KPMG

Tax Updates

17 November 2025

Consistent with our commitment to provide updated information on current tax issues, we set down below a brief overview of the most important provisions of the new Circular E. 2094/2025 the Digital Transaction Duty

The recent Circular E.2094/2025 of the Independent Authority for Public Revenues (AADE) introduces significant clarifications regarding the tax treatment of specific transactions that are subject to the Digital Transaction Duty (DTD), as regulated by law 5177/2025. It also clarifies the related tax obligations for both individuals and legal entities, the Public Sector and General Government bodies for transactions falling within the scope of this duty. Below are some of the key issues clarified by the Circular.

Exempt Transactions

It is stated that DTD is imposed only on transactions explicitly described in the relevant provisions. In view of the above, certain transactions are indicatively pointed out as exempted from DTD when performed after 1 December 2024, even though they were previously subject to stamp duty, e.g. interest arising from loan agreements, the gratuitous lending of use, the assignment of building permits, the payment and increase of capital of non for profit legal entities, the forfeiture of bank guarantees in favor of the Greek State or third parties, etc.

Ancillary (Securitization) Agreements

The only case where ancillary securitization contracts concluded after 1 December 2024 are subject to DTD is when the main contracts (which are secured by virtue of the ancillary agreements) were concluded until 30 November 2024 and were exempt from stamp duty (whereas they would be considered now as subject to DTD). For example, DTD will be imposed on an ancillary contract (e.g., mortgage) concluded after 1 December 2024 to secure a loan agreement signed abroad in March 2023 (when the loan was exempt from stamp duty due to territoriality).

Renewals

Renewals concluded after 1 December 2024, where the initial contracts that are renewed were concluded before 1 December 2024 and were still in force on 1 December 2024, are subject to DTD only if they introduce an increase in the economic valuue of the initial contract. DTD is imposed on the amount of the increase, regardless of whether the initial contract was subject to stamp duty or not.

- Apart from the above case, renewals concluded after 1 December 2024 are not subject to DTD provided the following conditions are cumulatively met:
    - The renewal is concluded before the expiration of the initial contract;

- There is no increase in the economic value of the initial contract;
- There is no change in the original contracting parties;
- The initial contract was subject to stamp duty or DTD or was legally exempted or was outside the scope of stamp duty/DTD.

- The above rule does not apply to renewals of the expiration date of open credit agreements with specific credit limit, when the initial contract was exempt from stamp duty (e.g. due to territoriality). In such a case, even though the economic value of the initial agreement is not increased, the renewal will be subject to DTD which will apply upon any withdrawals that will be made against the credit limit.

Agreements concluded abroad

To impose DTD on agreements concluded abroad from 17 September 2024 and onwards (the date of entry into force of the DTD provisions), these transactions must be materially executed after 1 December 2024. Material execution means payment or disbursement or settlement of part or all of the economic value of the contract or of instalments etc. If said agreements have been materially executed before 1 December 2024, the provisions of stamp duty apply, including those of Article 8 of the Stamp Duty Code regarding territoriality.

Loans

Bond Loans
Bond loans are exempted from DTD regardless of the country where the legal entity issuing the bond loan is established or of the law governing it or the country of establishment of the credit or financial institution granting it.

Capitalization of Interest
The conversion of unpaid interest amounts into a new loan is subject to DTD, as they now constitute new loan capital.

Credits that are similar to loans
DTD is imposed only on credits that are similar to loans and credit cards, and not generally on all forms of credit, i.e. it is not imposed, for example, on credit sales, leasing contracts, factoring contracts, etc.

Amount on which DTD is calculated and deadline for payment
Loan agreements: DTD is calculated on the amount stated in the agreement and is payable by the end of the following month from the agreement's conclusion, regardless of when the loan amount is disbursed. If the amount disbursed exceeds the contractually agreed amount, then DTD is also imposed on the excess amount.
Open Credit Agreements: Each withdrawal against the credit limit is considered a separate loan, so the relevant tax return must be submitted by the end of the following month from each withdrawal.

DTD maximum threshold of EUR 150 000
In open credit agreements with a specific credit limit, each withdrawal against this limit is considered a separate loan, and thus the limit of EUR 150 000 for the DTD amount applies per disbursement. It is noted, however, that most open credit agreements are concluded with banks and thus exempted from DTD or have the form of cash pooling – current accounts, where DTD is calculated for each tax year on the highest debit or credit balance of the relevant account, and the limit of EUR 150 000 is applicable.

Loan Interest
The critical point for imposing DTD is the time the interest was paid, regardless of when the loan agreement itself was concluded. Therefore, interest arising from loans concluded until 30 November 2024, which was paid after 1 December 2024, is no longer subject to stamp duty and it is also exempt from DTD (since interest falls within the scope of VAT). Obviously, interest arising from loans concluded as of 1 December 2024 is exempt from DTD, irrespective of the fact that the loans themselves may be subject to DTD.

Current Accounts

- Current accounts where one of the two contracting parties is a credit institution are not subject to DTD.

- In order to calculate the highest debit or credit balance of the current account for the imposition of DTD, all the transactions of the entire tax year are taken into account including those transactions that were performed before 1 December 2024 and were not subject to stamp duty due to the principle of territoriality, although the DTD was introduced after 1 December 2024.

- If the balance of the current account is carried forward to the next fiscal year and during that year the account remains inactive, then no DTD is due for the corresponding tax year.

Cash Pooling

The definition of cash pooling is provided, stating that it is a regular central collection of the cash reserves of all group entities into one account, usually managed by the parent company of the group and clarifying that, on what concerns the imposition of DTD, cash pooling should be treated either as a loan or as withdrawals and deposits or as a current account, depending on the specific characteristics of each case.

Deposits and withdrawals

Cash deposits by shareholders, partners or third parties for the purpose of future increase of the company's capital is not subject to DTD, provided that these amounts will not be used for any other reason beyond the one they are intended. There is no time limitation mentioned for the capital increase.

Other Agreements

Assignment of Claims and Assumption of Debt: They are subject to DTD only when they do not fall within the scope of VAT, i.e., when they are not made for consideration or the assignor is not subject to VAT. On what concerns specifically the assumption of debt, only the "restrictive" debt assumption falls within the scope of DTD (i.e. when the original debtor is completely relieved of the debt upon the conclusion of the debt assumption) and not the "cumulative" (i.e. when both the original and the new debtor are liable after the debt assumption).

Settlement: It is subject to DTD even when the claims under settlement have arisen from transactions subject to VAT or another tax.

Bank Checks

DTD is imposed on the record where checks are mandatorily listed when they are submitted to the bank for pledge, safekeeping, etc. and not on checks presented to the banks for payment.

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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`