

GMS Flash Alert

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Greece - New Voluntary Disclosure Program in Effect through 31 May

Greece is offering to all taxpayers who have failed to disclose taxable income and assets to the Greek authorities a voluntary disclosure program that will run until the end of May 2017.¹

The program applies to taxes that fall within the scope of the Tax Procedures Code (TPC), on the condition that the deadline for filing the initial tax return expired on or before 30 September 2016, regardless of the statute of limitation.

In order to benefit, the new filings relating to the previously-undisclosed income and assets must be made by taxpayers no later than 31 May 2017.

WHY THIS MATTERS

This program will likely not affect a majority of taxpayers whose returns are correct and complete. Nonetheless, there may be some examples where potentially some taxpayers could be affected:

- Assignees to Greece or from Greece who have not fully declared foreign income and gains;
- Local hires of the Greek subsidiary of a multinational company who have not declared dividends on shares that they hold in the multinational company; and
- A Greek resident who inherited an asset abroad.

Failure to come forward and make the disclosure of liabilities prior to 31 May 2017, may result in the taxpayer being pursued by the Greek tax authorities and the imposition of penalties.

Taxes and Other Sanctions to Be Applied under the Program

Taxes applicable for calendar years up to 2013

- i. 8% additional tax on the main tax due in case the return is filed by 31 March 2017
- ii. 10% additional tax on the main tax due in case the return is filed from 1 April 2017 to 31 May 2017

Taxes applicable for calendar years 2014 and 2015

- i. Penalties imposed for infringements pursuant to article 54 L. 4174/2013
- ii. Late payment interest of 0.73% per month pursuant to article 53 L. 4174/2013

The additional tax imposed above is further adjusted according to the below rates, whereby it is rounded to the nearest digit:

Taxes applicable for calendar	Rate of Adjustment
Up to 2001	+25%
2002	+23%
2003	+20%
2004	+16%
2005	+15%
2006	+12%
2007	+10%
2008	+6%
2009	+5%
2010 onwards	+0%

Deadline for Returns under the Program

Returns are due in by 31 May 2017, to benefit under the program. However, taxpayers should note that returns can be submitted until such time as the taxpayer receives a tax audit order or a request for providing information; should that happen, the taxpayer may not proceed under the terms of the program.

For More Details

For additional information concerning conditions for eligibility and procedures for participation in the program, as well as taxes to be applied, please see "Voluntary Disclosure Program," on the [Web site](#) for the KPMG International member firm in Greece.

FOOTNOTE:

1 Law 4446/2016 (Government Gazette A 240/22.12.2016) on "Bankruptcy Code, Administrative Justice, Duties - Fees, Voluntary disclosure of undeclared income, Electronic transactions, Amendments of Law 4270/2014 and other provisions."

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Contact us

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