

Doing business in Greece 2016



Introduction

The Moore Stephens Europe *Doing Business In* series of guides have been prepared by Moore Stephens member firms in the relevant country in order to provide general information for persons contemplating doing business with or in the country concerned and/or individuals intending to live and work in that country temporarily or permanently.

Doing Business in Greece has been written for Moore Stephens Europe Ltd by Moore Stephens Chartered Accountants SA Greece. In addition to background facts about Greece, it includes relevant information on business operations and taxation matters. This Guide is intended to assist organisations that are considering establishing a business in Greece either as a separate entity or as a subsidiary of an existing foreign company. It will also be helpful to anyone planning to come to Greece to work and live there either on secondment or as a permanent life choice.

Unless otherwise noted, the information contained in this Guide is believed to be accurate as at 31 July 2016. However, general publications of this nature cannot be used and are not intended to be used as a substitute for professional guidance specific to the reader's particular circumstances.

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1. Greece at a glance

Geography, population and climate

Greece is located in South Eastern Europe. It borders four other European countries: Albania, the Former Yugoslav Republic of Macedonia and Bulgaria to the north and Turkey to the north-east. To the south and west, mainland Greece has a coastline on the Mediterranean Sea and the Ionian Sea; on the east, it borders the Aegean Sea. Greece also has many islands, the largest of which are Euboea, Crete and Rhodes.

As at 31 December 2011, the population of Greece was estimated at 10 816 286, living in an area of 131 990 km².

The capital city is Athens, which has a population of 3 089 698 in the greater metropolitan area. Greece's other largest cities are Thessaloniki and Patras.

The climate is Mediterranean, with slight variations depending on the location.



Language and religion

The official language is Greek, which is directly descended from Ancient Greek, and belongs to the Hellenic branch of the Indo-European family. It is spoken as a first language by well over 90% of the population and is written with the Greek alphabet. Some 94% of the population is ethnic Greek, the remainder of it being mostly Albanians (4%).

The overwhelming majority of the population (98%) belongs officially to the Greek Orthodox Church; some 1.3% are adherents of Islam.

History

Greece was home to the first advanced civilisation in Europe, dating back to the Cycladic civilisation in the Aegean around 3200BC. The golden age of Ancient Greece is considered to date from c. 600-300BC. Initially dominated by the city states of Athens and Sparta, the Hellenic world was later unified by Macedon, under the leadership of Phillip II and his son, Alexander the Great. After Alexander's death (323BC), Greek power declined and Greece was eventually annexed by the Roman Empire. The eastern half of that Empire evolved into the Byzantine Empire, centred on Constantinople (now Istanbul), which reached its apogee under Justinian I in the mid-6th century AD. However, the Byzantine Empire remained a major power until the 14th century, after which it was progressively weakened as a result of first Serbian and then Ottoman Turkish invasions. The fall of Constantinople to the Ottomans in May 1453 marked the end of the Empire and mainland Greece fell wholly under Ottoman rule, although Cyprus and Crete remained under Venetian rule for another 100 (Cyprus) or 200 (Crete) years.

The Greek War of Independence (1821 – 1832) ended with the establishment, first, of the independent Greek Republic and shortly thereafter, the Kingdom of Greece. By the end of the Balkan Wars in 1913, Greek territory had expanded to more or less its present borders. The end of the Greco-Turkish War of 1919 – 1922 saw the need for Greece to absorb some 1.5 million ethnic Greeks who had formerly lived on mainland Turkey. Greece successfully repelled an Italian invasion in 1940, but fell to Nazi German forces in 1941. Liberation was followed by a bitter civil war between Communist and anti-Communist forces, which ended with the victory of the latter in 1947. Later, political instability resulted in the so-called Colonels' Coup in April 1967 and the establishment of a dictatorship. This collapsed in 1974, and democracy was restored but not the monarchy, which was replaced by a republican form of government.

Greece rejoined NATO in 1980 and the European Communities in 1981. This was followed by a period of rapid economic growth, which also saw Greece join the eurozone in 2001. However, Greece has suffered greatly from the financial crisis and depression, which began in 2008 (see also under 'General economic outlook' below).

Politics and government

Greece, officially the Hellenic Republic (*Elliniki dimokratia*) is a presidential parliamentary Republic, although the President's duties are largely ceremonial.

The Parliament, which has 300 members, exercises legislative authority and the President of the Republic (who is the Head of the State) ratifies the legislation passed by Parliament.

The President of the Republic is elected by the members of parliament for a five-year term. The current President is Prokopis Pavlopoulos, who is serving his first term of office.

Members of Parliament are directly elected every four years under a form of reinforced proportional representation. Any Greek citizen aged over 25 may stand for election in Parliament.

The Government consists of the Prime Minister and the ministers who exercise the executive authority. The Prime Minister is the leader of the party which holds or enjoys the confidence of the absolute majority of seats (151 members). The Prime Minister is authorised to appoint ministers, subject to the approval of the President of the Republic. Currently, the Prime Minister is Alexis Tsipras of the left-wing party SYRIZA (Coalition of the Radical Left – Unitary Social Front) in coalition with the right-wing party Independent Greeks.

The third authority, the judicial authority, is exercised by the Courts. These are divided into Administrative, Civil and Criminal Courts. In Greece, there are also three supreme courts, these being the Supreme Court (*Areios Pagos*), the Council of State and the Court Of Auditors.

Currency, time zone, weights and measures

The basic monetary unit of Greece is the euro (EUR), divided into 100 cents (known in Greek as *lepta*). Greece adopted the euro in 2001, having previously used the Greek drachma (GDR). At the time of going to press (early February 2017), the euro was quoted against the US dollar at EUR 1 = USD 1.05.

The time zone of Greece is GMT +2 hours (EEST – Eastern European Standard Time); Greece uses the metric system of measures, and temperature is measured in degrees Celsius.

General economic outlook

Greece is classified as a country with a developed economy amongst the countries of the world. The major industry sectors of the Greek economy are tourism, shipping, food production, mining, tobacco processing, chemicals and metal products.

Greece was affected by the global financial crisis during 2009, and since 2010 it has remained in an intense recession due to fiscal imbalances that led to its adhesion to the quadruple mechanism of financial support, composed by the International Monetary Fund, the European Central Bank, the European Union and the European Stability Mechanism.

There were signs in late 2013 and early 2014 that a recovery may be on its way. However, 2015 brought cataclysmic effects for Greece's economic outlook. Deep recession combined with the imposition of capital controls brought the Greek economy to its knees. Nonetheless, by implementing growth-restructuring measures imposed via the latest financial assistance pack, growth is expected to turn slightly positive in the second half of 2017.

2. Doing business

Introduction

The possible options regarding the type of legal entity through which a business may operate inside Greek territory are presented in Table 1 below.

Table 1

Type of Entity	Abbreviation	English Translation
Anonimi Etairia	AE	Joint-Stock company (= Société Anonyme or SA)
Etairia Periorismenis Efthinis	EPE	Limited-Liability company
Omorithmi Etairia	OE	General partnership
Etairorithmi Etairia	EE.	Limited partnership
Idiotiki Kefaleouxiki Etairia	I.KE	Private company
Atomiki Etairia	-	Sole proprietorship
Europaiki Etairia	SE	European Company (Societas Europaea)

Joint-Stock company (AE)

Law 2190/1920 provides the general conditions under which a Greek AE operates. A joint-stock company may be established by one or more legal entities or individuals (Greek or foreign). Additionally, a single-member joint-stock company is allowed by domestic law. A simplified procedure called the 'one-stop system' has been adopted for submission of all the necessary legal documents certified by a Greek notary public.

Liability for debts towards third parties is limited to the company's assets. The liability of shareholders is limited to the amount contributed to the company's share capital.

The minimum authorised share capital is EUR 24 000, but that minimum limit may vary (at a higher amount) where the company operates in a specific sector (e.g. credit institutions, insurance companies etc). Initial share capital must be fully paid up during the establishment of the company and may consist of any asset (excluding claims receivable) which is susceptible of monetary evaluation. A decrease of share capital beneath the minimum threshold is not allowed. The nominal value of issued shares may range from EUR 0.30 to EUR 100. Joint-stock companies are obliged to adopt a double-entry accounting system.

The Annual General Meeting of shareholders is responsible for appointing and removing the members of the board of directors, which is the body that manages the company on behalf of the shareholders. There must be at least three members of the board, appointed for a term of no more than six years. Either an individual or a legal entity (by appointing an individual representative) regardless of nationality, may be a director. Directors are jointly and severally liable for any liability arising from the company's activities unless they prove that they have exercised their duties lawfully and in the best interests of the company. Where the place of effective management is abroad, there is a possibility of double taxation as the company may be resident as a resident of that other country.

Limited-Liability Company (EPE)

A Greek EPE operates under the provisions of Law 3190/1955. Its capital is divided into portions called 'equity interests' and the contributors called 'partners'. However, it has a classic corporate form. The members may be either individual or legal entities (Greek or foreign). A sole-member EPE may also be established. The one-stop system (see above) may be used for incorporation, while there is no limitation regarding the minimum amount of capital required. The company's capital comprises contributions either in cash and/or in kind, on the condition that contributions in kind are assets that can be disclosed on the balance sheet. Equity interests (shares) cannot be transferred unless all the members agree. Limited-liability companies are obliged to use a double-entry accounting system.

The liability of a Greek EPE regarding its corporate obligations is limited to its own assets. Members have no personal liability towards third parties. The members are initially responsible for the management of the company, but this may also be exercised through one or more directors appointed by the Meeting of Members. A director is the legal representative of the company and may be liable to provide compensation, if he or she has acted against the provisions of the respective law or the Articles of Association.

Private Company (IKE)

Law 4072/2012 provides the general provisions regarding a new corporate form, the private company (IKE). The IKE is a limited company and the liability of its members for the company's debts (except for those with the guarantee contribution) is therefore limited to their capital contribution. The minimum capital of an IKE is EUR 1. The capital may consist of cash, kind or a guarantee (i.e. the capital may consist of assets not subject to monetary evaluation). An IKE may be a single-member company. The articles of incorporation, and their amendments, where they are private documents, as well as the company's minutes, may be drafted in any of the official languages of the European Union. An IKE may have a definite duration only, and where no such term is explicitly provided, then it is assumed to be 12 years. Shares provide equal rights and obligations to the members, regardless of the type of capital contributed. Free transfer of capital interests is permitted. An IKE may only be established via the 'one-stop system'.

