

Last Update: November 2020

Doing Business in Greece





who we are

We are a leading Greek law firm known for its long heritage, legal acumen and integrity.

As a full-service business law firm, we take pride in our distinctive mindset and offering. This shows not only in responsiveness, but also our ability to field versatile, approachable, easy-to-work teams of practitioners who truly understand our clients' interests.

Our strong international orientation is echoed in our structure, standards and approach, and ultimately attested in the profile of our client base, our rankings and the network of our affiliations and best-friend law firms around

the world. Established in 1893, we know that change, whether in the legal or economic environment, is inherent to our jurisdiction; we are accustomed to implementing untested legislation, structuring innovative solutions and putting our bold legal argumentation to the service of our clients.

In addition to offering quality legal, tax and accounting advice, Zepos & Yannopoulos has developed particular expertise in keeping their clients regularly updated on the specificities of the Greek business and legal environment. Their legal advice is customer-friendly and tailored to the needs of each client.

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- Business Crimes & Investigations
- Commercial & Consumer Law
- Corporate Law & Compliance
- Customs & Trade
- Data Protection & Cybersecurity
- Dispute Resolution
- Employment & Labour
- Finance & Capital Markets
- M&A And Project Development
- Private Clients
- Public Procurement & Concessions
- Real Estate
- Restructuring & Insolvency
- Tax & Accounting

Industries

- Automotive
- Energy
- Healthcare, Pharma & Life Sciences
- Insurance
- Non Profit & Education
- Retail, Luxury & Consumer
- Tech, Media & Telecom
- Tourism & Leisure
- Transport, Logistics & Aviation

Litigation constitutes an integral and important part of all practice areas and industries in which our firm focuses.



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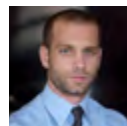
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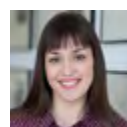
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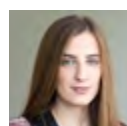
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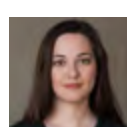
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Introductory note

Since 11 March 2020, when the World Health Organisation declared the COVID-19 outbreak as a “pandemic”, the Greek government, as several governments all over the world, gradually imposed restrictions on the movement of people and goods in an effort to halt the spread of the virus and protect public health. At the same time, a number of measures are being introduced to smooth out the financial impact of the outbreak, affecting, among others, employment relationships, lease contracts, financing contracts, regulatory obligations, as well as tax & social security liabilities.

The following chapters do not reflect the restrictions applicable currently in Greece. For further information, please refer our COVID-19 resource center available in our website.

I. Greece at a Glance

A. What languages are spoken?

The official language is Greek. English is widely spoken and often used in business. French, German and Italian are also spoken.

B. What is the currency of Greece? What is the exchange rate with the US dollar?

The official currency of Greece is the Euro. The Euro/US dollar exchange rate is equaled at one point nineteen (1.19) as of 25 October 2020.

C. Describe Greece's geography, proximity to other countries and climate.

Greece is located in South-Eastern Europe, between Italy and Turkey. Land border countries are: Albania, Bulgaria, Turkey and North Macedonia. The climate is temperate with mild, wet winters and hot, dry summers.

D. Are there cultural influences or prohibitions on the way business is conducted?

No.

E. Are there religious influences or prohibitions on the way business is conducted?

No.

F. Explain Greece's infrastructure. Be sure to explain which cities have airports, railroad systems, ports, and public transportation.

Highways connect all parts of continental Greece. The major motorways are:

- A1/E75 (Patras to Evzoni, via Athens and Thessaloniki)
- A2/E90 (Egnatia Odos, connecting Igoumenitsa with Evros)
- A3/E65 (Central Greece Motorway, connecting Lamia, Karditsa and Trikala -under construction)
- A5/E55 (Ionia Odos, connecting Ioannina to Kalamata)
- A6/E94 (Attiki Odos, serving the metropolitan region of Attiki) and
- A7/E65 (Moreas Motorway, serving the Peloponese region)
- A8/E94 (Olympia Odos, connecting Elefsina, at the interchange with Attiki Odos, with Patra)

Transport of goods and passengers is often carried out by sea. The sailing distance between Adriatic ports and the port of Piraeus is shortened by three hundred twenty five (325) kilometers thanks to the 6km-long Corinth Canal which connects the Gulf of Corinth with the Saronic Gulf.



