

Tax - Breaking News

August 2016



Consistent with our commitment to provide current information on tax issues, we summarize below the most important tax amendments introduced by Law 4410/2016 (Government Gazette A 141/03-08-2016) with regards to amendments to the National Customs Code and other provisions.

Income Tax Code (Law 4172/2013)

- The law explicitly provides that payment of the individuals' income tax due, for taxpayers who submit income tax returns by 31 December of each tax year, must be completed no later than the last working day of the first month of the following tax year.
- If these tax returns have been timely submitted and the administrative calculation act is being issued after 31 December, payment of the corresponding income tax must be completed no later than the last working day of the month following the issuance of the administrative calculation act.
- A simplified documentation procedure for small and very small entities as well as exemptions for very small entities may be provided by virtue of a Decision of the Secretary General of Public Revenue.
- The deadline for the issuance of a decision for Advance Pricing Agreements (APAs) is extended to 18 months (instead of 120 days) from the time of submission of the application for the issuance of an APA. This deadline may be extended to up to 36 months by virtue of a Decision of the Secretary General of Public Revenue.

Tax Certificate

- The issuance of the annual tax certificate for societe anonymes companies, limited liability companies and branches of foreign entities subject to statutory audit is now optional (and not mandatory as applicable prior to the amendment). Subsequently, the penalty that was in effect in case of non-issuance is now abolished.
- The above provisions apply for tax certificates issued as of 1 January 2016.

Intra-group Transactions

- The deadline for the preparation of the Transfer Pricing Documentation File and the submission of the Summary Information Sheet to the Ministry of Finance is extended up to the deadline for the submission of the annual corporate income tax returns. The new deadline applies for Transfer Pricing Documentation Files which are prepared for tax years commencing as of 1 January 2015 onwards.

Penalties

- New penalties are introduced for invoicing without the use of electronic tax registers (ETRs) as well as for violations related to ETRs. These provisions apply to violations from 1 January 2016 onwards.
- The provisions relating to violations for the non-issuance or inaccurate issuance of VAT tax records (receipts) are amended. The penalty VAT limit is now lower (to EUR 250 for single-entry and to EUR 500 for double-entry bookkeeping). There are now increased penalties for repeat violations identified by subsequent tax audits.

Other issues of Tax Procedure Code

- The timeframe within which the taxpayer is obliged to inform the Tax Administration for amendments in information that has been provided when he was initially registered is extended to 30 days (instead of 10 days that was applicable prior to the amendment).

- The deadline for the submission of an irrevocable declaration of acceptance of taxpayers' violations, which has already expired, in order for the more favorable provisions of the Tax Procedure Code (pursuant to Law 4337/2015) for unsettled cases to be applied, is extended up to 30 October 2016.
- An extended deadline of 60 days is provided for the submission of administrative appeals by non-Greek tax residents.

VAT (Law 2859/2000)

- The provisions of the VAT Code concerning special exemptions are amended retroactively as of 1 December 2015 onwards, stating that the supply of goods or services to organizations and embassies in relation to the refugee crisis are VAT exempt, under certain conditions.
- The VAT provisions concerning the special tax scheme for farmers are amended as of 1 January 2017, affecting the entry criteria to the special regime, the procedure to claim tax refund, as well as the procedure and the time of transfer from special to normal regime and vice versa.

ENFIA (Unified Real Estate Ownership Tax / Law 4223/2013)

- It is noted that especially for the year 2016 the value of agricultural lands (plots) will not be taken into account for the calculation of the supplementary ENFIA. The deadline for the first installment of ENFIA must be paid by 30 September 2016 and the last installment of ENFIA by 31 January 2017 respectively.

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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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