tax debt and argued that, as he had also made some payments, his tax debt had been extinguished altogether.

11. The applicant's appeal was pending for two years and three months, although under the relevant domestic provision it should have been decided within sixty days.

12. While the appeal was pending, between July 2014 and January 2015 the Tax Administration collected the applicant's tax debt in full together with the accrued statutory default interest by seizing funds from his bank accounts.

13. Between December 2014 and December 2015, the State made the following payments to the applicant in settlement of amounts it owed: in December 2014, it paid sums owed on the basis of decisions of November 2013 and February 2014. In November 2015 it paid a sum owed on the basis of a decision of 2013. In December 2015 it paid a sum owed on the basis of two decisions of September 2013.

14. On 13 July 2016 the Ministry of Finance (*Ministarstvo financija, Samostalni sektor za drugostupanjski upravni postupak* – Ministry of Finance, Independent Department for Reconsiderations) dismissed the applicant's appeal against the enforcement order, contending that it was the first-instance tax authority which had jurisdiction to decide on his request for set-off.

15. The applicant pursued his case before the Rijeka Administrative Court (*Upravni sud u Rijeci*). In his administrative action of 31 August 2016 he complained that the Tax Administration and the Ministry of Finance had refused to deal with his request for a set-off, contending that, as a taxpayer, he should be able to exercise his rights in a tax relationship, including the right to a set-off under Article 115 of the General Tax Act (see paragraphs 20 and 21 below). He referred to the Court's case-law outlined in *Čikanović v. Croatia* (no. 27630/07, § 52, 5 February 2015), according to which a State should comply with its obligations without claimants having to resort to enforcement proceedings. He contended that, in a tax relationship, regard should be had to the fact that the State was at the same time his debtor.

16. In its judgment of 21 February 2017, the Rijeka Administrative Court held that under section 115(2) of the General Tax Act a set-off could come into play only where a claim against the tax authorities arose within a tax relationship, which was not the situation in the applicant's case.

17. On 14 June 2017 the High Administrative Court of the Republic of Croatia (*Visoki upravni sud Republike Hrvatske*) dismissed a subsequent appeal by the applicant, adding that section 115(3) should be read as referring only to claims arising within a tax relationship.

18. In a subsequent constitutional complaint, the applicant relied on *inter alia* Article 1 of Protocol No. 1 to the Convention, and complained about: (a) the unlawfulness of the domestic courts' decisions refusing to set-off his tax debt against his enforceable claims against the State, pointing to subordinate legislation passed in February 2013 in order to implement section 115(3) of the General Tax Act (see paragraphs 21 and 24 below), and (b) about the unfairness of the situation where the State had not paid him what

it owed him and at the same time collected his tax debt by way of enforcement.

He also relied on *Lizanets v. Ukraine* (no. 6725/03, 31 May 2007); *Metaxas v. Greece* (no. 8415/02, 27 May 2004) and *Čikanović v. Croatia* (cited above) and argued that the State should comply with its obligations towards its citizens, who should be able to use the mechanisms established for such compliance, including set-offs.

19. On 17 January 2018 the Constitutional Court (*Ustavni sud Republike Hrvatske*) declared the applicant's constitutional complaint inadmissible as unfounded. The decision was served on the applicant on 10 February 2018.

RELEVANT LEGAL FRAMEWORK AND PRACTICE

20. The relevant provisions of the 2008 General Tax Act (*Opći porezni zakon*, Official Gazette nos. 147/2008 and 18/2011), as in force between 1 January 2009 and 20 July 2012, read as follows:

Tax relationship
Section 12

"(1) The tax relationship within the meaning of this Act is the relationship between the tax authority and a taxpayer and includes their rights and obligations in the tax process.

(2) The participants in the tax relationship are the tax authority and the taxpayer, as well as persons who, under this Act, guarantee the payment of taxes."

The notion of the tax-debt relationship
Section 18

"(1) A tax-debt relationship under this Act is a part of the tax relationship in which the participants exercise their rights and obligations.

(2) The participants in the tax-debt relationship are the tax authority, the taxpayer, and the tax guarantor."