There are ports and marinas in virtually all the islands and in several cities in continental Greece. Main commercial harbors include Piraeus (Athens), Thessaloniki, Alexandroupoli, Elefsina, Irakleio (Crete), Kavala, Kerkyra, Chalkida, Igoumenitsa, Lavrio, Patra, Volos.

There are 40 civil aviation airports servicing all major cities, including many islands. The largest airports per number of passengers are Athens International Airport “Eleftherios Venizelos” [approximately twenty five million five hundred seventy thousand (25,570,000) passengers in 2019] and Thessaloniki International Airport “Macedonia” [approximately six million eight hundred thousand (6,800,000) passengers per year].

Public transport services include buses, trains and a metro system, and operate within—and between—cities, towns, villages and communities. Most major Greek cities are also connected by railroad, the major network operating between Athens and Thessaloniki.

G. Explain the communication system.

Since the late 1980s, the Greek telecommunications sector has been subject to gradual privatization. Furthermore, from January 2001 onwards, the pace of the relevant legislative initiatives has increased. The telecommunications regulator is the National Telecommunications and Post Commission (“EETT”).

The main telecommunications providers include former state monopoly Hellenic Telecommunications Organization (“OTE”), Cosmote, Wind Hellas and Vodafone Greece. In general, the telephone networks are modern and

provide service across the country. The mobile and international telephone services are also excellent. Fast internet access (both WiFi and broadband) is widely available—and this includes private homes, businesses and public places.

There are well over 1,000 radio stations as well as hundreds of TV stations in Greece, broadcasting locally and nationally. Regarding TV broadcasting, it should be noted that most stations have switched their signal from analog to digital. Satellite broadcasting stations are also popular in the country.

H. Describe the public services, i.e., water, electricity, gas. Are they publicly or privately owned?

Utilities (water, gas, electricity) have been partly privatized over the past several years, but the Greek State retains a controlling interest in all of them.

In February 2001, the electricity sector was liberalized, under Law 2773/1999, which implemented Directive 96/92/EC. The former public electricity utility (“Public Power Corporation - PPC”), which has taken the form of a corporation, still has major share of the Greek electricity market.

Similarly, the gas sector has been liberalized by virtue of Law 3428/2005.

Law 4001/2011 (Energy Law), which is currently in force, amended the aforementioned Laws 2773/1999 and 3428/2005, for the purposes of progressive privatization of certain publicly-owned services, in accordance with the respective European regulatory framework.

Considerations

A. Investment policies

Does Greece generally welcome investment? Are there governmental or private agencies devoted to the promotion of investment?

The Greek Government encourages private foreign investment as a matter of policy. The liberalization of the electricity, gas and telecommunications markets offer considerable investment opportunities which simply didn't exist previously, as those markets were closed to foreign and domestic investments. The Hellenic Corporation of Assets and Participations (HCAP) was established by virtue of Law 4389 in May 2016. HCAP (www.hcap.gr) is intended to operate as a "superfund" entrusted with the exploitation and optimisation of the value of all assets and/or participations by the state in order to contribute to the economic development of the country through investment and the country's financial obligations impairment. Meanwhile, the Hellenic Republic Asset Development Fund, now a subsidiary of HCAP, continues to run a privatisation scheme that includes as ongoing projects the privatization of the Public Gas Company Commercial SA, Public Gas Company Infrastructure SA, the Hellinikon S.A., Egnatia Odos the sale of 30% of Athens International Airport "Eleftherios Venizelos", the operation of several ports (such as the ports of Igoumenitsa, Kavala, Alexandroupolis), to name but a few.

Greece's membership in the Economic and Monetary Union offers currency stability. Both foreign and domestic investments are screened according to

the same criteria, with respect to government subsidies and tax incentives.

The main body devoted to the promotion of investment is the agency "Enterprise Greece" (www.enterprisegreece.gov.gr). This is the national official investment agency, which is the evolution of the former organization "Invest in Greece", incorporating the Hellenic Export Promotion Organization (HEPO) and the Hellenic Trade Board into a new and innovative body, under the auspices of the Ministry of Economy and Development, responsible for seeking, promoting and supporting foreign investment into Greece and aims to operate as a one-stop investment shop, where investors may get information, guidance and support on investment opportunities in Greece. Information and guidance on investment can also be found through the Ministry for Development (www.mindev.gov.gr) and the Ministry of Finance (www.minfin.gr).