Management may be exercised by the members collectively or by appointing one or more directors. A director is liable towards the company for violations of the law, articles of association or operating misdemeanours. IKEs are obliged to use a double-entry accounting system.

Partnerships

In Greece, partnerships are entities with a legal personality distinct from those of their partners. A written legal partnership agreement between two or more individuals or entities is necessary in order for it to be established. A partnership agreement does not require endorsement from a notary public. Individuals participating in a partnership must be at least 18 years old. There are no requirements regarding the minimum amount of contributed capital, and these partnerships have the option to use a double-entry accounting system or a simplified accounting system.

General partnerships (OE)

All partners of a general partnership have unlimited liability with their personal property, jointly and/or severally, for obligations towards third parties and the authorities.

Limited partnerships (EE)

In order to establish a limited partnership at least one partner must have unlimited liability towards third parties, while at least one other partner must have limited liability for the partnership's obligations towards third parties. The limited-liability partner is liable with his personal property only up to the amount of his contribution to the company's capital. Limited partners have equal rights and obligations regarding participation in general meetings, voting rights, profit distribution etc.

Branch of a foreign company

According to the Greek Civil Code, a branch does not have a legal personality of its own and its operations are in line with the foreign company's principal activities. Prior to establishing the branch, the foreign company must apply for an authorisation by following certain procedures depending on its legal form (e.g. joint-stock company, limited-liability company etc). A branch must be of permanent character and is obliged to apply and operate under domestic law. In general, no minimum capital is required. Tax is charged on profits derived from Greek sources as if the branch were an independent legal entity.

Law 3427/2005 (ex 89/1967) Enterprises (Commercial-Industrial companies)

Branches or offices of foreign companies which deal exclusively with the supply, to their head offices or associated companies established abroad, of services regarding general advice, central accounting support, production quality control, products, procedures, studies, agreements and project compilations, advertising and marketing, data processing, receipt and supply of information and research and development, may be registered in Greece after obtaining special permission from the Ministry of Finance.

The above branches or offices are taxed on their gross turnover by applying a profit percentage on the aggregate of all expenses and depreciation, not including tax expense (cost-plus method) and deducting all expenses provided that these are properly documented, on condition that:

- They have at least four employees within 12 months of the date the permission for establishment was granted and
- They have annual operating expenses in Greece of at least EUR 100 000

Law 27/1975 Enterprises (Shipping companies)

Branches or offices of foreign companies dealing exclusively with the management, operation, or representation of ships under Greek or foreign flags with a gross tonnage of over 500 gross registered tons (except for passenger coastal vessels and traders sailing within the country) and acting as agents of shipowning companies as well as companies with one of the abovementioned trading objects, may be registered in Greece after obtaining special permission from the Ministry of Finance and Mercantile Marine.

The above branches or offices, despite having a permanent establishment in Greece, are exempt from any income taxes, duties and contributions in respect of income derived from the abovementioned activities, on the condition that they import foreign currency of a minimum of USD 50 000 to finance their local activities.

European Companies (*Societates Europaeae*)

A company may be set up within Greek territory in the form of a *Societas Europaea* (or SE) under EC Regulation 2157/2001.

The share capital of these companies is divided into shares and each shareholder is liable only for the amount subscribed. The subscribed capital must not be less than EUR 120 000.

In Greece, an SE is regarded as a joint-stock company and is governed by the law that applies to AEs.

Labour relations and working conditions

The deep economic recession that has been going on since 2009 has affected working conditions in Greece to a large extent. In March 2016, unemployment in Greece reached the rate of 24.1%, while the average unemployment rate in the other EU Member States stood at 10.2%. The rapid modifications in employment law and collective agreements have changed drastically the working framework of Greek employees regarding an increment at the age of retirement, minimum wages paid to an employee etc.

Working hours

The weekly working hours amount to 40 for both the private and public sectors. An exemption exists in the banking sector where the weekly working hours are set at 37. Individual employment contracts or collective agreements (depending on the specific working sector) may modify the weekly working hours.

Main types of employment contract

Under the Employment Code, the relationship between an employer and an employee is governed by a written private contract. The most usual type of employment contract is the open-ended contract, where the duration of the working relationship is indefinite. In addition, there is the fixed-term contract where the duration of the employment is limited, depending on the accomplishment of a specific project. Consecutive renewals of a fixed-term contract may be equated to an open-ended contract.

Wages, fringe benefits and other payments

In the private sector, in addition to monthly salaries, it is mandatory to pay an extra month's salary as a Christmas bonus, an extra half-month's salary as an Easter bonus and an extra half-month's pay as holiday pay.

It is also not unlikely for employers to pay additional bonuses or provide other remuneration mostly depending on the productivity of the employee or according to the profits of the company.

Night working causes an increment of 25% to the statutory hourly wage, while working during a mandatory official holiday or a Sunday increases the overtime rate to 75%. Extra work is paid at the rate of 20% on top of the hourly wage paid, while lawful overtime is paid at the rate of 40%.

In the event of illness, the employee must be paid at least half-pay for the first three days of sick leave. For the next 30 days, an employee is entitled to full pay, less the amount he or she has received by way of social security. The maximum length of absence due to illness ranges from one month to six months depending on years of service.

Holidays

A newly hired employee is entitled to 20 days of annual leave. After the completion of two years in service, the employee becomes entitled to a total of 22 days' annual leave. Where the employee has worked for ten years for the same employer or 12 years in all, he or she is entitled to 25 days' leave. After completing 25 years of work, employees are entitled to 26 days' leave.

Although Greece has only four mandatory official holidays, an employer may optionally adopt specific days (e.g. religious or local public holidays etc) as a day of an official holiday.



Social security system

Social security funds provide employees with various benefits such as health and hospital care, pensions, maternity benefits, unemployment benefits, financial help for rents, disability pensions, social tourism etc. Currently, the official age of retirement is 65, but an increase to 67 is in prospect.

Both the employer and the employee pay social security contributions (see Chapter 9). Employer's contributions are significantly higher than employee's contributions. Employers are obliged to withhold the employee's contributions monthly. The employer is also responsible for making the payments to social security funds in respect of both employer's and employee's contributions, within a period provided by the law.

Trade Unions

The major trade unions in Greece are the GSEE (which covers private-sector employees), ADEDY (which represents public-sector employees) and PAME. Trade union rights are protected under law. It is strictly forbidden for employers or anyone else to obstruct employees in the exercise of their trade-union rights.

Working conditions

Greek companies are obliged to follow health care and safety provisions prescribed by the law.

Work permits, visas etc

EU citizens who wish to visit Greece for a period of up to three months are not required to apply for a permit.

However, an EU citizen who wishes to reside or work in Greece must apply for a residence permit.

Citizens from non-EU states wishing to work or stay in Greece must apply for a work and/or residence permit. It is advisable to file applications well in advance of the intended arrival date, as the approval procedure may take quite some time to complete.

For some non-EU citizens, a visa is required for entering the country regardless of the duration of their stay.

3. Finance and investment

Business regulation

Greek legislation does not set limitations or restrictions on foreigners who wish to do business in Greece. The Chamber of Commerce and the Chamber of Industry are the competent offices to provide information on how to establish a business.

Additionally, tax advisers and lawyers can also provide information and assistance on the set-up of a new business.

In general, registration with the respective Chamber of Commerce or Industry is necessary, along with a 'commencement of business permit' from the tax authorities.

Banking & finance

Banking system

Until the financial crisis, there were a number of state-owned or partly state-owned banks in addition to privately owned banks, but since 2008, the Greek State has been divesting itself of shares held in the banking sector, following the programme of privatisation of the public sector, as deemed necessary to reduce the public debt.

During the past 4-5 years the number of private banks has also been reduced through mergers, in face of the need for additional funds and restructuring of equity.

Many foreign banks have also been established in Greece, mainly through branches.

The banking system in Greece is regulated by the Bank of Greece, established in 1927, which is a member of the European Central Bank.



Capital markets

The capital markets in Greece are supervised by the Hellenic Capital Market Commission (HCMC), which is a member of IOSCO and CESR, and is operated by the Athens Stock Exchange, established in its current form as a joint-stock company in September 2002.

The Athens Stock Exchange (ASE or ATHEX) plays a significant role in the local economy and the development of the country.

The capital markets include the Securities Market, the Derivatives Market, Warrants, the Alternative Market (EN.A.) and the Exchange Trade Funds (ETFs).

Companies that wish to trade their shares on the Stock Exchange of Athens must have an equity of at least EUR 3 000 000, amongst other requirements set out by the respective legislation and the the regulations of the ASE.

Exchange controls

There are no restrictions on imports and exports, but the export of foreign exchange must be made through a licensed commercial bank. There is no obligation to convert imported foreign currency into euros.

Incentives for investment

The legislation that came into effect in 2013 encourages and supports investment in Greece.

The main privileges that investors receive are:

- Grant funding and acceleration of the funding process
- Enhancement of the transparency and control of investments
- Tax reliefs (for which see Chapter 6)

Areas in which investors may choose to invest and may qualify for incentives include general business, regional cohesion, technological development and entrepreneurship for young people, major investment plans (amounting to over EUR 50 million), integrated long-term plans and plans for cooperation and networking.

4. The accounting & audit environment

Accounting regulations

Every company in Greece (including foreign companies physically established in any way in Greece) is obliged to keep accounting records.

The method with which the accounting records are kept is determined based on the gross turnover of the company as follows:

Table 2

Gross Turnover (EUR)	Accounting Method
≤ 1.500.000	Simplified Accounting System
> 1.500.000	Double-Entry Accounting System

Companies under the form of an SA or EPE are obliged to use a double-entry accounting system regardless of their gross turnover.

Entities with a gross revenue below EUR 1.5 million may use a double-entry accounting system if they so wish.

Companies that use the simplified accounting system basically record transactions classified as revenue or expense to derive a taxable profit or loss.

The double-entry accounting system adopts two generally accepted accounting principles, these being the local GAAP and IFRS.