Rights in tax-debt relationships
Section 19

"(1) The tax authority in a tax-debt relationship has the right to collect:

1. tax,

2. interest and fines,

3. monetary payments based on tax guarantees.

(2) A taxpayer or a person who has overpaid tax or from whom tax has been collected without a legal basis has the right to:

1. the refund of any overpaid tax or of tax paid without a legal basis, and

2. interest on any tax paid without a legal basis."

Termination of rights and obligations from tax-debt relationships
Section 24 (1)

"Rights and obligations arising from tax-debt relationships cease upon payment, set-off or write-off and in other cases specified in this Act."

Offsetting
Section 115

"(1) The Civil Obligations Act shall apply to the offsetting of mutual tax debts from a tax-debt relationship, unless otherwise provided for by this Act.

(2) A taxpayer may offset tax debts arising from a tax-debt relationship only against undisputed or legally established tax obligations."

21. On 21 July 2012 section 115(3) was introduced into the 2008 General Tax Act (Official Gazette no. 78/2012), regulating offsetting the tax debtors' enforceable claims against the State against their tax debts. The relevant provision read as follows:

Section 115(3)

"For a tax debtor who has a due claim against the State budget and at the same time has a recorded tax debt, the amount of the claim shall be suspended up to the amount of the debt for the purpose of offsetting it against the tax debt."

22. Provisions identical to section 115(1)-(3) of the 2008 General Tax Act are present in the current General Tax Act (*Opći porezni zakon*, Official Gazette nos. 115/2016, 106/2018, 121/2019, 32/2020, 42/2020, 114/2022 and 152/2024).

23. The relevant provisions of the Civil Obligations Act (*Zakon o obveznim odnosima*, Official Gazette nos. 35/2005, 41/2008, 125/2011 and 78/2015) read as follows:

Section 195

"A debtor may offset a claim against a counterclaim of the claimant, if both claims are for money ... and are due."

Section 196

"(1) Offsetting does not occur as soon as the requirements for it are met, but only when a declaration is made that the debts will be set off.

(2) After the declaration that there will be a set-off has been made, the set-off is deemed effectively to have occurred at the moment when the requirements for it were met."

24. The Ordinance on the conditions, manner, and procedure for offsetting claims against the State budget against tax debt (*Pravilnik o uvjetima, načinu i postupku prijeboja potraživanja prema državnom proračunu s poreznim dugom,* Official Gazette nos. 15/2013 et al.), subordinate legislation passed in February 2013 in order to implement section

115(3) of the 2008 General Tax Act (see paragraph 21 above), read as follows:

I. GENERAL PROVISIONS
Section 1

"This Ordinance regulates the procedure for offsetting a tax debtor's claims against the State budget against ...his or her tax debt and the order of settlement for individual types of taxes pursuant to section 115(3) of the General Tax Act."

Section 2

"Claims referred to in section 1 of this Ordinance are the following:

...

2. State subsidies for agriculture and fisheries,

3. Claims established in enforceable decisions ... of domestic courts which order the payment of a certain sum, which have a certificate of enforceability, and which are payable from the State budget,

..."

Section 3

"...

1. A tax debtor is a legal and/or natural person who has an unpaid obligation to pay tax, interest on tax owing, enforcement costs or fines recorded in the official records of the tax authority;

...

4. A State budget beneficiary is a person who is partially or fully financed from the State budget, and who is listed in the register of budgetary and extra-budgetary State beneficiaries;

..."

II. PROCEDURE OF EXCHANGING INFORMATION AND OFFSETTING
Section 4

"(1) The State budget beneficiary shall notify the Financial Agency, which performs offsetting operations on behalf of the Ministry of Finance - State Treasury, when claims based on ... enforceable decisions ... fall due, and shall submit the following information:

- name of the payee of the claim,
- address of the payee's registered office/residence,
- the payee's personal identification number,
- the reason for the entitlement under section 2(1) of this Ordinance,
- the amount of the claim,
- the account to which the payment of the part of the claim to be paid to the payee is to be made,

- the e-mail address of the payee ... and
- the economic classification of the claim ...

...

(3) The Financial Agency, before acting on the order of a State budget beneficiary... shall request information from the Tax Administration on the status of a tax debt owed by the payee of a claim.