What is the rate of inflation?

The average inflation rate in 2020 (January-October 2020) was - 0.97% according to OECD data.

Explain any sector exceptions, incentives or restrictions on foreign investment?

Under Greek law, the provision of investment incentives is mainly effected through the enactment of special legislation or other regulatory instruments. To qualify for a subsidy or other investment granted by virtue of such a scheme, investors must comply in all respects with the provisions of

the applicable instrument. The main laws currently governing investment incentives are Law 4399/2016 and Law 4608/2019. For an overview of such laws as well as other investment incentive schemes, see below under Chapter III, Section C.

Non-EU investors investing in certain sectors, such as banking, may not benefit from EU rules introducing a common legal framework governing investment plans made by domestic or EU investors. In particular, certain sectors were opened to EU citizens due to EU rules.

Restrictions on foreign investment also exist with regard to land purchases in border regions and certain islands, on national security grounds. In particular, non-EU or EFTA nationals or legal entities may not proceed, absent a prior approval is granted by the competent decentralized administration office, with any transaction by virtue of which an in rem or contractual right (e.g. lease) is established in their favor or by which they acquire shares of companies of whatever form which own real estate property, if the real estate in question is located in border areas of Greece. The approval procedure has been substantially simplified by virtue of recent Law 3978/2011 and clearance is expected to be issued within 3 to 4 months.

Describe de facto restrictions on investment, if any, such as bureaucratic discretion.

Bureaucracy often results in a lack of flexibility and delays. However, in recent years, there have been significant efforts to reduce the red-tape and simplify proceedings. It's worth noting that the Covid-19 pandemic has helped to trigger the modernization and digitation of many processes in

both public and private sectors which, in the past, had caused unreasonable delays and bureaucratic obstacles to any intended investment.

What are the sizes of various markets? What types of business are conducted in the country?

Services are the largest and fastest growing sector of the Greek economy, accounting for 80.8% of GDP. The most significant sectors for 2019 were real estate activities (16% of GDP), along with the accommodation and food and beverage activities (7.84% of GDP), followed by transport and relevant logistics services (collectively 7.2%). Other large service sectors include trade and financial services, health and education. Agriculture and animal production account for approximately 4% of GDP. Despite significant support from the EU in the form of structural funds and subsidies, Greek agriculture is still characterized by small farms and low capital investment.

The industrial sector accounts for approximately 15% of GDP with construction being one of the largest subsectors.

B. Diplomatic Relations

Explain Greece's established diplomatic relations.

Greece has long established diplomatic relationships with almost all recognized states and participates in many international and regional organizations (including, among others, IMF, NATO, OECD, and the UN). Also, being a member of the EU, Greece collaborates closely in various levels with all 28 countries of the Union.

Give addresses and contact information for the embassies and consulates in Greece.

Almost all recognized states have embassies or consulates in Greece. Below are some examples:

Argentina	59, Vas. Sofias Ave., Athens	+30 210 7224753
Australia	5, Chatzigianni Mexi Str., Athens	+30 210 8704000
Austria	4, Vas. Sofias Ave., Athens	+30 210 7257270
Belgium	3, Sekeri Str., Athens	+30 210 3617886
Brazil	23, Vas. Sofias Ave., Athens	+30 210 7213039
Canada	48, Ethnikis Antistaseos Ave., Chalandri, Attiki	+30 210 7273400
China	10-12, Dimokratias Str., Paleo Psihiko, Attiki	+30 210 6783803
France	7, Vas. Sofias Ave., Athens	+30 210 3391000
Germany	3, Karaoli & Dimitriou Str., Athens	+30 210 7285111
India	3, Kleanthous Str., Athens	+30 210 7216227
Israel	1, Marathonodromon Str., Paleo Psihiko, Attiki	+30 210 6705500
Italy	2, Sekeri Str., Athens	+30 210 3617260
Japan	46, Ethnikis Antistaseos Str., Chalandri, Attiki	+30 210 6709900
Russia	28, Nikiforou Lytra Str., Paleo Psihiko, Attiki	+30 210 6725235
Saudi Arabia	71, Marathonodromon Str., Paleo Psihiko, Attiki	+30 210 6716911
South Africa	60, Kifissias Ave, Maroussi, Attiki	+30 210 6178020
Spain	21, Dionisiou Areopagitou Str., Athens	+30 210 9213123
Switzerland	2, Iassiou Str., Athens	+30 210 7230364
United Arab Emirates	71, Marathonodromon Str., Paleo Psihiko, Attiki	+30 210 6770220
United Kingdom	1, Ploutarhou & Ipsilantou Str., Athens	+30 210 7272600
United States of America	91, Vas. Sofias Ave., Athens	+30 210 7202951

