

Tax Updates

4 June 2024



Consistent with our commitment to provide [updated information](#) on current tax issues, we set down below a brief overview of the main revisions introduced by the new Greek Code of Tax Procedures

The provisions of the new Law 5104/2024 (Government Gazette A' 58/19.04.2024) establish a single, updated and simplified Code of Tax Procedures replacing the relevant provisions of Law 4987/2022. The new Law also includes a number of revised provisions that reshape and modernize the Greek tax system by making use of new technologies. We summarize below the main revisions introduced by the new Code of Tax Procedures:

Digital notification of administrative acts and documents (Article 5)

The notification of acts and documents of the Tax Administration shall in principle be made by digital means, by posting them on the account of the taxpayers or of the taxpayer's legal representative or tax representative or VAT representative, as the case may be, followed by a notification to their declared e-mail address. An act or document that is digitally communicated as above shall be deemed to have been legally served to the taxpayer after ten (10) days from the date of its posting on the taxpayer's account and its notification by e-mail, unless an earlier time of receipt is indicated.

Cases of suspension of TIN (Article 10)

Cases where the Tax Administration may suspend the use of a Tax Identification Number (TIN) or deactivate it, are specifically indicated and the duration of the suspension is defined for each case separately. In particular, the suspension of the use of TIN is imposed in case of bankruptcy or insolvency, in case of cessation of economic activity or in case of serious offences such as tax evasion, smuggling or fraud. In the case of bankruptcy or insolvency, the suspension lasts for three (3) years after the declaration of bankruptcy or other form of insolvency, while in other cases the suspension of the use of TIN lasts for five (5) years. Especially with regards to smuggling, the duration of the suspension is also linked to the progress of criminal proceedings if prosecution for felony has been initiated and shall last until the date of the trial and, if a sentence is imposed, until the sentence is served.

Provision of information by the taxpayer (Article 14)

When the Tax Administration requests information from the taxpayer, such information must be provided within a period of ten (10) days (instead of five (5) days, as per the previous Law 4987/2022). Also, according to the provisions of the new Code of Tax Procedures, taxpayers who keep simplified books are no longer obligated to submit their books to the tax authorities, on what concerns those tax years for which all the relevant data on income and expenses has been transmitted to the digital platform "myDATA".

Submission of late/amended tax returns (Articles 22 – 23)

Late tax returns and amended tax returns can be submitted until ten (10) days after the preliminary tax assessment note is served (whereas, under the previous regime of Law 4987/2022, the aforementioned tax returns could be submitted until the day the preliminary tax assessment note was served).

Transfer pricing documentation file (Article 25)

Companies and branches of companies, that are subject to the provisions of Law 89/1967, are exempted from the obligation to document their intra-group transactions (i.e. to maintain a transfer pricing documentation file). This is not a new exemption, since it was already introduced by POL.1093/2015; however, now it has been incorporated as a provision of the law.

Duration of tax audits (Article 28)

A specific time frame is set for the completion of tax audits: in principle up to one (1) year from the notification of the tax audit order, with the possibility of extending it only once for six (6) months, provided that in the meantime the tax audit has already commenced (whereas, until recently, there was no provision for a maximum duration of tax audits).

Interim tax assessment (Article 36 par. 5)

The “precautionary” tax assessment (i.e. before the deadline for submission of the tax return), which was introduced by the previous regime of Law 4987/2022 only in case there were suspicions that the taxpayer might flee the country, is now replaced by the “interim” tax assessment, which may be carried out by the Tax Administration, based on the information available to it, when exceptional circumstances occur and, in particular, if the taxpayer’s activity is seasonal and there are indications of tax evasion, or if there are suspicions that the taxpayer intends to flee the country.

Automatic tax assessment (Article 36 par. 4)

It is possible that the tax is determined by means of a tax return, which will be automatically pre-filled based on all the information available to the Tax Administration, and then communicated to the taxpayer. If the taxpayer does not object to the content of the tax return within the deadline for its submission, the tax return will be automatically finalized (automatic tax assessment).