Companies with listed shares on the Athens Stock Exchange are obliged to use IFRS, as opposed to non-listed companies, which have the option to choose whether they will adopt the local GAAP or IFRS. In addition, companies with a gross turnover of more than EUR 1.5 million and those that choose to adopt a double-entry accounting system are obliged to compile annual financial statements and publish them.

Audit Environment

Certified public auditors (Greek CPAs) are responsible for carrying out the audits defined in the respective legislation.

There are two categories of companies that are obliged by the law to appoint external auditors to review their annual financial statements. These are:

- Listed companies and
- Companies which, for two consecutive fiscal years, meet two of the following criteria:

Turnover	EUR 4 000 000+
Assets	EUR 8 000 000+
Average number of employees	50+

However, even when not obliged by law to do so, many entities choose to be audited by CPAs to ensure compliance with the GAAP adopted and provide assurance to the shareholders.

As from fiscal years commencing on 1 January 2011, CPAs are also responsible for carrying out tax audits and from 1 July 2013 for carrying out audits regarding social security contributions, as these are required by the State and as regulated by the respective legislation.

Anti-Money Laundering

As required by Directive 2005/60/EC, with which Greece is fully compliant, accountants, tax advisers, auditors and mainly financial institutions must ensure the verification of their customers and identify beneficial ownership before or during the establishment of a business relationship or the carrying-out of a transaction and obtain information on the purpose and intended nature of the business relationship.

Certain actions must be taken when, meeting all the due-diligence requirements set out by the Directive, there is a suspicion of money laundering or terrorist financing.

Exchange of information

Greece has amended its legislation so as to comply with Directives 2011/16/EC, 2014/107/EU, 2014/86/EU and 2015/121/EU on information exchange regarding taxation.

5. Overview of tax system

Principal taxes

The principal taxes imposed in Greece are:

- Corporate income tax (*foros isodimatos nomikon prosopon*)
- Personal income tax (*foros isodimatos phisikon prosopon*)
- Value added tax (*foros prostithemenis axias*)
- Inheritance tax (*foros klironomias*) and gift tax (*foros doreon*)
- Property tax and property transfer tax (*foros metavivasis akiniton*)
- Stamp duty
- Customs duty
- Excise duties

Administration

The Greek tax authorities are a part of the General Secretariat of Public Revenue (GGDE) which is a division of the Ministry of Finance.

Income and property taxation, VAT, duties and special taxes are assessed and collected by specialist departments operating under the direction of the Secretary-General.

Tax audits are also a responsibility of the GGDE and are carried out by the regional and inter-regional audit centres, which are located in the largest cities of the country.

Appeals

Appeals against an assessment or a decision of the tax authorities must in the first place be submitted for re-appraisal to the Office of Internal Review of the Tax Administration within 30 days of the date of the assessment or notice of the decision.

Submission of an appeal suspends 50% of the disputed amount but the remainder must be paid. If within a period of 60 days no decision is notified to the taxpayer, it is to be assumed that the appeal has been dismissed by the Office of Internal Review.

Where an appeal has been dismissed, the taxpayer has to pay the remaining 50% of the tax including any penalties for late payment.

If the taxpayer is dissatisfied with the outcome of the review process, he may appeal to the administrative courts.

6. Taxes on business

Corporate income tax

Scope and extent

Companies that are resident in Greece are liable to corporate income tax on their worldwide income.

A non-resident company is subject to Greek taxation only if it carries on commercial activities on Greek territory, through a permanent establishment.

Double tax treaties may set restrictions on these taxation rights and obligations.

Residence

A company that is incorporated in Greece or effectively managed and controlled from Greece is considered a Greek resident for tax purposes.

Resident entities are taxed on worldwide income, while non residents are taxed only on Greek-source profits.

Taxable entities

All corporations and legal entities are subject to corporate income tax.

These legal entities mainly include:

- Joint-stock companies (AEs)
- Limited-liability companies (EPEs)
- Private companies (IKEs)
- Partnerships (OEs, EEs)
- Public or private non-profit legal entities
- Joint ventures



All these entities will be referred to further in this Chapter as 'companies' for the sake of simplicity.

The following taxpayers are exempt from the payment of corporate income tax:

- Governmental bodies (with the exception of capital gains)
- Bank of Greece
- Hellenic Republic Asset Development Fund
- Undertakings for collective investment in transferable securities
- International organisations, on the condition that exemption from tax is provided by international conventions that have been ratified in Greece

Taxable period

The taxable period coincides with the calendar year. For legal entities that use a double-entry accounting system, the taxable period may end on 30 June. If the main shareholder is a foreign legal entity that holds over 50% of the share capital of a local company, the taxable period may end at any variant date, following the taxable period of the foreign legal entity.

Taxable periods may not exceed 12 months.

Income calculation

Profit from trading activities is defined as the total income derived from trading transactions after the deduction of operating expenses, depreciation and provisions for bad debts incurred during a fiscal year.

Income from trading transactions also includes the proceeds of sale of the company's assets.

Profit or loss, as disclosed in the annual financial statements or in the books of account, will form the starting point for deriving taxable income. The annual profit or loss is adjusted by adding back all non-deductible expenses as described in the law and by deducting exempt income as well as trading losses brought forward, in order to produce the annual taxable income.

Capital gains

Capital gains derived by companies are taxed as normal business income.

Deductions

For the calculation of taxable income, expenses are deductible as long as they meet three basic criteria:

- They must be incurred for the benefit of the company (for the generation of profit) or during the normal course of the company's business or trade
- They must be based on a completed transaction, the value of which must be at arm's length
- They must be entered in the books of account and be supported by proper documentation

However, the Corporate Income Tax Act specifies certain expenses that are not deductible. Non-deductible expenses are divided into two categories:

- Expenses that are not deductible in any amount and
- Expenses that are not deductible only to the extent that they exceed certain numerical thresholds

Non-deductible expenses include:

- Certain loan interest (see under 'Interest payable' below)
- Cash or other expenses not paid by bank transfer and exceeding EUR 500
- Accrued and unpaid social security contributions
- Write-offs and provisions for bad debts (but see further below)
- Fines and penalties (and any interest applied thereon)
- Corporate income tax itself
- Board and lodging expenses for customers or employees to the extent that these exceed EUR 300 per person or 0.5% of the total gross turnover
- Entertainment expenses
- Personal commodity expenses
- Expenses, in general, paid to individuals or legal entities that are tax residents of non-cooperative or preferential tax-system countries and territories (see under 'Blacklisted jurisdictions' below)
- Expenses incurred in earning non-taxable income

Provisions for bad debts

The law does not allow deductibility for provisions of any kind.

However, entities may deduct provisions for bad debts subject to two basic rules:

- For receivables no greater than EUR 1000 which are overdue for more than 12 months, companies may deduct the entire amount
- For receivables exceeding EUR 1000 which are overdue for more than 12 months entities may deduct a percentage of the amount overdue as shown in Table 3:

Table 3

Period Overdue (in months)	Percentage amount (%)
More than 12 but no more than 18	50
More than 18 but not more than 24	75
More than 24	100

No deductions are allowed for bad-debt provisions for receivables from shareholders, directors and subsidiaries owning at least 10% of the company's capital.

Depreciation

Tax depreciation is deducted from the taxable income of:

- The owner of the asset or
- The lessee, under a financial lease

Depreciation is calculated on a straight-line basis at the rates shown in Table 4:

Table 4

Category of assets	Rate of depreciation (5)
Land	0
Buildings, industrial and special installations, warehouses and stations	4
Land used for mineral extraction	5
Trains, aircraft, boats and ships	5
Machinery and equipment (general)	10
Passenger motor vehicles	16
Goods vehicles	12
Computers and software	20
Intangible assets	10
Other fixed assets	10

The depreciation of each fixed asset begins on the month following the one in which the asset is first used or put into service by the taxpayer.

Interest payable

Loan interest payable to third parties (excluding financial institutions) to the extent that this exceeds the interest amount that would be payable at a rate equal to the interest for current accounts between non-financial institutions, as published by the Bank of Greece, is not deductible.

In addition, in cases where the net interest expense, regardless of its nature, exceeds 30% of EBITDA (earnings before interest, taxes, depreciation and amortisation), the excess is not deductible from the taxable profit.

EBITDA (as defined) is the amount reflected in the company's financial statements (prepared according to Greek GAAP) after tax adjustments.

The excess interest that is not deductible according to the above provision may be carried forward indefinitely.

The above rule does not apply where the company is not a member of a group of companies and the net interest expense (as reflected in the accounting records) does not exceed EUR 3 million; nor does it apply at all to credit institutions.

The rule applies in respect of accounting periods beginning after 31 December 2013.

Dividends, interest and royalties

Dividends received as distributions of profit from another Greek company are subject to withholding tax of 10%. From 1 January 2017, the rate increases to 15%.

Interest received, which is defined as income derived from receivables of any kind and specifically income from deposits, state securities, titles and bonds, repos, reverse repos and rewards deriving from bonds or securities, from Greek sources is subject to withholding tax of 15%. Interest paid between Greek companies is subject to withholding tax of 15%. These taxes are not final.

Royalties within Greece are generally not subject to withholding tax.

For withholding taxes on royalties to non-residents, see under 'Withholding taxes' below.

Group taxation

Group taxation is not permitted by Greek law. Companies within a group must self-assess and pay tax separately, and there is no scope for a transfer of losses or a tax-free transfer of assets.

Losses

Losses may be carried forward for five years. The carry-back of losses is not permitted.

Where during a fiscal year the direct or indirect ownership of the share capital or the voting rights of a company have altered by 33% in value or in numbers, then the unabsorbed losses of the immediately preceding five years are forfeited. However, this provision does not apply if the taxpayer proves that this alteration took place for business purposes and not for purposes of tax avoidance.

Losses that a resident company incurs from its activities in a foreign country cannot be set off against domestic income of the same year nor carried forward against such income. They may only be set off against future profits from the same country. However, within the European Union, losses of a branch within one Member State may be set off against profits from a branch in another Member State, unless those profits are exempt under a double tax treaty.