(4) The Tax Administration shall, within three days ..., report to the Financial Agency information on any recorded and unpaid tax debt owed by the payee of the claim ...”

Section 5(1)

“The Financial Agency, in accordance with the State budget beneficiary’s data on the claim of the payee and the Tax Administration’s data on the state of the tax debt, shall withhold from the amount of the claim the amount necessary to settle the tax debt, for the purpose of offsetting.”

Section 6(1)

“When the amount of the claim is greater than the amount necessary to settle the tax debt, the difference between the amount of the claim and the suspended amount ... shall be transferred: ... - to the account of the payee of the claim.”

Section 8(1)

“The Financial Agency shall issue a written document – notification – to the payee of the claim, that is, the tax debtor, confirming the performed set-off in order for the payee to make the appropriate entries in his or her business books.”

Section 10

“The participants in the procedure will draw up a Protocol on the course of procedure and the deadlines for the mutual exchange of information about the payees, the amount of any claims based on ... court decisions ... as well as the information needed for technical and IT purposes. The Tax Administration is the authority responsible for overseeing the process.”

25. Almost identical provisions of subordinate legislation made in order to implement the current General Tax Act (*Pravilnik o provedbi Općeg poreznog zakona,* Official Gazette nos. 45/2019 et al.) are in force until the present day.

26. In its judgments nos. Usž-276/17 of 23 February 2017, Usž-1905/17 of 28 June 2017 and 298/18 of 25 January 2018, the High Administrative Court held that a set-off could come into play only if a person had a claim against the tax authorities arising from a tax relationship and that section 115(3) should be read as referring only to claims arising from a tax relationship. The relevant part of the judgment no. 298/18 of 25 January 2018 reads:

“...pursuant to section 115(2) of the General Tax Act, a [tax debtor]’s claims against the Ministry of Justice of the Republic of Croatia cannot be set off against [that person’s] debts which are being collected in the enforcement proceedings and which originate in unpaid public contributions. Under section 115 of the General Tax Act, not just any claim could be offset, but offsetting may come into play only for mutual debts existing between the taxpayer and the tax authority on the basis of taxes, statutory interest and penalties ...”

THE LAW

I. ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL No. 1 TO THE CONVENTION

27. The applicant complained that it was unlawful for the domestic authorities to refuse to offset his tax debt against the enforceable claims he had against the State. He further claimed that the State had imposed an excessive individual burden on him by initiating enforcement and minor offence proceedings for late payment of tax, while at the same time not paying its own debts to him.

He relied on Article 1 of Protocol No. 1 to the Convention, which reads as follows:

> “Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
>
> The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.”

A. Admissibility

1. *The parties’ arguments*

(a) The Government

28. The Government argued that the applicant had failed to exhaust the domestic remedies in that he had not properly substantiated his property complaint before the Constitutional Court.

29. They further contended that the applicant had not suffered a significant disadvantage since:

(a) the State had paid him what it owed him during the enforcement proceedings (see paragraphs 13 and 14 above). It had started paying him what it owed him only five months after the collection of the applicant’s tax debt by way of enforcement, without any need for the applicant to institute enforcement proceedings against the State. The applicant had therefore brought his case before the Court not because the State had failed to pay him what he was owed, but because the mutual debts had not been settled in the manner he had requested;

(b) the circumstance that his tax debt had not been offset with his claims against the State had ultimately financially affected the applicant only with some EUR 240 relating to the statutory default interest collected from him, while he was otherwise a financially well-off lawyer. The minor offence conviction had been a consequence not of the domestic authorities' refusal to offset the applicant's tax debt against his claims against the State, but of the applicant not paying his contributions and taxes within the statutory time limits, and

(c) there had been no manifest unreasonableness in the administrative courts' conclusion which would require the Court's intervention, since the same conclusion (that a set-off could come into play only if the taxpayer had a claim against the tax authorities arising from a tax relationship) had been drawn by the High Administrative Court in other sets of proceedings (see paragraph 26 above).

