

Guide: Limitation Periods for Overpayments

Clear recommendations for Finance, Accounts Payable, and Recovery Audit teams

Why this guide matters

Organizations that react too late risk losing legitimate recovery claims once limitation periods expire.

1. Root-Cause Analysis Before Recovery

Recovery Audit does not begin with contacting the supplier. Recoveries are often more successful when root causes, supporting documentation, and process weaknesses are clearly documented.

Typical Root Causes

- Duplicate invoices
- Weaknesses in three-way matching
- Inaccurate supplier master data
- Manual approval exceptions

Minimum Documentation per Case

- Invoice, payment, and accounting records
- Credit notes, open items, and vendor statements
- Discovery date and ownership
- Communication and escalation status

Practical Rule

Every overpayment should initially be reviewed — regardless of age. Even older or legally sensitive overpayment cases may still be commercially recoverable, especially when:

- the supplier relationship remains active,
- the documentation is plausible, and
- the case is communicated professionally.

Many suppliers consider not only the legal position, but also the business relationship, reputation, and future cooperation.

2. DACH Overview: Do Not Treat Limitation Periods Uniformly

Overpayments should not automatically be treated like ordinary outstanding receivables. For prioritization purposes, it is essential to assess which law applies and when knowledge of the claim can be documented.

Country	General Principle	Limitation Logic	Recommendations
Germany	Recovery claims often based on Section 812 BGB.	Generally three years under Sections 195 and 199 BGB; limitation typically begins at year-end.	Review not only payment dates. Document awareness and discovery dates; assess legal action before deadlines expire.
Austria	Incorrect overpayments generally treated as unjust enrichment claims.	May remain enforceable significantly longer than ordinary commercial receivables.	Do not dismiss older cases too quickly. Assess documentation quality and periodicity separately.
Switzerland	Unjust enrichment claims may expire earlier than ordinary receivables.	Generally three years from awareness and ten years maximum from origination.	Prioritize overpayments separately; ordinary receivables logic is insufficient.

Germany Example

If an overpayment is identified in 2026, the standard limitation period would typically expire on December 31, 2029 — provided the requirements of Sections 195 and 199 BGB are fulfilled.

3. Properly Assess Cross-Border Cases

In DACH or international supplier relationships, the decisive factor is not automatically the supplier's location or the claimant's seat. The key question is which law governs the recovery claim.

1	2	3	4
Governing Law Clause	Underlying Legal Relationship	Place of Enrichment	Competent Jurisdiction

4. Action Plan for Audit Teams

The objective is to establish a reliable and auditable case status for each overpayment. This enables organizations to prioritize recoveries, manage limitation periods, and eliminate root causes within the procure-to-pay process.

A. Identify	B. Document	C. Recover
Systematically reconcile duplicates, credit notes, open items, and vendor statements.	Document discovery dates, awareness status, evidence chains, and internal decisions.	Coordinate supplier communication consistently; escalate legally sensitive cases early.
Use amount, age, country, supplier, and documentation quality for prioritization.	Track negotiations and reminders formally; document suspension or restart of limitation periods.	Review older cases with plausible supporting evidence; assess goodwill opportunities realistically.

5. Management Decision: Prioritize Instead of Postponing

For CFOs, finance leadership teams, and shared service centers, the focus is on steering: Which countries are affected? Where are limitation periods approaching? Which cases can quickly restore liquidity? And where are internal capacities for recovery and reconciliations limited?

Recommendation

Maintain a centralized case list including amount, country, supplier, discovery date, limitation status, documentation quality, next action, and responsible owner.

6. Year-End Quick Checklist

- Launch duplicate payment and credit note reviews for relevant entities.
- Record all suspicious cases with discovery dates and claim rationale.
- Cluster DACH cases based on governing law and limitation proximity.
- Contact suppliers with strong documentation quality first.
- Coordinate legally critical cases with Legal in a timely manner.
- Document root causes in the P2P process and derive controls.

Averdes combines data-driven recovery audit analysis with operational follow-up — results-oriented, structured, and focused on measurable recoveries.