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**Greece – New
Documentation
Requirements for Non-
Greek Tax Residents to
Prove Status**

by Georgia Stamatelou, KPMG,
Athens (KPMG in Greece is a
KPMG International member
firm)

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In Greece, a Ministerial decision has recently been issued that concerns new documentation obligations that must be met by individuals who are not tax residents of Greece and filed with the Greek tax authorities in order to support their non-Greek tax residency status.

Ministerial Circular/Decision POL 1145/31.05.2012¹

Ministerial circular/decision POL 1145/31.05.2012 provides that all individuals who are not tax residents of Greece who have a tax filing obligation and are taxed in Greece only on their Greek source income need to file with the Non-Greek Resident Tax Office the following documentation:

- Where the individual is tax resident (i.e., taxed on his/her worldwide income) in a country with which Greece has concluded a Double Taxation Treaty (DTT), the individual should file a tax residence certificate in a form which is determined by the applicable DTT and issued by the competent authorities of the treaty country (an exception exists for the United States and Turkey which issue tax residence certificates of a different type);
- Where the individual is tax resident (i.e., taxed on his/her worldwide income) in a country with which Greece has not concluded a DTT (a non-treaty country), the individual should file the following documentation with the Greek tax authorities:
 - a. an income tax return filed with the tax authorities of the individual's non-treaty home country (provided that such a filing obligation exists in that home country), or
 - b. a certificate issued by the competent authorities of the non-treaty home country (i.e., tax authorities or municipal authorities, etc.), which should "certify" the worldwide income of the individual, as well as the permanent residence status of both the individual and his or her family members (i.e., spouse and children), in order to prove that the individual has strong bonds with the non-treaty home country.

The filing of the above documents should occur by the deadline for filing 2012 Greek income tax returns (for income earned during 2011), which is **16 July 2012** in the case of electronic filings, and **2 July 2012** in the case of hard copy filings (i.e., for individuals earning taxable income less than EUR 12,000 unless they have e-codes which they wish to use).

For the above documents to be accepted by the Greek tax authorities, they should bear the apostille² of the Hague Convention of 5 October 1961, in cases where the country of issuance is a contracting party of the Convention. If the issuing country is not a contracting party of the Hague Convention, the above documents can only be accepted by the

Greek tax authorities if they are certified by the competent Greek Consulate.

If the above documents are not filed or are not filed within the legal deadline, non-Greek tax residents will be re-classified as Greek tax residents and will be taxed in Greece on their worldwide income.

KPMG Note

For individuals filing their returns electronically (i.e., by 16 July 2012), since all documentation relating to the return generally is submitted to the tax authorities only upon request in the course of an audit of respective return, it appears that the above-described documentation should be filed in the same way. However, this issue has not been clarified with the tax authorities yet.

For individuals filing their returns in hard copy (i.e., by 2 July 2012), the above documentation should be filed together with their returns. Because of the short notice concerning such documentation, taxpayers may find meeting this new obligation difficult. At this point, the Greek tax authority has not indicated that a grace period will be provided for.

Footnotes:

1 ΠΟΛ 1145 31.05.2012 Καθορισμός των δικαιολογητικών, τα οποία υποχρεούνται να υποβάλλουν τα φυσικά πρόσωπα τα οποία δηλώνουν ότι φορολογούνται μόνο για τα εισοδήματά τους που προκύπτουν στην Ελλάδα.

For an online version of the government document, in Greek, you may visit the Web site for TaxNews: <http://www.taxnews.info/news/pol-1145-2012/>

The KPMG International member firm in Greece neither endorses nor is responsible for the content posted on the aforementioned Web site.

2 A form of authentication issued to documents for use in countries that participate in the Hague Convention.

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The information contained in this newsletter was submitted by the KPMG International member firm in Greece. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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