(b) The applicant

30. The applicant submitted that by failing to pay him his enforceable claims, and at the same time collecting its own claims against him by way of enforcement and instituting minor offence proceedings against him, the State had caused him expense. Notably, he had had to pay the statutory interest, the costs of the proceedings and the fine. In the applicant's view, the minor offence proceedings against him were directly linked to the domestic authorities' refusal to offset his tax debt against what the State owed him. Furthermore, the significance of the present case lay in the legitimate demand for a properly functioning State to provide legal security and to protect the dignity and rights of taxpayers as guaranteed by domestic law.

2. *The Court's assessment*

31. The Court notes that in his constitutional complaint the applicant relied on Article 1 of Protocol No. 1 to the Convention and complained about: (a) the unlawfulness of the domestic courts' decisions refusing to offset his tax debt against his enforceable claims against the State, and (b) the unfairness of the situation in which the State had not paid him his enforceable claims, and at the same time collected his tax debt by way of enforcement (see paragraph 18 above). That complaint reflected the alleged breach that has been raised before the Court (see *Radomilja and Others v. Croatia* [GC], nos. 37685/10 and 22768/12, § 117, 20 March 2018). The Government's non-exhaustion objection must therefore be dismissed.

32. The Court further reiterates that a violation of the Convention may concern important questions of principle and thus cause significant disadvantage even where no pecuniary interests are affected (see *Bartolo v. Malta* (dec.), no. 40761/19, § 22, 7 September 2021, and the references cited therein). In the present case, in addition to and apart from the pecuniary

interests at stake, the Court observes that the fact that the domestic authorities instituted enforcement and minor offence proceedings against the applicant for failing to make tax payments on time, while at the same time failing to fulfil their own obligations to him in due time, was a matter of principle, having regard to the applicant's professional activities and his obligations as a tax payer (compare also *Konstantin Stefanov v. Bulgaria*, no. 35399/05, § 46, 27 October 2015). The Court therefore rejects the Government's objection that the applicant had suffered no significant disadvantage.

33. The Court notes that this complaint is neither manifestly ill-founded nor inadmissible on any other grounds listed in Article 35 of the Convention. It must therefore be declared admissible.

B. Merits

1. The parties' arguments

(a) The applicant

34. The applicant complained that the domestic authorities' decisions were directly contrary to section 115(3) of the General Tax Act and section 2(3) of the related subordinate legislation, which stipulated that an enforceable claim against the State could be offset against a person's tax debt. The applicant had had enforceable claims against the State, which had been established by the domestic courts' decisions, but the tax authorities and the administrative courts had refused to acknowledge them and to apply the provisions of domestic law which allowed the offsetting of such claims.

35. Furthermore, the State's failure to pay the applicant his enforceable claims, and at the same time collecting its own claims against him by way of enforcement and instituting minor offences proceedings against him, had caused him the expenses outlined in paragraph 30 above and had reflected an attitude of the absolute supremacy of the State and the negation of the rights of taxpayers' as established by law. Such behaviour was not in the interests of a democratic society whose functioning should be based on the principle of the rule of law.

(b) The Government

36. The Government contended that section 115(3) of the General Tax Act, which allowed offsetting taxpayers' enforceable claims against the State against their tax debts, did not define "enforceable claims against the State". That section should therefore be read as referring only to claims arising from a tax relationship, as confirmed by the case-law of the High Administrative Court (see paragraph 26 above). The Ordinance on the conditions, manner, and procedure for offsetting claims against the State budget against tax debt (see paragraph 24 above) was subordinate legislation which should be read in the light of section 115 of the General Tax Act viewed as a whole.

37. The Government explained that the claims which the applicant had had against the State had been established by domestic courts' decisions rendered in relation to the services he had provided as officially appointed counsel in several sets of criminal proceedings, and that those claims were payable from the budget of the courts in which the proceedings took place. Accordingly, although those claims were payable from the State budget, it would be an oversimplification to regard the State budget as a single funding mechanism which could tolerate offsetting claims and debts of different bodies which are financed from the State budget. Separate accounts were kept for the Tax Administration and other bodies financed from the State budget and it was technically impossible for the Tax Administration to perform a set-off.

