

# Tax - Breaking News

December 2016



Consistent with our commitment to provide current information on tax issues, we summarize below the most important tax amendments introduced by Law 4438/2016 (Government Gazette A 220/28.11.2016) on “Harmonization of legislation with Directive 2014/17/EU of the European Parliament and other provisions of the Ministry of Finance”.

## Income Tax Code (ITC)

- Articles 53 (securities’ exchange) and 54 (mergers and spin offs) are amended enabling tax authorities to impose certain conditions in order to prevent abuse of the above provisions in the exchange of securities, mergers and spin offs, as is already permitted in the case of contribution of assets in exchange for securities.

### *Tax incentives for enterprises’ transformation*

- Tax exemptions are broadened to include any tax or other charges, duties, and contributions (except for capital concentration tax) in addition to income tax.
- It is clarified that the broadening of such exemptions has no impact on VAT and income taxes application based on the VAT and ITC Codes, respectively.
- The Explanatory Report of the Law clarifies that following the introduction of such exemptions, a comprehensive framework of incentives for transformations is now provided in Greece. For this reason, following the publication of the Law, corporate transformations will no longer be able to concurrently fall under the provisions of both the ITC and other incentive Laws (L. 1297/1972 and L. 2166/1993).
- The new regulatory framework applies for enterprises’ transformations that are carried out after the Law’s publication, i.e. after 28 November 2016.

## Tax Procedures Code (TPC)

- A new provision is added to the TPC regarding the authority to carry out the “Mutual Agreement Procedure” (MAP) for the elimination of double taxation in connection with the adjustment of profits of affiliated enterprises as already provided for in DTT’s and the European Arbitration Convention as ratified by Law 2216/1994.
- The MAP will be carried out by the Tax Administration and the relevant results will be issued through a decision of the General Secretariat of Public Revenue.
- All related procedural issues will be defined by the General Secretariat of Public Revenue’s decision.
- The introduction of the above provisions, contributes to the improvement of the effectiveness of the Dispute Resolution Mechanisms in line with Action 14 of base erosion and profit shifting (BEPS) in the OECD Action Plan.

## Contact us

Georgia Stamatelou  
Partner, Head of Tax  
T: +30 210 60 62 227  
E: [gstamatelou@kpmg.gr](mailto:gstamatelou@kpmg.gr)

## More information at

[kpmg.com/gr](http://kpmg.com/gr)



**This Newsletter aims to provide the reader with general information on the above-mentioned matters. No action should be taken without first obtaining professional advice specifically relating to the factual circumstances of each case.**

© 2016 KPMG Advisors AE, a Greek Societe Anonyme and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.