Statute of limitation (Article 37)

It is stipulated that within the five-year statute of limitation period, not only should the tax assessment note be issued by the tax authorities, but it should also be served to the taxpayer (whereas, according to the provisions of the previous Code of Tax Procedures, only the issuance of the tax assessment note within the five-year limitation period was sufficient). The above arrangement had already been introduced by decisions of the Council of State and recognized by the Tax Administration and now it has been incorporated as a provision of law.

Acceptance of tax audit acts (Article 75)

It is possible for penalties to be reduced if the taxpayer accepts the results of tax audits at some stage of the tax audit procedure. In particular, penalties shall be reduced by percentages which depend on the stage at which the taxpayer accepts the amount of tax liability, as follows:

- After the tax audit order is served and until the deadline for submitting a late initial or amended tax return expires (i.e. ten days after the preliminary tax assessment note is served), penalties shall be reduced by fifty percent (50%);
- After the final tax assessment note is served and during the period that an appeal can be submitted to the Directorate for Dispute Resolution (DED), penalties shall be reduced by forty percent (40%);
- After the decision of the Directorate for Dispute Resolution (DED) is served or the deadline for silent rejection of the appeal has expired, and during the period that a court appeal can be submitted to the competent administrative court of first instance, penalties shall be reduced by thirty percent (30%); and
- After filing a court appeal and until the previous day of the discussion of the case at the competent administrative court, penalties shall be reduced by twenty-five percent (25%).

It is noted that the above provisions regarding the reduction of penalties shall enter into force as of 1 October 2024.

Other tax provisions

Termination of special settlement arrangements for unsettled tax liabilities (Articles 88 – 91)

The provisions of the new Code of Tax Procedures (as further clarified by Circular E.2029/2024 issued by the Independent Authority for Public Revenues (AADE) a few days after the publication of the new Law) introduce certain amendments to the terms and conditions concerning the termination of special settlement arrangements for the partial payment of unsettled tax liabilities towards the Tax Administration. Specifically, special settlement arrangements may be terminated and result to the mandatory immediate payment of the balance of the unsettled tax due if, inter alia: the debtor, throughout the settlement period, fails to file the required income tax and VAT returns within 3 (three) months from the expiry of the filing deadline (or, if the filing deadline has already expired, within 3 (three) months from the date of publication of the new Law, i.e. 19 April 2024); or if the debtor, throughout the settlement period, fails to pay or settle in a lawful manner the amounts due within 3 (three) months from the expiry of the payment deadline (or, if the payment deadline has already expired, within 3 (three) months from 19 April 2024).

Abolition of transaction tax for OTC stock lending (Article 92)

The tax, which was applicable until today (at the rate of 2‰) for over-the-counter (OTC) lending of shares listed on the Athens Stock Exchange, has now been abolished.

Exemption from income tax of interest arising from listed stock lending products (Article 93)

By amending the relevant provisions of articles 37, 47 and 64 of the Greek Income Tax Code (ITC), interest gained by individuals, legal persons or legal entities from stock lending products of the Athens Stock Exchange’s Derivatives Market is now explicitly exempted from income tax.

Entry into force

The provisions of the new Code of Tax Procedures are applicable as of 19 April 2024, except for the provisions regarding (i) the suspension/deactivation of TIN, (ii) the commencement and amendments of business activity, and (iii) the issuance of tax clearance certificates, which will enter into force as of 1 September 2024. Finally, the provisions on the reduction of penalties in case taxpayers accept the results of the tax audit shall come into force as of 1 October 2024.

The relation of the new Code of Tax Procedures with previous Laws 4174/2013 and 4987/2022

Acts issued pursuant to Laws 4174/2013 and 4987/2022 remain in force after the entry into force of the new Code of Tax Procedures. A table of the provisions of Law 4987/2022, as codified by the new Law, has been incorporated as Annex B to the new Code of Tax Procedures. After the entry into force of the new Code of Tax Procedures, any references to Law 4987/2022 shall be considered as references to the corresponding Articles listed in this table of codified provisions.

Finally, as of the entry into force of the new Law, Law 4987/2022 is repealed, except for certain specifically indicated provisions that remain in force.

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This Newsletter aims to provide the reader with general information of 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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