38. The Government further submitted that collecting the applicant's tax debt by way of enforcement pursued the legitimate aim of collecting taxes in an orderly and timely manner in order to ensure the functioning of the State and the society. It was everyone's constitutional duty to participate in the defrayment of public expenses. Given that the applicant had failed to pay his tax on time, enforcement proceedings had had to be conducted against him. Offsetting (which in any event could not have been done under the law) would have further slowed down the collection of tax, whereas delays and an increase in the number of steps that had to be taken to collect tax (such as the Tax Administration having to communicate with courts and other bodies financed from the State budget before it could collect tax owing) would increase the cost of tax collection. This would in turn reduce the extent to which the tax collected efficiently financed the State and society.

39. As to the proportionality of the interference, the Government reiterated the arguments on which they had based their objection that the applicant had suffered no significant disadvantage (see paragraph 29 above).

2. The Court's assessment

40. The Court observes that it is not in dispute between the parties that collecting the applicant's tax debt by way of enforcement constituted an interference with his property rights as guaranteed by Article 1 of Protocol No. 1. Such an interference is to be examined from the standpoint of the rule in the second paragraph of Article 1 of Protocol No. 1, under which the States have the right to enforce such laws as they deem necessary to secure the payment of taxes (see *Bežanić and Baškarad v. Croatia*, nos. 16140/15 and 13322/16, § 60, 19 May 2022, with further references cited therein).

41. The Court will thus determine whether the interference was lawful and compatible with the proportionality principle inherent in that provision, having regard to the wide margin of appreciation enjoyed by States in the tax sphere (see *Gasus Dosier- und Fördertechnik GmbH v. the Netherlands*, 23 February 1995, § 65, Series A no. 306-B, and "*Bulves" AD v. Bulgaria*, no. 3991/03, §§ 62-63, 22 January 2009).

42. As regards the lawfulness of the interference, the Court reiterates that it is primarily for the national authorities, notably the courts, to interpret and apply domestic law (see, among many other authorities, *Centro Europa 7 S.r.l. and Di Stefano v. Italy* [GC], no. 38433/09, § 140, ECHR 2012), and that in the tax sphere the States may be afforded some degree of additional deference and latitude in the exercise of their fiscal functions under the lawfulness test (see *Maroslavac v. Croatia*, no. 64806/16, § 38, 13 February 2024; *Bežanić and Baškarad*, cited above, § 64, and *OAO Neftyanaya Kompaniya Yukos v. Russia*, no. 14902/04, § 559, 20 September 2011).

43. In order to assess the applicant's grievance, the Court turns to the relevant domestic legal framework. It notes that section 115(1) and (2) of the 2008 General Tax Act (in force at the time) allowed the tax authorities and tax debtors to set off claims they had against each other arising from a tax relationship (see paragraph 20 above).

44. In 2012 section 115(3) was introduced, governing the offsetting of taxpayers' enforceable claims against the State against their tax debts (see paragraph 21 above). Subordinate legislation passed in February 2013 to implement section 115(3) of the General Tax Act listed the enforceable claims which could be set off against tax debts. Claims which had been established by final decisions of the domestic courts and which were payable from the State budget were expressly included in the list. Almost identical provisions of subordinate legislation passed to implement the current General Tax Act (*Pravilnik o provedbi Općeg poreznog zakona,* Official Gazette nos. 45/2019 et al.) are still in force (see paragraphs 24 and 25 above).

45. It is true that the tax authorities, the administrative courts and the Constitutional Court in the applicant's case, and the High Administrative Court in the judgments referred to by the Government (see paragraph 26 above), could have provided reasons as to the existence and the interpretation of that subordinate legislation, and as to how their conclusion that section 115(3) of the General Tax Act should be read as referring only to claims arising from a tax relationship tallied with the specific subordinate legislation in question.

46. However, while recognising that it is not its role to interpret and define the precise meaning of national law, a task that clearly falls within the realm of the national courts (see *Nejdet Şahin and Perihan Şahin v. Turkey* [GC], no. 13279/05, § 50, 20 October 2011), the Court sees no reason to question the domestic authorities' conclusion that it was not possible under domestic law for the applicant to offset (and thereby extinguish) his tax debt against his enforceable claims against the State which did not arise from a tax relationship. That conclusion appears neither arbitrary nor manifestly unreasonable.

