

Tax - Breaking News

July 2020



Consistent with our commitment to keep you updated on the most important developments, we outline below the most significant content of article 48 of Law 4701/2020 of the Ministry of Finance in relation to the provision of incentives for the implementation of electronic invoicing.

Electronic Invoicing and relevant tax incentives

- For entities that opt for electronic invoicing through the use of an Electronic Invoicing Service Provider (following the submission of a special declaration to the Tax Administration) for all their sales documents issued during the tax year/years for which this invoicing process is selected, the following tax incentives are granted:
 - i. Reduction by 2 years of the ordinary 5 year statute of limitation period during which the Tax Authorities may proceed with the issue of a tax assessment note.
 - ii. The expense for the initial supply of technical equipment and software required for the application of the electronic invoicing is fully depreciated within the first year its implementation, increased also by 100%.
 - iii. The income tax deduction right for the expenses relating to the production, transmission and electronic filing of electronic invoicing for the first year of issuance of sale documents through electronic invoicing is increased by 100%.
 - iv. The deadline for the refund of taxes regarding applications in relation to the tax year or tax years, for which the entity opts to exclusively implement electronic invoicing is reduced from 90 to 45 days. The aforesaid reduced timeframe also applies for the calculation of interest payable to tax payers in case of unduly paid taxes.
- Entities receiving goods or services may opt (by filing a special declaration to the Tax Authorities) the use of any Electronic Invoicing Service Provider for the purposes of receiving the relevant purchase tax records. For the said entities the ordinary 5 year statute of limitation period during which the Tax Authorities may proceed to the issue of a tax assessment note is reduced by one year. This

reduction applies for the year or years that they opt to exclusively implement electronic invoicing as above.

Conditions of tax incentives

- The previously mentioned incentives apply for tax years from 1 January 2020 and thereafter and until tax year 2022.
- The said incentives (with the exception of incentives ii and iii) are rendered for every tax year, as well as for the following tax years, on condition that the relevant electronic invoicing method is selected (and declared) until the end of the tax year preceding the tax year to which the declaration relates.
- Explicitly for the tax year 2020 the previous mentioned incentives are granted on condition that:
 - the said invoicing method is selected and declared within 2 months from the commencement of compulsory transmission of data to the online platform myDATA of Tax Authorities,
 - the said invoicing method is implemented as the exclusive method of issuance and receipt of tax records or as the acceptable method of tax records receipt, for the whole period from the date of such declaration until the last day of the relevant tax year,
 - data, relating to tax records issued or received with a different method up to the date of declaring the acceptance of the specific electronic invoicing method, are transmitted to the Tax Authorities within the statutory deadlines provide by law, and
 - the entity does not recall the relevant invoicing method selection within the next tax year.

- In case the taxpayer selects to discontinue the use of this invoicing method then the relevant tax incentives are revoked from the year in which its use is terminated.
- If the tax authorities identify that for a tax year the entity has committed tax evasion according to the provisions of para. 1 of art. 66, Law 4174/2013 (that exceeds the thresholds of para. 3 of the same art. and Law) or has committed any breach described in para. 5 of art. 66, Law 4174/2013 in relation to non-authentic and fictitious tax records (that exceeds the threshold of EUR 75 000) then the tax incentive relating to the reduction of the ordinary statute of limitation period (by 2 or 1 year/s respectively) is revoked for such year.

Selection of electronic invoicing method

The procedure and the filing process of the relevant declarations for the selection of electronic invoicing through an Electronic Invoicing Service Provider and the acceptance of electronic invoicing through an Electronic Invoicing Service Provider, as well as, any other relevant details will be determined following the issue of a relevant decision issued by the Governor of the Independent Authority for Public Revenues (IAPR).

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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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