Withholding taxes

Persons liable to levy withhold taxes

Every legal entity or individual carrying out commercial activities on Greek territory and resident in Greece is obliged where appropriate to act as a withholding agent, as are governmental bodies and any non-resident doing business through a permanent establishment in Greece.

Transactions with governmental bodies

Governmental bodies are obliged to withhold tax on the net amount of any payment made to a legal person, at the rate of:

- 1% on payments concerning liquid fuels and tobacco-industry products
- 4% on payments concerning other products
- 8% on payments concerning services

Tax is not withheld on any single transaction the value of which does not exceed EUR 150.

Wage withholding

See under 'Salary tax' in Chapter 7.

Withholding on services and contractors

Fees to non-residents and residents (individuals, not legal entities) for technical services, management remuneration, fees for consulting services or other similar services are taxed at the rate of 20% provided that the transaction exceeds EUR 300.

Fees received by contractors are taxed at the rate of 3% regardless whether the contractor is a legal entity or an individual.

Domestic payments

Domestic payments

Table 5

Type of income or payment	Withholding rate on payments to resident companies	Withholding rate on payments to resident individuals
Dividend	10% ¹	10% ¹
Interest	15%	15%/
Royalties	None	20%
Property rents	None	None
Subcontractor payments	3%	3%

Payments to non-residents

Table 6

Type of income or payment	Withholding rate on payments to non-resident companies ⁵	Withholding rate on payments to non-resident individuals ⁵
Dividend	0% 1/10% ²	10% ²
Interest	0%/15% ³	15%
Royalties	0%/20% ⁴	20%
Property rents	0%	0%
Management and consultancy fees	20% ⁶	20% ⁶
Remittance of branch profits	0%	n/a

Notes

¹ The 0% rate (i.e. no withholding tax) applies under the Parent-Subsidiary Directive

² Dividends declared after 31 December 2013 and paid out of profits earned after 31 December 2012. Otherwise, the rate is 25%, where in neither case does the Parent-Subsidiary Directive apply

³ The 0% rate (i.e. no withholding tax) applies under the Interest & Royalties Directive. Otherwise, the 15% rate applies

⁴ The 0% rate (i.e. no withholding tax) applies under the Interest & Royalties Directive. Otherwise the rate is 20%

⁵ Lower rates may apply under a double tax treaty

⁶ No withholding tax is levied where the recipient of a payment is a non-resident legal entity that does not carry out activities through a permanent establishment in Greece.

Under the EU Parent-Subsidiary Directive, no tax is withheld on dividends payable to a company established in another EU Member State, provided that:

- The recipient company holds at least 10% of the capital of the distributing company
- That minimum participation is held for at least 24 months
- The recipient company is not also resident in a third country (other than another EU Member State)
- The recipient company is of a type listed in the Annex to the Directive

Where the minimum participation has not been held for 24 months but all other conditions are satisfied, the person or entity that is obliged to withhold the tax may temporarily suspend tax withholding, if it submits to the tax authorities a guarantee amounting to:

$$\frac{\text{Withholding tax Rate}}{1-\text{Withholding tax rate}} \times \text{Distributed or paid amount}$$

The exemption from the obligation to withhold tax becomes definitive when the period of 24 months has elapsed.

Payments to Swiss affiliated companies are exempt under the same conditions, except that the minimum holding is 25%. Certain exceptions apply (holding companies).



Greece has also fully implemented the EU Interest and Royalties Directive. After the expiry of the transitional period on 1 July 2013, interest and royalties paid to an affiliated company resident in another Member State are exempt from withholding tax provided that the non-resident company has held at least 25% of the share capital of the Greek company or vice versa or the same third company has held the 25% interest in both companies for a continuous period of at least two years prior to the date of payment of the interest or royalties, and all the relevant companies satisfy the requirements of the Directive as to legal form and liability to a corporate income tax.

Mergers and reorganisations

Where a merger or reorganisation of operations, assets (tangible and intangible), risks or business opportunities takes place between or concerns related companies, then the tax law requires documentation that the consideration for these transactions is at the arm's length value.

In cases where not enough documentation is provided and no comparable uncontrolled prices exist, then a consideration is imposed that is based on the total value of the assets, operations and risks taking into account the discounted future profit inflows from these.

Taxable income is adjusted according to the above.

Adoption on the common system of taxation according to Council Directive 2009/133/EC

Greece has adopted the EU legislation on the common system of taxation applicable to mergers, divisions, partial divisions, transfer of assets and exchanges of shares which take place between domestic companies and cross – border between Member States.

Contribution of assets in exchange for shares

The law provides some relief in cases where a company ('the transferring company'), transfers without being dissolved, one or more branches of activity to another company ('the receiving company') in exchange for the receiving company's shares, provided that both companies are established in Greece and/or in any Member State of the European Union. These reliefs include:

- Tax exemptions for any goodwill (i.e. capital gain) identified which is defined as the difference between the real values of the assets and liabilities transferred and their book value
- The receiving company computes any new depreciation in respect of the assets and liabilities transferred according to the rules that would have applied to the transferring company if the transfer of assets had not taken place
- The receiving company may also acquire any reserves and provisions of the transferring company, as long as these are related to the transferred branch
- The receiving company may also carry forward any losses of the transferring company, provided that these are related to the transferred branch
- The receiving company must retain the shares for at least three years, unless it can demonstrate that the transfer of shares is not carried out with a view to tax avoidance or tax evasion

Exchange of shares

Tax relief is provided in cases where a person holding shares in a company resident in Greece or in another EU Member State) exchanges them for shares in another company (also so resident). The relief consists of tax exemption for any goodwill (capital gain) identified for the new shareholder.

However, in cases where additional cash is given (provided that this does not exceed 10% of the nominal value or, in the absence of a nominal value, of accounting par value of the securities issued in exchange), the part paid in cash is not exempt.

Mergers, divisions and partial divisions

A merger or division does not give rise to any taxation of goodwill (capital gain) calculated by reference to the difference between the real values of the assets and liabilities transferred and their value for tax purposes.

The receiving company computes any new depreciation and any gains or losses in respect of the assets and liabilities transferred according to the rules that would have applied to the transferring company or companies if the merger, division or partial division had not taken place.

Where provisions or reserves properly constituted by the transferring company are partly or wholly exempt from tax, such provisions or reserves may be carried over, with the same tax exemption, to the receiving company. The receiving company also undertakes the rights and obligations relating to the above provisions and reserves.

The receiving company may inherit the unabsorbed losses of the transferring company relating to the operations transferred as if the transfer had not taken place.

However, in cases where additional cash is given (provided that this does not exceed 10% of the nominal value or, in the absence of a nominal value, of accounting par value of the securities issued in exchange), the part paid in cash is not exempt.

Transfer of the registered office of an SE or an SCE

Exemption is also available for any goodwill (capital gain) identified according to the provisions applicable to mergers and divisions in cases where the registered office (seat) of a European company (SE) or a European cooperative society (SCE) is transferred from Greece to another Member State, provided that the company or society is not dissolved or another legal entity established.

Withdrawal of reliefs

The benefit of all or any part of the provisions of the above can be withdrawn where it appears that one of the operations referred to above has tax avoidance as its principal objective or as one of its principal objectives.

The fact that the operation is not carried out for valid commercial reasons such as the restructuring or rationalisation of the activities of the companies participating in the operation may constitute a presumption that the operation has tax avoidance as its principal objective or as one of its principal objectives.

Dissolutions/Liquidations

The proceeds of a dissolution or liquidation are deemed as a distribution of profit during the year in which the dissolution/liquidation is completed to the extent that these proceeds exceed the contributed capital.

Thin capitalisation

The previous restriction on related-party interest where the debt-equity ratio exceeded 3:1 has been abolished, following the introduction of the general interest-restriction rule (see under 'Interest payable' above).

Transfer pricing

Transactions between related companies (domestic and foreign) must be carried out on the arm's length principle.

Companies are related where:

- One company directly or indirectly owns at least 33% of the shares or voting rights in the other or is entitled to at least 33% of the other company's profits
- Another company directly or indirectly owns at least 33% of the shares or voting rights in both companies or is entitled to at least 33% of both companies' profits or
- There is a third person (legal or natural) on whom they are substantially directly or indirectly administratively or economically dependent or where that person exercises or has the power to exercise dominant influence on both companies

The rules also apply to a non-resident company and its permanent establishments in Greece, with regard to transactions between them, and to a resident company and its permanent establishments abroad.

Transfer-pricing documentation must also be prepared according to OECD guidelines in respect of transactions between resident related companies from fiscal year 2012 onwards (previously specific documentation requirements existed only as regards cross-border transactions).

Exemptions are provided for certain special types of company and where transactions with related companies do not exceed the amount of EUR 200 000 or EUR 100 000, depending on whether the gross revenue of the relevant taxable period for the related companies does or does not exceed EUR 5 million, respectively. Any one specific class of transactions the value of which does not exceed EU 20 000 per year is also exempt.

Controlled foreign company (CFC) rules

CFC rules have been introduced with effect for taxable periods beginning after 31 December 2013.

They apply where:

- The resident company directly or indirectly holds over 50% of the capital of the foreign / company or is entitled to receive over 50% of that company's profits
- The foreign company is not a company with a principal class of shares that are traded in an organised market

- The foreign company is subject to taxation in a blacklisted state (see under 'Blacklisted states' below) under a régime allowing for a substantially lower level of taxation and
- More than 30% of the foreign company's net income before tax consists of:
 - Interest or income from other financial assets
 - Royalties
 - Dividends or capital gains from the transfer of shares
 - Income from movable assets
 - Income from real estate property
 - Income from banking, insurance, and other financial activities

Where the CFC rules apply, the undistributed income of the CFC is attributed to the resident company and individuals and taxed as part of its business profits.

Other significant anti-avoidance rules

Greece has no other significant anti-avoidance measures.

Blacklisted jurisdictions

However, expenses paid to individuals or legal entities that are tax residents of non-cooperative or preferential tax-system countries and territories are generally non-deductible, unless the taxpayer can demonstrate that the transaction was genuine and in the normal course of business.

