

Tax - Breaking News

August 2017



Consistent with our commitment to provide current information on tax issues, we summarize below the most important amendments introduced by Law 4484/2017 (Government Gazette A 110/01.08.2017) on the “adoption of EU Directive 2016/881 to the Greek legislation and other provisions”.

Income Tax Code (ITC)

- Provisions regarding income tax installments for legal entities are amended. Following the recent reduction of the number of installments introduced by Law 4467/2017 (from 8 to 6), it is clarified that payment of corporate income tax must be completed within the tax year of the submission of the return.
- The above provisions apply to income earned from tax year 2017 onwards.
- Moreover, payment of the first installment for tax year 2016 (ended on 31 December 2016) shall be no later than 31 July 2017, in order for the extension of the deadline provided for the submission of tax returns not to affect the payment of installments for this tax year.
- As of tax year 2017 onwards, gains for individuals from the transfer of unlisted shares, is no longer considered income from business activity and is taxed as capital gains.

Entrepreneurship duty

The concept of “branch” is defined for the purposes of imposing “entrepreneurship duty” and includes any establishment, other than the head office, where business activity takes place. Temporary establishments and neighboring establishments or establishments located in the same building/compound carrying out a single activity with the main establishment are excluded.

VAT

The tariff headings of Annex III of the VAT Code are amended retroactively as of 1 July 2017 onwards in order to achieve a better classification of reduced and standard rates of goods.

Refunds of CIT and VAT

With regards to audit cases for refunds still pending on the date of publication of the law (1 August 2017) immediate refund of corporate income tax and VAT up to EUR 10 000 is provided for per beneficiary and per type of tax on the condition that no temporary tax adjustments have been issued.

UREOT (Unified Real Estate Ownership Tax) / ENFIA

- Buildings located in the Municipality of Lesvos with conclusive evidence of damage by the earthquake of 12 June 2017 are exempt from ENFIA for years 2017 and 2018.
- Especially for tax year 2017, the first installment of ENFIA is due by 29 September 2017 and the last one by 31 January 2018.

Inheritance Tax Code

- The category of non-profit legal entities that are subjected to tax at the flat rate of 0.5% where property is inherited by them is expanded.
- Following a judgment of the Court of Justice of the European Union (CJEU) against Greece, the above category of beneficiaries must include equivalent legal entities that are established in other member states of the European Union (EU) and the European Economic Area (EEA) and are taxed in Greece.
- This provision also applies to property donated to the aforementioned entities.
- Money or prizes won through a public lottery program by individuals who carry out transactions using cards or other electronic means of payment for the purchase of goods or services are exempt from tax.

Restrictions on cash withdrawals and transfer of funds

Amendments to the Legislative Act of 18 July 2015

- The Hellenic Capital Market Commission is entrusted with the responsibility to carry out sample audits and impose relevant sanctions on the persons supervised by it concerning their compliance with provisions on capital restrictions when trading in securities in Greek regulated markets.

Contact us

Georgia Stamatelou
Partner, Head of Tax

T: +30 210 60 62 227

E: gstamatelou@kpmg.gr

More information at

kpmg.com/gr



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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.

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