KPMG

Tax - Breaking News

November 2017

Consistent with our commitment to provide current information on tax issues, we summarize below the new provisions of the Tax Procedure Code as introduced by Law 4493/2017, imposing fines for infringements in the automatic exchange of information procedure and amending the provisions of mutual administrative assistance.

Tax Procedure Code (TPC)

- A new article is introduced in the TPC imposing fines on Reporting Hellenic Republic Financial Institutions (FIs) ranging from EUR 100 to EUR 5 000 per infringement of their obligations regarding the automatic exchange of information on financial accounts.
- Such infringements concern the late submission or failure to submit information, submission of insufficient or inaccurate information, failure to respond to the Tax Administration's request regarding Reportable Accounts, failure to cooperate during an audit and failure to comply with reporting and due diligence rules.
- No fines shall be imposed where Reporting FIs subsequently correct or complete the information of each Reportable Account on a voluntary basis or within a specific timeframe.
- With regards to years 2017 and 2018, any fines imposed shall be reduced by half if the Reporting FIs correct or complete the information for each Account following an audit or upon notification by the competent foreign authority.
- In case the same infringement is repeated within a five year period, respective fines are doubled and, in case of each subsequent repeat infringement, these fines are quadrupled, regardless of whether the infringements relate to years 2017 and 2018.
- Finally, the framework as stipulated in the TPC for mutual administrative assistance is modified in order to harmonize the regulatory framework with international administrative assistance and define the context based on which the Tax Administration will exercise its tax audit related responsibilities.

KPMG comments

- The failure of Reporting FIs to comply with the automatic exchange of information on financial accounts, is subject to **explicit** fines, which are incorporated into the TPC.
- The relevant fines are imposed only on Reporting FIs that do not comply with their reporting obligations and due diligence rules without providing for fines on Account Holders who, under the existing legal framework, either do not comply with their reporting obligation or report insufficient and inaccurate information.
- Although Account Holders do not directly fall within the scope of the new framework, they may be affected by its implementation and results, and implications may be triggered by the wider regulatory framework regarding tax infringements, tax evasion and measures for combating money laundering.

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