Non-cooperative jurisdictions are those jurisdictions outside the European Union that:

- Have not signed an exchange of information agreement with Greece nor with at least 12 other states or
- Are included in the list of non-cooperative jurisdictions maintained by the Ministry of Finance

That list currently includes the following:

Table 7

Andorra	Jersey	Panama
Antigua and Barbuda	Lebanon	Philippines
Bahamas	Liberia	St Kitts and Nevis
Bahrain	Liechtenstein	St Lucia
Barbados	(FYR) Macedonia	St Vincent and the Grenadines
Brunei	Malaysia	Samoa
Cook Islands	Marshall Islands	Seychelles
Dominica	Mauritius	Singapore
Grenada	Monaco	Uruguay
Guatemala	Nauru	US Virgin Islands
Hong Kong	Niue	Vanuatu

Note

Countries with preferential tax systems are those in which there is no tax levied or the tax is equal to or lower than 50% of the tax rate that would apply in Greece.

Those countries currently listed as such are shown in Table 8.

Table 8

Albania	Gibraltar	Montenegro
Andorra	Guernsey	Montserrat
Anguilla	Ireland	Nauru
Bahamas	Isle of Man	Oman
Bahrain	Jersey	Paraguay
Belize	Jordan	Qatar
Bermuda	Liechtenstein	St Eustatius
Bonaire	(FYR) Macedonia	San Marino
Bosnia Herzegovina	Macau	Saudi Arabia
British Virgin Islands	Maldives	Seychelles
Bulgaria	Marshall Islands	Turks and Caicos Islands
Cayman Islands	Moldova	United Arab Emirates
Cyprus	Monaco	Vanuatu

Tax rate

The rate of corporate tax rate for all types of companies in Greece that choose or are obliged to use a double-entry accounting system is 29%.

However, for companies that are not lawfully obliged and do not choose to use a double-entry accounting system, the progressive rates of tax shown in Table 9 apply.

Table 9

Taxable profits (EUR)	Rate (%)
First 20 000	22%
Next 10 000	29%
Next 10 000	37%
Remainder	45%

Assessment procedure

Greece operates a self-assessment system. Companies must assess their own tax liability when filing their annual tax return.

Returns and payments

Returns

Tax returns are filed up to the last day of the sixth month commencing from the end of the tax year.

The submission dates are specified in annual circulars issued by the Ministry of Finance.

Payments

In addition to the corporate income tax, each legal entity has to pay an advance payment of next year's corporate tax amounting to 100% of the current year's corporate tax. The advance payment paid during the previous year may be set off with the current year's advance payment.

For domestic financial institutions and branches of foreign banks established in Greece, the advance payment is also 100% of the tax owed.

For the first three years of a company's life, the advance payment percentage is reduced to 50%.

Appeals

See Chapter 5.

Value added tax

Taxable persons and transactions

As a Member State of the European Union, Greece has a value-added tax (VAT) regime similar to other VAT regimes throughout the European Union. In general VAT is due on supplies of goods and services, the import of goods from outside the European Union and the 'intra-EU acquisitions' of goods from other EU Member States. If these transactions take place in Greece, they are in principle subject to Greek VAT.

A precondition for the liability to tax is that the supply of goods and services take place in the course of business. The main defining criterion for judging that a supply is made in the course of business is that the activity is carried out for the purpose of gaining profit, is oriented towards a largely unrestricted body of customers, is continuous and carried out autonomously, and involves an element of business risk. A supply of goods takes place when the owner of tangible property transfers the right to dispose of that property as owner. Electric current, gas, heat, refrigeration and similar commodities are also deemed to be tangible property. The supply of services is a supply that is not a supply of goods. Services related to goods, the leasing of goods, restaurant services, the transfer of different rights and the obligation to refrain from resuming a business activity are treated as supplies of services.

VAT is levied on an individual or an entity making a supply of goods or services in Greece (the supplier), but there are some main exceptions to this rule which shift the burden to the customer (the reverse charge). Moreover, VAT is levied on entities on imports, on intra-EU acquisitions of goods and on removals of goods from warehousing arrangements.

VAT is also imposed on goods or services that have been purchased for a purpose that has entitled the taxable person to make a deduction or which have been produced in connection with a taxable person's taxable activities if the goods or services are then used for private consumption, disposed of free of charge, or used for some other purpose that does not entitle the taxable person to a deduction. There are more detailed rules on this, especially in the field of construction and services related to immovable property.

The following transactions are taxable:

- The supply of goods and services in Greece by a taxable person in the course of a business
- The intra-EU acquisition of goods in Greece by a taxable person in the course of a business or by a legal entity that is not a taxable person
- The intra-EU acquisition in Greece of new means of transport by any person
- The import of goods from outside the European Union into Greece
- The supply of electronic services (e-commerce) to a taxable person established in Greece by a taxable person established outside Greece
- The supply of electronic services (e-commerce) to an individual or entity that is not a taxable person from a country outside the European Union and
- The supply of services by a taxable person established in another EU Member State to a taxable person established in Greece or a legal entity that is not a taxable person

Services from abroad

A supply of services that takes place in Greece is also subject to Greek VAT. Services supplied by taxable persons established in other Member States or third countries follow two basic rules:

Business to Business (B2B)

A supply of services from a foreign taxable person to a Greek taxable person is subject to Greek VAT (reverse charge). The supplier does not charge his own country's VAT.

Business to Consumer (B2C)

A supply of services from a foreign taxable person to a Greek non-taxable person (consumer) is not subject to Greek VAT and the foreign taxable person will charge his country's VAT at the appropriate rate.



Services supplied electronically

Such services include:

- Web supply and web hosting
- Supply of software and updating thereof
- Supply of images, text and information and making databases available
- Supply of music and films for downloading

These services are subject to Greek VAT where:

- Supplied from a taxable person established in another Member State to a taxable person established in Greece
- Supplied by a taxable person established in Greece to a non-taxable person established in another Member State
- Supplied by a taxable person established outside the European Union to any person

Businesses ('taxable persons') charging VAT to their customers are liable to report and pay this VAT to the tax authorities. Any VAT incurred in the course of the taxable person's taxable activity (e.g. charged by the taxable person's suppliers), can in principle be deducted or set off against the VAT due. Only the net amount must be paid to the tax authorities. If there is a balance of deductible VAT, the amount can be recovered from the tax authorities. Consequently, the real burden of VAT falls on the final consumer, with the intervening business effectively acting as a collecting agent for the tax authorities. Foreign businesses that perform taxed services in Greece are in principle also liable to pay VAT. Those businesses, too, will be required to pay the VAT due in Greece and will therefore also be able to claim the VAT invoiced to them by taxable persons in Greece.

Since 1 October 2014, there is an option to pay the VAT only if this has been collected from the customer, provided that certain criteria are met.

VAT registration

In general, all taxable persons must register for VAT, and should do so before they begin to supply goods or services.

However, very small businesses do not need to register until their turnover from the supply of goods exceeds EUR 10 000 or turnover from the supply of services exceeds EUR 5000 (by reference to the VAT-exclusive turnover in the previous 12 months). These thresholds apply only in the case of Greek taxable persons. Taxable persons not established in Greece who make taxable supplies there must register no matter what the value of their transaction(s).

The distance-selling threshold (for taxable persons selling to private customers in Greece) is EUR 35 000. The registration threshold for non-taxable persons making intra-EU acquisitions in Greece is EUR 10 000. The threshold for intra-community services is null.

Exempt supplies

The rules follow the Directives closely. Thus, exemption with the right to deduct input VAT on the related purchases ('zero-rating') applies to:

- The supply of goods shipped or transported outside the European Union
- Intra-EU supplies of goods
- International transport of passengers
- Goods placed in free zones and free warehouses
- The supply of goods to a bonded warehouse, a VAT warehouse and related services
- The supply of goods placed under suspensive customs regimes
- The supply of services in connection with goods placed under customs suspensive regimes
- The supply of goods and services to diplomatic missions, international organisations and NATO forces

Exemption without the right to deduct input VAT on the related purchases ('true exemption') applies to e.g.:

- A range of activities including banking, finance and insurance
- Medical, welfare and educational activities, if performed by licensed entities
- Supplies by the Greek Post Office

The supply of immovable property

The supply of new immovable property, the construction permit for which was issued or revised, and on which no construction works have commenced, after 1 January 2006 by a taxable person is subject to VAT.

New immovable property means any immovable property (buildings, apartments etc) that has not been, in any way, used, leased or provided as a residence.

VAT is also due on immovable property constructed by a taxable entity and remaining unsold five years after the issue date of the construction permit or three years from the termination of the construction works.

The leasing of immovable property

The leasing of immovable property is generally exempt from VAT. However, for immovable property intended to be used for the exercise of a professional activity by a taxable person (lessee), the lessor has the option to choose whether to charge VAT or not.

Lessors choosing to charge VAT have the benefit of deducting the input VAT charged on their purchases and expenses.

Standard, reduced and zero rates

The standard rate of VAT in Greece is 24% and the reduced is 13%. Supplies that are neither zero-rated, exempt nor chargeable at one of the reduced rates are chargeable at the standard rate.

Goods and services that are charged at the reduced rate include:

- Food and water
- Cinema tickets
- Goods for the physically impaired
- Services for agricultural production

However, some goods and services are charged at the super-reduced rate of 6%. These supplies include:

- Newspapers
- Theatre tickets
- Hotel accommodation

Some goods and services are zero-rated (0%). Such goods and services include:

- The supply of vessels intended for carrying out international maritime trade
- The supply of aircraft intended to carry out international flights operated by airline companies
- Services supplied to satisfy the primary necessities of the above vessels and aircraft

The Greek islands

The rates of VAT applicable in many Greek islands, such as the Dodecanese, Cyclades are:

- Standard rate: 17%
- Reduced rate: 9%
- Super-reduced rate: 4% (for deserted and close-to-borders islands)

These favourable rates are gradually being withdrawn.

Returns and payment

The return period is monthly or quarterly, depending on the taxable person's annual turnover. Those whose turnover equals or exceeds EUR 1.5 million must file monthly returns, whereas those whose turnover falls below this threshold file quarterly.

Returns must be filed and the tax paid no later than the 20th day of the month following the end of the return period. However, where input VAT exceeds output VAT, i.e. there is a balance in favour of the taxpayer, the deadline for filing is the last day of the following month.

