Greece Country Profile

EU Tax Centre

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Key tax factors for efficient cross-border business and investment involving Greece

EU Member State Yes

Double Tax Treaties With:

Albania	Estonia	Luxembourg	Slovakia
Armenia	Finland	Malta	Slovenia
Austria	France	Mexico	South Africa
Azerbaijan	Georgia	Moldova	Spain
Belgium	Germany	Morocco	Sweden
Bosnia and Herzegovina	Hungary	Netherlands	Switzerland
Bulgaria	Iceland	Norway	Tunisia
Canada	India	Poland	Turkey
China	Ireland	Portugal	UAE
Croatia	Israel	Qatar	UK
Cyprus	Italy	Romania	Ukraine
Czech Rep.	Rep. of Korea	Russia	US
Denmark	Kuwait	San Marino	Uzbekistan
Egypt	Latvia	Saudi Arabia	
	Lithuania	Serbia	

Most important forms of doing business

Société Anonymes (AE) companies,

Limited Liability companies (ΕΠΕ)

and Private Capital Companies (IKE).

Legal entity capital requirements

For AE companies: EUR 24,000.

For EPE companies: No minimum capital requirements exist.

For IKE companies: EUR 1.

Residence and tax system

A company is resident either if it has been established in accordance with Greek law, or its registered address or its place of effective management is in

Greece. Resident companies are taxed on their worldwide income. Non-resident companies are taxed only on their Greek source income.

Compliance requirements for CIT purposes

Filing of annual income tax returns. Recording of entries in accounting books. Fiscal year is the calendar year or period ending on 30 June, unless majority foreign parent has different year end and opts to use this.

Corporate income tax rate

The standard corporate income tax rate is 29 percent.

Withholding tax rates

On dividends paid to non-resident companies

A 15 percent dividend WHT applies on distributed profits. An exemption from dividend WHT is available if the EU Parent-Subsidiary Directive applies (based on the conditions mentioned below for inbound dividends) or could be reduced based on available double tax treaties. The EU Directive applies in relation to outbound dividends paid to EU entities if the following two conditions are met by the EU Parent Company:

- Participation requirement: 10 percent;
- Minimum holding period: 24 months.

On interest paid to non-resident companies

A 15 percent WHT applies (exemption applies subject to certain conditions).

On patent royalties and certain copyright royalties paid to non-resident companies

A 20 percent WHT applies (exemption applies subject to certain conditions).

On fees for technical services

20 percent (exemption applies subject to certain conditions)

On other payments

20 percent (exemption applies subject to certain conditions)

Branch withholding tax

None

Holding rules

Dividend received from resident/non-resident subsidiaries

Dividends are exempt (100 percent) if

- The receiving resident company has at least a 10 percent holding in the capital or voting rights of the distributing company,
- The holding is maintained for at least 24 months, and
- The distributing company is a resident of an EU Member-State.

	Capital gains obtained from resident/non-resident subsidiaries The sale of shares by a Greek company is subject to Greek corporate income tax, subject to possible exemptions under treaties.
Tax losses	The carry-forward period for losses is 5 years.
Tax consolidation rules/Group relief rules	No
Registration duties	Capital concentration tax of 1.1 percent applies on the nominal share capital for capital increases of Greek AE legal entities and 1 percent for capital increases of Greek EPE legal entities and on contributed capital of branches of non-EU resident entities.
Transfer duties	On the transfer of shares 0.2 percent stock exchange transaction duty applies on the sale/transfer of shares listed on the Athens Stock Exchange. On the transfer of land and buildings VAT is imposed on the transfer of new buildings (whose construction licenses were issued or amended after January 1, 2006) at the rate of 24 percent, on condition that they are to be used for the first time by the purchaser. Following this first transfer, every subsequent transfer is subject to real estate transfer tax at the rate of 3 percent. A local authority surcharge, equal to 3 percent of the transfer tax, is also levied. For legal entities, capital gains from the sale of real estate are taxed as business profits at the standard tax rate. Stamp duties No Real estate taxes The ownership of real estate is subject to the Unified Real Estate Ownership Tax (UREOT), which comprises a main tax and a supplementary tax. The main tax on buildings ranges from EUR 2 to EUR 13 per square meter depending on their location/tax zone, multiplied by certain coefficients depending on the building's age, etc. The main tax for plots of land located within city limits or zoned areas ranges from EUR 0.0037 to EUR 11.25 per square meter depending on their location/tax zone. The main tax for plots of land located outside city limits or zoned areas is EUR 0.001 per square meter, multiplied by certain coefficients depending on their use, whether they are irrigated, etc. The main tax is increased fivefold, if there is a building on the land. A supplementary tax is imposed on all real estate owned by legal entities at the rate of 0.55 percent of the objective tax value.

Controlled Foreign Company rules	Yes
Transfer pricing rules	General transfer pricing rules Yes. Intragroup transactions (domestic and cross border) should follow the arm's length principle in accordance with the OECD guidelines. Profit adjustments may result. Documentation requirement? Yes
Thin capitalization rules	Yes
General Anti-Avoidance rules (GAAR)	Yes
Specific Anti-Avoidance rules/Anti Treaty Shopping Provisions/Anti-Hybrid rules	Business transactions/transformations etc. should be supported by a valid and solid business rationale to mitigate the risk that the tax authorities might consider them as being carried out for tax avoidance purposes. Transfer Pricing, Controlled Foreign Company and Thin Capitalization rules are applicable. There are no Anti-Treaty Shopping provisions.
Advance Ruling system	Yes. Rulings can be obtained, but are not binding although they are generally adhered to by tax authorities. They are not subject to the payment of a fee.
IP / R&D incentives	Yes
Other incentives	Some investment incentives are available.
VAT	The standard rate is 24 percent. There are reduced rates of 13 percent and 6 percent for certain goods/services. For the first half of 2018, the above rates have been reduced by 30 percent for supplies of goods/services from/to certain Aegean Islands.
Other points of attention	No

Source: Greek tax law and local tax administration guidelines, updated 2018.

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