

GMS Flash Alert

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Greece - Change of Tax Residence Subject to New Requirements

Greece's Independent Authority for Public Revenue (IAPR) issued Decision 1201/2017, which concerns new procedures for registering as a foreign taxpayer and changing one's residence when that residence is transferred outside of Greece.¹

The new procedures apply for changes of tax residence applications that had been submitted in 2017 and after and apply to changes of tax residence for 2016 and after. Taxpayers may apply for and submit supporting documents by 31 December of the year following the tax year of their departure.

The new Decision repeals the former Decision, POL.1058/2015.

WHY THIS MATTERS

When changing their tax residence from Greece to a foreign country, Greek tax residents, as well as their employers and their tax service providers, should be aware of the new documentation requirements, which represent a departure from previous rules. In some cases, new documentation will need to be assembled and submitted to the authorities according to somewhat altered procedures, as compared to prior policy and practice.

Highlights of the Decision

- The supporting documents required for individuals who wish to transfer their tax residence abroad are redefined.
- It may be possible for individuals who experienced rejection of their application for a change of tax residence status in 2017 to submit a new application.

- Specific documents supporting the applicant's relocation (e.g., employment contract, lease agreement, etc.), as well as the timing of such relocation, are introduced for the first time.
- The explicit reference to the **possibility for spouses to maintain a different tax residence** is of great importance. In such cases and in order to provide a completed permanent residence abroad application, the following supporting documents must **also** be submitted:
 - evidence of his/her employment abroad that supports the permanent or **long-term** nature of the employment²;
 - evidence of the existence of a bank account abroad;
 - evidence of the existence of his/her own or leased residence and utility bills abroad; and
 - evidence of a registration number with the foreign tax, social security, or other germane competent authority.

KPMG NOTE

In accordance with the Decision, the completeness and adequacy of the file submitted by individuals are sufficient to secure a binding application in terms of the tax authorities who are examining applications and deciding on the change to the individual's tax residence. How this will work in practice still remains unclear, and we are awaiting further details on this aspect of the Decision.

The new procedures and documentation requirements are an important new and welcome development.

FOOTNOTES:

1 To see Decision 1201/2017 (in Greek), click [here](#).

2 In anticipation of further clarifications from the Tax Administration, the reference to "long-term nature" of employment may also include individuals who work abroad as assignees (e.g., secondment regime).

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Contact us

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