For each fiscal year, taxpayers are also obliged to submit an annual recapitulative VAT return by the 20th day of the second month that follows the end of the fiscal year (for entities having an annual turnover below EUR 1 500 000) or by the 10th day of the fifth month that follows the end of the fiscal year (for entities having an annual turnover of EUR 1 500 000 or more).

Excess input tax may either be carried forward to the next period or refunded, at any time within three calendar years commencing from the filing date for the return.

VAT audits and penalties

In general, the tax authorities have the right to carry out a yearly tax audit within 5 calendar years commencing from the end of the year which the VAT recapitulative return was due.

Penalties are charged as follows.

Table 10

Default	Penalty (Simple Accounting books) (€)	Penalty (Double entry accounting system) (€)
None or late filing (no tax due)	100	100
None or late filing	250	500
Late payment penalty	(% of tax due)	
>2 months	10%	
>12 months	20%	
>24 months	30%	
Interest Penalty		
8.51% on tax due		

Capital duty

Capital tax of 1% plus 0.01% duty for the commission of competition is charged on any capital increase during the lifetime of a corporation. No capital tax is charged on incorporation.

7. Personal taxation

Income tax

Territoriality and residence

Individuals who are tax resident in Greece are liable to personal income tax (*foros isodimatos physikon prosopon*) on their worldwide income. Non-residents are subject to income tax only for their income derived in Greece.

An individual who is present in Greece for a period or periods exceeding in the aggregate 183 days during the year is considered to be tax resident as is a person with his or her permanent home in Greece.

Persons liable

All physical persons are liable to income tax. Partnerships are considered to be a separate taxable person and subject to income tax as an entity. They are no longer tax-transparent.

The family unit

The domestic tax law does not provide joint taxation for spouses. Although the annual tax return for married couples is submitted jointly, each spouse is taxed separately. As a result, any loss declared by one spouse cannot be deducted from the income of the other spouse.

Minor children's income is aggregated with the income of the taxpayer who has the parental responsibility for the child. However, when a child's annual income exceeds EUR 3000 (excluding income from maintenance and invalidity allowances) or there is income earned from employment or pensions received due to the death of the child's parent, the child is obliged to file a separate individual tax return submission. The age of majority is 18.

Categories of income

Greek tax law classifies taxable income into one of four categories:

- Income from employment and pensions
- Income from business activity
- Income from capital (e.g. dividends, interest, royalties, immovable property)
- Capital gains

Exempt income

Among income exempt from tax is:

- Alimony payable under a court order
- Unemployment benefit, under the condition that the taxpayer's other annual total income does not exceed EUR 10 000
- Certain types of invalidity benefit and pensions provided by the state.

Taxation of employment income

The definition of employment income includes all remuneration in cash and/or in kind, resulting from the employee's activities provided on a regular and permanent basis.

For the purposes of the Income Tax Code, an employment relationship exists when an individual provides services:

- In the context of an employment agreement
- During an oral or written agreement that creates an employment relationship
- As a salaried lawyer for the provision of legal services
- As a director or member of a board of directors of a company or other legal entity or
- On the basis of written agreements (for sole proprietors and freelancers) for the provision of services with no more than three individuals or legal entities (or more than three individuals/entities, if more than 75% of the taxpayer's gross income derives from one of the individuals or legal entities).

Employment income may include wages, salaries, holiday pay, Easter and Christmas bonuses, commissions, compensation for termination of employment, benefits-in-kind, rent allowances, pensions etc.

Treatment of benefits-in-kind

All benefits-in-kind received by an employee are aggregated with his or her other taxable income only if the total annual value of benefits-in-kind exceeds EUR 300. Benefits are valued at their market value at the date of acquisition or provision.

The most important of these concerns:

- The market value of company cars provided for private use
- Provision for free accommodation at any period during a year
- Loans granted in the absence of a written agreement. Advance payments of three or more salaries to an employee are considered to be a loan

Exemptions

The following income and benefits are exempt from tax:

- Reimbursement to the employee for meals, accommodation and travel expenses incurred for the benefit of the employer's business
- Meal vouchers up to EUR 6 per working day
- Premiums paid by the employer on behalf of the employee for group insurance policies or pensions, up to a maximum of EUR 1500 annually per employee.
- Minor expenses paid to an employee not exceeding EUR 27 annually

Taxation of personal business income & income from self-employment

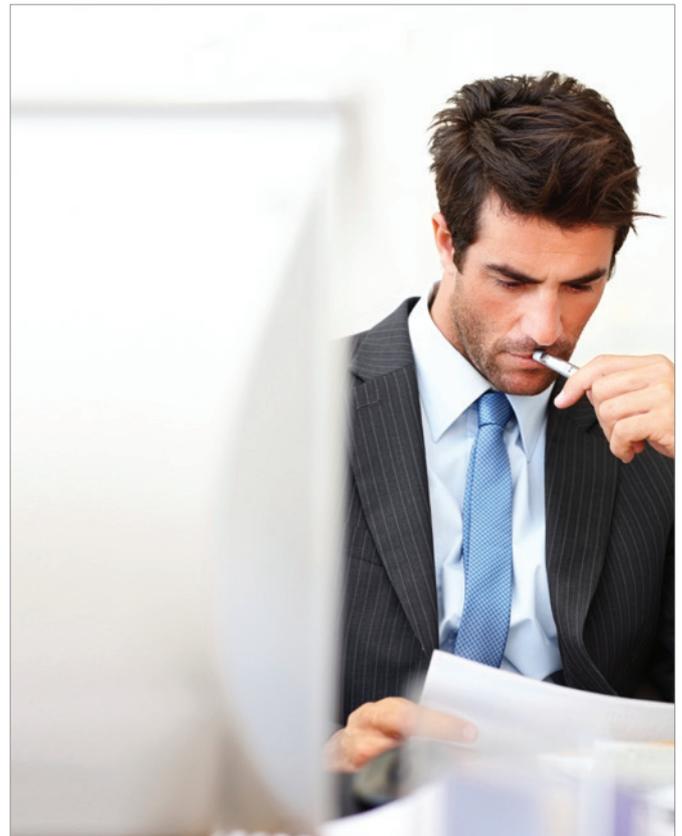
Income from independent personal services (i.e. self-employment) includes income from sole proprietorship and freelance professions such as architecture, medicine, the law, accountancy etc.

Income from personal business activities is computed similarly to the taxable income of a company and is generally taxed on the difference between earnings from such activities and expenses related thereto.

Tax rates for the income derived from personal business activities are identical to the rates of income from employment (see Chapter 6).

Exemptions from the above are:

- Sole traders and professionals who register and commence their business after 31 December 2012 are entitled to a reduction of 50% in their tax rate, provided that their annual gross income does not exceed EUR 10 000, for the first three years of activity
- The rate of income tax for a sole farmer or individual engaged in another agricultural activity is taxed individual at the same rates as the income from employment
- Any asset increments deriving from illegal, unproven or unknown sources are equated to income from business activities and taxed at a rate of 33%



Taxation of investment income (income from capital)

The definition of income from capital includes all income, in cash and/or in kind, earned by an individual during a fiscal year, deriving from dividends, interests, royalties and immovable property.

Income from dividends

Profits distributed by any kind of company during a fiscal year are considered to be income from dividends. Withholding tax of 10% is imposed on the distribution of dividends from Greek companies and if the beneficiary of the income is an individual, then there is no further tax liability.

In the case of foreign dividends, the tax must be withheld by the Greek paying agent (e.g. bank or stockbroker). Where the dividends are kept outside Greece, the taxpayer must file a return and pay the tax no later than the end of the month following that in which the dividend is received.

Income from interest

Any income derived from receivables of any kind, deposits, government securities, titles and bonds, any kind of loan relationship including premiums, repos/reverse repos and rewards deriving from bonds or securities, is considered to be interest income.

Interest from Greek government securities, bank deposits, repos and corporate bonds is subject to a final 15% withholding tax if the receiver is an individual.



Income from royalties

The term 'royalties' means payments of any kind received as consideration for the use of, or the right to use, any copyright, as interpreted by article 12 of OECD Model Convention, but in addition includes payments regarding the use of industrial, commercial or scientific equipment, the use of know-how, the right to republish articles and studies, as well as payments for consulting services provided through networks and the downloading of software using computers.

A withholding tax of 20% on royalties is applied, without any further tax liability for individuals.

Foreign royalties are not subject to Greek withholding tax and are included in income subject to the full progressive rates.

Income from immovable property

The definition of 'income from immovable property' includes any benefit in cash and/or in kind, earned from leasing, self-use (i.e. owner-occupation) or free concession of use of land and property.

Benefits-in-kind received are valued at their market value at the date of acquisition.

In the case of owner-occupation or free concession of use, an amount equal to 3% of the objective (or cadastral) taxable value (as defined by the Ministry of Finance) of the property is subjected to tax. Imputed income from the free concession of residences up to 200m², in order to be used as the principal residence of relatives in the ascending or descending line, is exempt from tax.

The main expenses deductible from rental income by an individual landlord are:

- 5% of maintenance, repair and restoration expenses or other fixed and operating expenses
- Rent payable to a superior landlord, in the case of subletting
- The legal compensation paid by the landlord to the tenant on termination of the lease
- 10% of expenses incurred for flood protection

Taxable income is then subject to the rates of tax shown in Table 11

Table 11

Taxable income (EUR)	Rate of tax
First 12 000	15%
12 001 – 35 000	35%
Balance over 35 000	45%

Capital gains

Private capital gains are generally exempt, but gains from the alienation of immovable property and securities are taxable, as described below.

Immovable property

Capital gains from the alienation of immovable property acquired by the taxpayer after 31 December 1994 are subject to tax provided that there is a capital gain. Where the property was acquired before 1 January 1995, any capital gain is considered exempt, but property transfer tax would be due (see Chapter 8).

The capital gain is defined as the difference between the acquisition cost and the disposal proceeds.

Where the ownership of a building constructed by a tenant passes to the owner of the underlying land on the termination of the lease, the tenant's capital gain is deemed to be the commercial value of the building. The commercial value cannot be less than two-thirds of the objective (cadastral) value (as defined by the Ministry of Finance) for both the land and the building.

