



Greece

International Tax Contact

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Facts and figures as presented are correct as at 26 October 2016.

Corporate Income Taxes

A legal entity/person is resident in Greece if it:

- Is established or incorporated under Greek legislation
- Has its registered office in Greece, or
- Has its place of effective management in Greece at any time during the tax year.

Resident legal entities/persons are generally subject to tax on their worldwide income.

Non-resident legal entities/persons are generally subject to tax on their Greek source income, subject to the terms of any relevant tax treaty.

The standard corporate income tax rate is 29%. A 13% rate generally applies to the taxable income of agricultural cooperatives and producers.

Taxable income must generally include any taxable capital gains, subject to exemptions.

Intra-group dividends received by a resident legal person are tax exempt if certain conditions are met.

Unutilised losses can generally be carried forward for up to five years (restrictions apply in certain circumstances, such as in certain cases of change of ownership). Losses cannot be carried back.

Group tax consolidation is not available in Greece; consequently losses cannot be offset against the profits of another company in the same group.

The tax year is the calendar year. Legal entities/persons that keep double-entry bookkeeping may use a tax year ending 30 June. A legal entity/person that is tax resident in Germany and is more than 50% owned by a foreign legal entity/person may use a tax year that coincides with the tax year of the foreign legal entity/person.

Tax returns are generally due for filing electronically by the last day of the sixth month following the end of the tax year.

Legal entities/persons are generally required to make eight monthly advance payments of corporate income tax based on 100% of the previous year's tax liability. Different percentage bases apply to certain taxpayers.

Personal Taxes

Resident individuals are generally subject to tax on their worldwide income.

Non-resident individuals are generally subject to tax on their Greek source income, subject to the terms of any relevant tax treaty.

Individuals are generally subject to personal income tax on their taxable employment and pension income at the following rates:

| Taxable Income (EUR) | Rate |
|----------------------|------|
| Up to 20,000 | 22% |
| 20,001 – 30,000 | 29% |
| 30,001 - 40,000 | 37% |
| 40,001 and over | 45% |

Certain categories of worker are subject to personal income tax on their employment and pension income at different rates.

Income from business activities is generally subject to tax at the rate of 26% on taxable income of up to EUR50,000, and 33% on taxable income exceeding EUR50,000. Individual farm businesses are subject to tax on their taxable income at the rate of 13%. Certain other tax reductions and exemptions may also apply.

Individuals may be subject to an alternative minimum tax when imputed income is higher than total income, and to a special solidarity tax at progressive rates.

Taxable capital gains from the transfer of immovable property or securities are generally subject to tax at the rate of 15%, subject to deductions, exemptions and any temporary suspensions that may apply.

Income from capital is generally subject to tax at the following rates:

| Income Category | Rate |
|--------------------|--|
| Dividends | 10%* |
| Interest | 15% |
| Rights (royalties) | 20% |
| Immovable property | 15% on income up to EUR12,000; 35% on income from EUR12,001 - EUR35,000; 45%; on income EUR35,001 and over |

*set to increase to 15% on 1 January 2017.

Inheritance and gift tax is generally levied at rates that vary depending on the relationship between the donor/deceased and the beneficiary, and the value of the inheritance or gift, subject to exemptions.

There is no wealth tax.

Employment Related Costs and Taxes

Fringe benefits

There is no separate fringe benefits tax. Unless specifically exempt, taxable benefits-in-kind form part of the taxable income of individuals and are subject to personal income tax.

Social security costs

Employers and employees are generally required to make social security contributions, subject to salary ceilings.

Withholding Taxes on Payments Abroad

The rates of withholding tax on the following payments made abroad by companies are generally:

| | Rate |
|--------------------|--------------------------------------|
| Dividends | 10% |
| Interest | 15%; exempt in certain circumstances |
| Rights (royalties) | 20% |

Dividend payments that satisfy the provisions of the EU Parent-Subsidiary Directive are not subject to withholding tax. Interest and royalty payments that satisfy the provisions of the EU Interest and Royalties Directive are not subject to withholding tax.

For payments made to recipients in countries with which Greece has a double tax treaty, the rates of withholding tax may be reduced under the terms of the treaty.

Value Added Tax

VAT is generally levied on the supply of goods and services in Greece, on the intra-Community (EU) acquisition of goods, and on the importation of goods.

The standard VAT rate is 24%. A reduced rate of 13% applies to certain supplies, including certain basic foodstuffs, and hotel accommodation. A reduced rate of 6% applies to medicines, books, newspapers and magazines. Certain supplies are VAT exempt with credit, including exports, and intra-Community supplies. Certain supplies are VAT exempt without credit, including hospital and medical services, dental services, social services, educational services, and certain financial and insurance services.

Traders whose gross income (without VAT) in the preceding year did not exceed EUR10,000 are not generally subject to VAT (certain exclusions from this rule apply).

Registered traders can generally recover the VAT with which they themselves are charged on their purchases of goods and services, subject to conditions and possible exceptions.

Other Taxes

Stamp duty

Stamp duty is imposed at varying rates on certain documents and transactions.

Real property tax

A property tax is generally levied on natural persons and legal entities, subject to exemptions.

Real estate transfers

Certain transfers of real estate are subject to VAT. Transfers of real estate that are not subject to VAT are generally subject to real estate transfer tax.

Excise taxes

Excise taxes are imposed on certain goods, including alcohol, tobacco products, energy products, electricity, and certain luxury goods.

Tax Incentives for Businesses

Research and development (R&D) expenditure

Scientific and technological research expenses may generally be deducted from taxable income at the rate of 130%.

Investment incentives

Legislation provides investment incentives for qualifying investments in the form of corporate income tax exemptions, cash grants and leasing subsidies. The specific benefits available depend on various factors, including the size of the enterprise and the location of the investment.