

# Tax Updates

21 November 2023



## Consistent with our commitment to provide [updated information](#) on current tax issues, we set down below a brief overview of the provisions of the new Law 5066/2023 on the public reporting of income tax information by multinational enterprises (Public CbC Reporting)

The new law 5066/2023 incorporates into Greek legislation the Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 regarding the public reporting of income tax information by certain enterprises that belong to multinational groups or by certain standalone enterprises and branches (Public CbC Reporting).

### What is the scope of the new Law?

The new law provides for the public reporting of income tax information by multinational groups and, where relevant, certain standalone enterprises and branches, which carry out activities in Greece, in order to enhance financial and corporate transparency.

### Who will be affected by the new provisions?

The new obligations to publicly disclose tax information concern:

- Multinational groups of companies with consolidated net turnover exceeding a total of EUR 750 000 000 for each of the last two (2) consecutive financial years, as per their consolidated financial statements, if the group's ultimate parent company is either based in Greece, or based in a third country and operates in Greece through a Greek subsidiary or branch, as further analyzed below; and
- Certain standalone enterprises (i.e. not belonging to a group), operating in Greece, whose net turnover for each of the last two (2) consecutive financial years exceeds a total of EUR 750 000 000, as per their financial statements.

### Which enterprises have the obligation to report tax information publicly?

The obligation to prepare and publicly report income tax information is imposed on:

- The ultimate Greek parent companies of multinational groups or the respective Greek standalone enterprises. Exceptions are provided for parent companies or standalone enterprises that are established and operate exclusively in Greece through

Greek subsidiaries and branches. Also, an exception applies for enterprises that are subject to reporting requirements under article 81 of Law 4261/2014 (i.e. credit institutions), provided that such reporting covers all activities performed by such enterprises and their affiliated companies included in their consolidated financial statements.

- Greek medium-sized and large subsidiaries (as these are defined in article 2 par. 5 and 6 of Law 4308/2014) that are controlled by an ultimate parent company which is not established in an EU Member State (there are certain exceptions subject to conditions).
- Greek branches of non-EU companies, whose net turnover exceeds a total of EUR 8 000 000 and whose head offices (i.e. the companies that established them) either belong to a group with ultimate parent company located outside the EU and which does not have a medium or large subsidiary in Greece, or are standalone enterprises, taking also into consideration the condition mentioned above referring to the amount of consolidated or, where relevant, total revenue for groups and standalone enterprises (there are certain exceptions subject to conditions).

### What information should be reported?

In addition to general information (i.e. the name of the responsible enterprise, the relevant financial year, the currency used for reporting the tax information, a list of all subsidiaries consolidated in the financial statements and established in the EU or in non-cooperative tax jurisdictions according to the EU "black list" and "grey list"), the public tax information report prepared by the above-mentioned responsible enterprises shall contain information belonging to seven categories:

- Nature of their business activities
- Number of employees
- Net turnover (including that derived from transactions with related parties), as further specified in the law.
- Profit or loss before income tax

- Income tax accrued
- Income tax paid
- Accumulated earnings

The above information shall be reported separately for each Member State where the group operates and separately for each non-cooperative jurisdiction and may be reported in an aggregate basis for all other countries.

### Where is the income tax report published?

The income tax report prepared by the above-mentioned responsible enterprises shall be published at the General Commercial Registry (GEMI) within twelve (12) months from the end of the financial year for which the report is prepared. Enterprises shall post on their website a notification that they have published the report at GEMI and a reference to the GEMI website. The public income tax reports will remain publicly accessible at GEMI indefinitely.

### Compliance with the reporting obligation of the income tax report

The Certified Auditor or Audit Firm shall certify in the Audit Report of the enterprise's audited financial statements whether the enterprise was required to publish a public income tax report for the financial year preceding the financial year for which the audited financial statements have been prepared, and whether the report was indeed published.

### What are the penalties for non-compliance?

The members of the administrative, management and supervisory bodies of the responsible enterprises and the legal representatives of branches are jointly responsible for the preparation and publication of the public income tax report. In case of non-compliance with these obligations, each of the above-mentioned persons shall be subject to fines ranging from EUR 10 000 to EUR 100 000.

### When do the new provisions apply?

The above obligations apply to financial years starting after 22 June 2024. Taking into account that the income tax report will be published at GEMI within twelve (12) months from the relevant financial year end, it is clear that for undertakings whose financial year coincides with the calendar year, the first public income tax report will relate to financial year 2025 and will be published at GEMI by the end of 2026.

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