Any capital gain arising is reduced according to the period of ownership by an amount shown in Table 12.

Table 12

Years of Ownership	Percentage of gain brought into charge
1	100
2	98.2
3	96.4
4	94.7
5	93.0
6	91.2
7	89.5
8	87.8
9	86.1
10	84.5
11	82.8
12	81.1
13	79.5
14	77.9
15	76.4
16	74.8
17	73.2
18	71.7
19	70.2
20	68.7
21	67.2
22	65.7
23	64.2
24	62.8
25	61.5
26+	60.0

An exemption is provided where the capital gain as reduced according to Table 9 does not exceed EUR 25 000, the property had been held by the taxpayer for at least five years.

A capital loss from a transfer of immovable property is considered nil.

Securities

Capital gains from the alienation of securities include any capital gain that does not constitute business income from business and arising from the transactions listed below:

- Shares in listed and unlisted companies
- Partnership interests
- State bonds and treasury bills or corporate bonds
- Derivative products
- Transfers of businesses as a whole.

The capital gain is defined as the difference between acquisition cost and the disposal proceeds. Expenses that are connected directly with the purchase or the sale of the securities must be included in the cost of acquisition or disposal proceeds and cannot be added or deducted when the capital gain is calculated.

A capital loss from a transfer of securities may be carried forward for 5 years for set-off against future gains from such transfers.

These gains are taxed at a flat rate of 15%. Previously, the rate of tax depended on a number of factors, including whether the securities were those of a listed or unlisted company.

Allowances and deductions

Medical and hospital expenses

10% of the medical and hospital expenses incurred by a taxpayer during a fiscal year may be deducted from tax owed (i.e. in the form of a tax credit), but only to the extent that these expenses exceed 5% of total taxable income. The amount of the credit, regardless of the total amount of medical and hospital expenses incurred during the year, is capped at EUR 3000.

Example

A taxpayer has annual medical and hospital expenses of EUR 2000, of which EUR 800 is covered by insurance. The taxpayer’s taxable income is EUR 15 000.

Expenses not covered by insurance:	EUR 1200
5% of taxable income	<u>EUR 750</u>

Since 1200>750 then the entire amount may be used for deduction

Expenses eligible for tax credit	<u>EUR 1200</u>
Tax credit (10%)	EUR 120

Charitable donations

10% of donations made by the taxpayer during a fiscal year may be deducted as a tax credit from tax owed, under the condition that these donations exceed the amount of EUR 100 annually. The amount of the credit may not exceed 5% of total taxable income. Definitions of local or foreign organisations donations to which are eligible are determined by the Ministry of Finance.

Disability tax credit

A tax credit of EUR 200 is available where the taxpayer or any of the taxpayer’s dependants is disabled.

Tax rates

Taxable income from employment and pensions and other income subject to full progressive rates is taxable as follows:

Table 13

Taxable income (EUR)	Tax Rate (%)
First 20 000	22
Next 10 000	29
Next 10 000	37
Balance over 40 000	45

Where taxable income does not exceed EUR 20 000, an additional credit of the smaller of EUR 1900 and the actual liability is awarded. The credit is higher for taxpayers with children.

For taxable income that exceeds EUR 20 000, the amount of the above credit is decreased by EUR 10 for every EUR 1000 of taxable income in excess of EUR 20 000.

Termination payments

Payments on termination of employment are taxed at special rates as shown in Table 14.

Table 14

Amount of termination payment (EUR)	Tax Rate (%)
First 60 000	0
Next 40 000	10
Next 50 000	20
Balance over 150 000	30

Pensions from group pension plans

These pensions are taxed at the special rates shown in Table 15.

Table 15

Type of withdrawal	Tax Rate
Pension annuity	15%
Lump-sum payment up to EUR 40 000	10%
Lump-sum payment over EUR 40 000	20%

The above tax rates are increased by 50% if the beneficiary draws on the pension fund before maturity.

The tax is withheld at source and is final.

Adjustment for presumptive income

Where the taxpayer's declared income is less than his or her presumptive income, the tax authorities will adjust the declared income to bring it level with the presumptive income.

A taxpayer's presumptive income is based on the minimum amount necessary to have acquired any new assets and fund the taxpayer's living costs and spending, with reference to various objective factors.

Among the factors taken into account are:

- The taxpayer's residence, according to the floor area
- The use of cars according to their engine capacity and age
- Expenditure on private schools, housekeepers, teachers etc
- Ownership of luxury goods such as private planes, helicopters, yachts, swimming pools etc
- Minimum annual living expenses, deemed to be EUR 3000 for single taxpayers and EUR 5000 for a married couple

Calculation of presumptive income regarding the acquisition of assets concerns certain transactions such as:

- Purchases of motor vehicles and motorcycles, private planes, helicopters
- Movable property the cost of which exceeds EUR 10 000
- Purchases of shares or interests in companies or partnerships
- Purchase or rental of immovable property, buildings or swimming pools
- Loans granted
- Donations in excess of EUR 300
- Loan repayments

Exemptions

However, the law provides certain exemptions from the above provisions. These exemptions include:

- Imputed cost of motor vehicles owned by disabled or impaired taxpayers, provided that these vehicles are exempt from motor vehicle duties
- Imputed cost of motor vehicles and residential property of foreigners not permanently residing in Greece and for Greeks not permanently residing in Greece and working for Law 27/1975 enterprises (Shipping Companies)
- Imputed cost of pleasure craft provided that these are owned or used by taxpayers not permanently residing in Greece
- Imputed cost of purchase of assets from people who carry out business transactions
- Imputed cost of purchase of motor vehicles especially modified for use by taxpayers who are disabled or impaired to a degree exceeding 67%
- For retired taxpayers and those aged over 65, imputed costs are reduced by 30%
- Non-resident taxpayers not deriving income from a Greek source

The tax authorities are obliged to take into account cash inflows that the taxpayer has included in his or her tax return, when calculating the above difference. However, the taxpayer bears the burden of proof regarding amounts from:

- Tax-exempt income
- Cash inflows not having the characteristics of income
- Cash inflows from the redemption of personal assets
- Loans received
- Cash donations
- Consumption of capital earned in previous years
- Importation of foreign currency not effected through the Bank of Greece. The source must be adequately documented. Documentation is not required from persons who:
 - Are not resident in Greece
 - Have been resident in a foreign country for at least three consecutive years and the importation takes place within two years of their change of residence to Greece
 - Have been residing for five consecutive years in a foreign country and the referred foreign currency amount originates from deposits in a foreign bank made during their stay abroad or from deposits within one year of their change of residence, provided that this has not been re-exported to a foreign country.

The difference between the presumptive income and declared income is added to the declared income and is taxed as income from employment and pensions (where this is the main source of the taxpayers declared income) or as income from business activities (where that is the main source).

The taxpayer may challenge the presumptive income in certain cases, by producing conclusive proof that the actual expenses were lower.

Returns and payments

Filing dates and the necessary supporting documentation are specified in annual circulars issued by the Ministry of Finance. The filing dates normally fall between 1 February and 30 June. From 1 January 2015, the last day of filing has been 30 April.

The balance of any tax due for the previous year may be paid in three equal instalments, of which the first falls due on the last working day of the month following that in which the taxpayer receives the notice of assessment. Amounts of less than EUR 300 must be paid in full within two months of the end of the month of receipt.

In addition to the balance of tax owing for the previous year, the taxpayer must also pay an advance payment on account of the current year's liability, amounting to 55% of the previous year's final liability. Individuals whose sole source of taxable income is income from employment are not obliged to make an advance payment.

Appeals

See Chapter 5.

Inheritance and gift tax(es)

Scope and liability

Liability to inheritance and gift taxes depends on the nationality or residence status of the transferor but the tax burden falls on the transferee and is based on the fair market value of the property received by way of lifetime gift or *mortis causa* by the transferee.

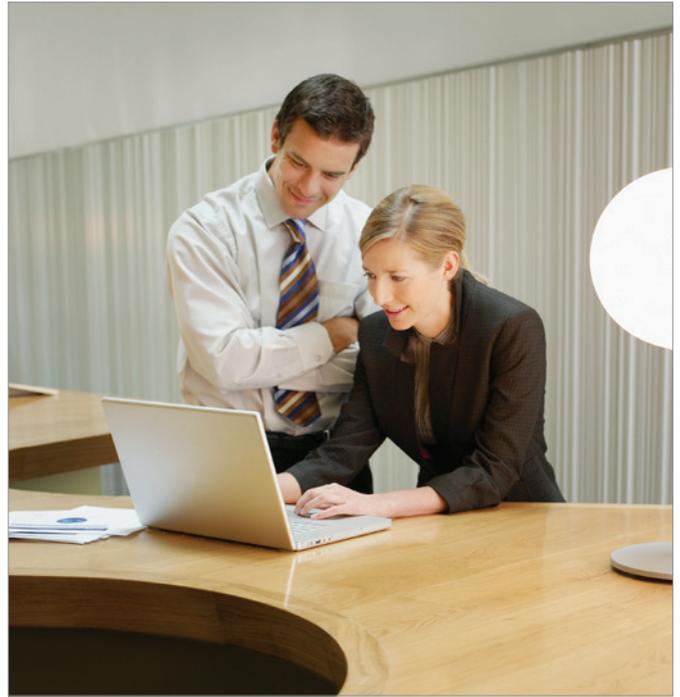
Where the transferor is a Greek national or resident in Greece at the time of the transfer, tax is charged on both movable and immovable property situated in Greece and on movable property situated abroad. However, where the transferor is a Greek national who has been resident abroad for a minimum of 10 years, only property situated in Greece is taxable. Immovable property situated abroad is not within the scope of the tax at all.

Reliefs and allowances

The main relief concerns residential accommodation.

Where the property transferred is to be the main residence of the transferee, there is complete exemption provided that the overall surface area of the dwelling is no more than 70m², increased by 20m² for each of the first two dependent children and by 25m² for the third and each subsequent dependent child.

There is also complete exemption for a house or other domestic residence with a value of no more than EUR 200 000 for a transferee who is a minor or a single person or of no more than EUR 250 000 for transferees who are married, divorced, widowed or single parents. The higher threshold is increased by EUR 25 000 for each of the first two children and by EUR 30 000 for the third and each subsequent child.