47. The Court is further satisfied that collecting the applicant's tax debt by way of enforcement pursued an aim that was in the general interest – that is to say to secure the payment of taxes, as envisaged by legislation, in an area

where the State has a wide margin of appreciation (see *OAO Neftyanaya Kompaniya Yukos*, cited above, § 606).

48. As to whether a fair balance was struck between the demands of the general interest of the community and the requirements of the protection of the applicant's fundamental rights, the Court observes that the applicant's grievance relates to the fact that he had enforcement proceedings instituted against him and was fined for the minor offence of failing to pay taxes within the statutory time-limits (see paragraphs 6, 8 and 9 above), while at the same the State had failed to timely pay its own debts to him, in part for more than one year and in several instances even for more than two years (see paragraph 11 above).

49. In that connection the Court notes that, while the State's failure to promptly meet its obligations is relevant to the overall context, it does not necessarily justify non-compliance with tax obligations or require automatic offsetting absent a clear legal basis.

50. The Court further notes that the applicant received the amounts owed to him by the State on the basis of several domestic court decisions between December 2014 and December 2015. Accordingly, while there were delays in payment, the State ultimately discharged its obligations to the applicant during that period (see paragraph 13 above).

51. The Court is mindful of the issues faced by lawyers where there are delays in the payment of fees for services provided as officially appointed counsel in domestic proceedings. In reply to the Government's specific argument (see paragraph 29 above), it reiterates that a person who has obtained an enforcement title against the State cannot be required to resort to enforcement proceedings in order to have it executed (see *Cocchiarella v. Italy* [GC], no. 64886/01, § 89, ECHR 2006-V, and *Čikanović v. Croatia*, no. 27630/07, § 52, 5 February 2015). Furthermore, a State's failure to comply with a judgment issued in an applicant's favour may lead to a violation of Article 6 of the Convention and Article 1 of Protocol No. 1 (see, for instance, *Metaxas v. Greece*, no. 8415/02, §§ 30-31, 27 May 2004, and *Petrushko v. Russia*, no. 36494/02, §§ 25 and 28, 24 February 2005, where the Court found a violation of Article 1 of Protocol No. 1 on account of the respective States' failure to comply with judgments in the applicants' favour for one year and five months in the former case and some two years in the latter).

52. It is important to note, however, that the applicant did not complain before the Court about the State's failure to pay him the sums ordered by the domestic courts. Instead, he brought his case before the Court because the domestic authorities had refused to extinguish his tax debt by offsetting it with the enforceable claims he had against the State. The Court must therefore confine its assessment to whether such offsetting was legally required and whether its refusal placed a disproportionate burden on the applicant.

53. In those circumstances, reiterating its finding as to the lawfulness of the domestic decisions that it was not possible under the domestic law to offset the applicant’s tax debt against his enforceable claims against the State, the Court considers that the issue of whether the applicant’s failure to pay taxes within the statutory time-limits should be punished by a fine and his tax debt be collected by way of enforcement comes within the margin of appreciation of the State, which is a wide one (see paragraph 47 above).

54. The Court also observes that, in addition to the statutory default interest of EUR 240 imposed on the applicant (see paragraph 29 above), he also had to pay court fees of EUR 328 for the administrative court proceedings, and a minor offence fine of EUR 920 (see paragraph 8 above). In the Court’s view there is nothing to indicate, nor has it been suggested by the applicant, that the levying of those sums, which in total amounted to EUR 1,488, fundamentally undermined the applicant’s financial situation, or his professional activities.

55. Accordingly, having regard to the broad margin of appreciation accorded to the States in the field of taxation, the Court concludes that the refusal to offset the applicant’s tax debt against his enforceable claims, arising from a legal relationship unrelated to taxation, was lawful. Furthermore, the Court is satisfied that this measure did not place a disproportionate individual burden on the applicant.

56. There has accordingly been no violation of Article 1 of Protocol No. 1 to the Convention in the present case.

FOR THESE REASONS, THE COURT, UNANIMOUSLY,

1. *Declares* the application admissible;

2. *Holds* that there has been no violation of Article 1 of Protocol No. 1 to the Convention.

Done in English, and notified in writing on 17 June 2025, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Hasan Bakırcı Registrar	Arnfinn Bårdsen President