These exemptions apply solely to transferees who are Greek nationals or other EU nationals resident in Greece. This rule has been challenged by the European Commission.

Transfers on death of no more than EUR 400 000 to a surviving spouse (married to the deceased for at least five years) and to minor children are exempt.

There is also an exemption for the acquisition of a ship or shares of a shipowning company, in respect of ships of over 1500 GRT, provided that the vessel is managed by a Law 89 shipping company.

Rates

The rate of tax charged depends on the degree of kinship between the transferor and the transferee and on the value and nature of the property transferred.

Three degrees of kinship are recognized for this purpose.

Degree A comprises spouses, cohabitants who have entered into a contract of cohabitation with the transferor and where the cohabitation is of at least two years' duration, children, grandchildren and parents.

Degree B comprises siblings, stepsiblings, uncles, aunts, grandparents, great-grandparents, great-grandchildren, foster parents, in-laws and children of one spouse's former marriage.

Degree C comprises all other transferees.

Rates of tax range from 0% to 40%, as shown in Tables 16 to 18 below.

Table 16 Degree A transfers

Value transferred (EUR)	Rate of tax (%)
First 150 000	0
Next 150 000	1
Next 300 000	5
Balance over 600 000	10
Monetary gifts of any value	10

Table 17 Degree B transfers

Value transferred (EUR)	Rate of tax (%)
First 30 000	0
Next 70 000	5
Next 200 000	10
Balance over 300 000	20
Monetary gifts of any value	20

Table 18 Degree C transfers

Value transferred (EUR)	Rate of tax (%)
First 6 000	0
Next 66 000	20
Next 195 000	30
Balance over 267 000	40
Monetary gifts of any value	40

Wealth tax

Since the calendar year 2013 onwards, there is a wealth tax imposed on the annual deemed income, assessed by the Ministry of Finance, from motor vehicles (over 1929 cc), private aircraft, helicopters and swimming pools. The annual deemed income is a combination of factors varying according to the size, purchase price, duration of ownership and certain other criteria.

The rates of the wealth tax are as shown in Table 19.

Table 19

Type of asset	Rate of tax (%)
Cars from 1930cc to 2500cc	5
Cars over 2500cc	13
Aircraft, helicopters and gliders	13
Swimming pools	13

8. Other taxes

Immovable property tax

A nationwide tax on every kind of immovable property owned on 1 January of every year and situated in Greece has been in force since January 2014.

The tax assessment is based on the category of the immovable property, the location (tax zones), the surface area, the year of construction, the usage etc.

The basic tax liability ranges as shown in Table 20.

Table 20

Type of land	Tax per m ²
Buildings	2.5 – 17
Land within an urban area	0.02 – 30
Land outside urban areas	Minimum 0.0015

There is a range of exemptions

Special tax on immovable property

Special Tax of 15% on the tax value of a property in Greece is levied if the property is owned by legal entities or where such entities have the usufruct or the bare ownership of the property.

Several types of entity are exempt. These include:

- A Greek AE with registered shares owned by a physical person with a Greek tax register number
- Shipping companies under Law 89/1967
- Companies resident in other EU Member States or third countries with a full tax treaty with Greece, and having registered shares owned by a physical person with a Greek tax register number

Immovable property transfer tax

The immovable property transfer tax is imposed on the acquisition of immovable property in Greece. The tax amounts to 3% of the taxable value of the property and is borne by the purchaser.

Transactions exempt from immovable property transfer tax include in particular the acquisition of a principal residence valued at less than EUR 200 000 by a single person or at less than EUR 250 000 by a couple. However, the first sale of a new building is exempt from immovable property transfer tax but is subject to VAT at the rate of 24%.

Stamp duty

Stamp duty is charged on written instruments transferring title, which have not already been subject to another tax, such as VAT, capital duty or immovable property transfer tax. An accounting entry posted in a company's books is regarded as a written instrument for this purpose. Stamp duties range from 1% to 3% and the imposition can be either a fixed amount or on an ad valorem basis.

Customs duty

As a member of the European Union, Greece is part of the European customs union and applies the European customs tariffs and regulations. Accordingly, goods entering the European Union in Greece are in principle subject to customs duty.

Excise duties

Greece charges excise duties on fuel oils, coal and coke, tobacco, alcoholic beverages, gas and electricity.

9. Social security contributions

Introduction

There are several social security institutions in Greece. The most important are IKA-ETAM (Social Insurance Fund – Auxiliary Fund for Employees) which covers those in dependent employment in Greece or abroad for an employer who is based in Greece, as well as those who offer full-time or part-time personal labour on commissioned work agreements and are not insured with any other main insurance agency. Employees may be insured under other mandatory insurance funds depending on their working sector, e.g. OGA (Organisation for Agricultural Insurance), TEADY (Auxiliary Insurance Fund for Public Sector Employees), TAYTEKO (Insurance Fund for Bank and Utility Company Employees) etc.

The mandatory insurance fund for self-employed persons in Greece is the OAEE (Insurance Organisation for Freelancers). Specific categories of individuals are obliged to obtain insurance from OAEE, such as accountants, doctors, artists etc.

Employee and employer contributions

Contributions are charged as a percentage of the employee's gross salary, including benefits-in-kind. The employer deducts monthly the employee's contribution when the salary is paid to the employee and the sums deducted are paid over to IKA along with the employer's contribution by the end of the following month.

Contribution rates vary considerably depending on the nature of the employment and other factors. For IKA-ETAM, the rates for 2016 are shown in Table 21.

Table 21

	White-collar rate	Blue-collar heavy or unhealthy
Employee	16.00%	19.45%
Employer	25.06%	27.21%
Total	41.06%	46.66%

Self-employed contributions

Self-employed individuals are liable to pay a monthly lump-sum contribution, the exact amount of which depends on the insurance category to which the individual belongs, the number of years for which the individual has been paying contributions and when he or she was first insured. The amount ranges (in 2016) from EUR 117 to EUR 1172.

10. Moore Stephens in Greece

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Appendix 1

Double tax treaties

Greece has double taxation treaties with the following jurisdictions:

Albania	Hungary	Qatar
Armenia	Iceland	Romania
Austria	India	Russia
Azerbaijan	Ireland	San Marino
Belgium	Israel	Saudi Arabia
Bosnia Herzegovina	Italy	Serbia ²
Bulgaria	Korea	Slovakia ¹
Canada	Kuwait	Slovenia
China	Latvia	South Africa
Croatia	Lithuania	Spain
Cyprus	Luxembourg	Sweden
Czech Republic ¹	Malta	Switzerland
Denmark	Mexico	Tunisia
Egypt	Moldova	Turkey
Estonia	Morocco	Ukraine
Finland	Netherlands	United Arab Emirates
France	Norway	United Kingdom
Georgia	Poland	United States
Germany	Portugal	Uzbekistan

¹ Treaty with the former Czechoslovakia

² Treaty with the former Federal Republic of Yugoslavia (Serbia and Montenegro).

Air and sea transport

Apart from its comprehensive tax treaties, Greece also has limited air and sea transport tax treaties with:

Australia (A)	Jordan (S)	Pakistan
Ethiopia	Lebanon	Syria

A = air only

S = sea only

Estate tax treaties

Greece has double tax treaties for taxes on inheritances or gifts with the following:

Finland	Italy	United States
Germany	Spain	

The treaty with Finland covers lifetime gifts only; the other treaties cover inheritances only.

Treaties on administrative assistance

Within the European Union, mutual administrative assistance is governed by the Directives on exchange of information (2011/16/EU), together with its implementing Regulation (Regulation (EU) No 1156/2012), and the recovery of claims (10/24/EC). As regards VAT, the same function is performed by Council Regulation (EU) No 904/2010. Outside the European Union, Greece is a member of the Convention on Mutual Administrative Assistance in Tax Matters, and has signed agreements on exchange of information with the Cook Islands and Gibraltar, but these are not yet in force.

Social security agreements

The interaction of national social security systems within the European Economic Area is governed by EU Regulations which also extend, by agreement (and with some differences), to Switzerland. Greece has pre-existing bilateral agreements with some of these states. These have largely been superseded by the EU regulations, but may be applied where, occasionally, they give a more beneficial result. The following non-EEA countries have social security agreements with Greece, the terms of which differ from case to case.

Argentina	Egypt	Syria
Australia	Libya	United States
Brazil	New Zealand	Uruguay
Canada	Québec	Venezuela

Appendix 2

Countries and territories in which Moore Stephens is represented

Moore Stephens member firms may be found in 106 countries and territories around the world, with correspondent firms in another ten.

Albania	Denmark	Latvia	Russia
Argentina	Dominican Republic	Lebanon	Saudi Arabia
Australia	Ecuador	Liechtenstein*	Serbia
Austria	Egypt	Lithuania	Seychelles
Azerbaijan	El Salvador*	Luxembourg	Singapore
Bahamas	Estonia*	Macedonia	Slovakia
Bahrain	Finland	Malta	South Africa
Bangladesh	France	Mauritius	South Korea
Belgium	Germany	Mexico	Spain
Belize	Gibraltar	Monaco	Sri Lanka*
Bermuda	Greece	Mongolia*	Sweden
Bolivia	Guatemala	Morocco	Switzerland
Botswana*	Guernsey	Netherlands	Syria
Brazil	Honduras	New Zealand	Taiwan
British Virgin Islands	Hong Kong	Nicaragua	Thailand
Bulgaria	Hungary	Nigeria*	Tunisia
Burundi	India	Norway	Turkey
Cambodia*	Indonesia	Oman	Ukraine
Canada	Iraq	Pakistan	United Arab Emirates
Cayman Islands	Ireland	Panama*	United Kingdom
Chile	Isle of Man	Papua New Guinea	United States
China	Israel	Paraguay	Uruguay
Colombia	Italy	Peru	Venezuela
DR Congo	Japan	Philippines	Vietnam
Costa Rica	Jersey	Poland	Zambia
Croatia	Jordan	Portugal	Zimbabwe*
Cyprus	Kazakhstan	Qatar	
Czech Republic	Kuwait	Romania	

*denotes a correspondent firm only

For more detail, see www.moorestephens.com under 'Locations'.

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