Are there prohibitions or restrictions on certain business dealings with Greece?

There are no specific prohibitions or restrictions on business dealings, save for illegal transactions, such as child pornography, illegal gambling and violation of intellectual property rights.

Explain any travel restrictions to or within Greece.

Citizens of EEA-member states are legally entitled to enter and reside in all EEA-member countries. EEA citizens may therefore travel to Greece without further restrictions (e.g., need to obtain a visa/passports).

A visa or other travel requirements may apply to non-EEA citizens who wish to enter Greece. However, it should be noted that since Greece is a member of the Schengen Agreement, a visa granted for any Schengen member country is also valid in Greece. There are no other restrictions whatsoever with respect to travelling within the country.

C. Government

Explain Greece's election system and schedule. Is there an anticipated change in the present government?

Greece is a parliamentary republic and has a majority electoral system, aimed at enabling the formation of single-party governments. By constitutional default, elections are normally held every four years, unless special circumstances justify that they are held prematurely. The practice of the last decade reveals that these grounds have often been invoked and that elections have been held on average once every two years.

The most recent national elections were held on 7 July 2020.

Is the present government stable? Briefly explain Greece's political history in the last decade.

The present government has been formed by the center-right party "Nea Dimokratia" and has a total of one hundred fifty eight (158) MPs (out of a total of 300) in the Greek government. The opposition consists of five more parties. Following the previous rocky government coalition between SYRIZA and ANEL, the current political situation is considered stable.

The last decade has seen frequent changes in governance among the center-right Nea Dimokratia party and the socialist PASOK party as well as the rise of the left SYRIZA party "SYRIZA". Greece was governed by PASOK from 1993 until 2004. Nea Dimokratia won the spring elections of 2004 and was the governing party until October 2009, when PASOK was re-elected. From November 2011 until the 2012 national elections, Greece was governed by an "interim" government of national unity led by the Greek economist Lucas Papademos, in order to effectively deal with the major political turmoil caused by the financial recession. While Nea Dimokratia won the 2012 national elections, it failed to secure a majority of seats in the Greek parliament. As a result, it entered into a coalition with PASOK and DIMAR (a party representing the democratic left, which subsequently left the coalition).

Following the failure of the Greek parliament to elect a new President of the Hellenic Republic in December 2014, elections were held in January 2015. The elections were won by SYRIZA.

Again, the winning party failed to secure a majority of seats in the Greek parliament – thus forming a coalition government with right-wing ANEL party.

On 5 July 2015, the government proclaimed a referendum as to whether Greece should accept the bailout conditions in the country’s government-debt crisis proposed jointly by the European institutions (namely, the Commission, the International Monetary Fund and the European Central Bank). Shortly thereafter, national elections were proclaimed anew in September 2015 with the SYRIZA-ANEL coalition winning the popular vote.

In the summer of 2019, three sets of elections were effected, i.e. municipal/district, Greek parliament, and EU parliament, and were all won by the center-right Nea Dimokratia party. This marked a shift in the previously volatile parliamentary scene and created a more stable political environment.

A very significant event in Greek political history was the Greek Parliament’s election and appointment to the office of the President of the Hellenic Republic of the first ever woman, Mrs. Aikaterini Sakellariopoulou, the former Head of the Supreme Administrative Court, the Council of State (“*Symvoulío tis Epikrateias*”).

Just as important was the landmark decision reached by the First Degree Greek Criminal Courts which ruled the extreme right party “Golden Dawn” as a criminal organization and ordered the imprisonment of its leader and high rank members. This event—unique in Greek and European judicial history— took place in October 2020.

Explain Greece’s judicial system.

Judicial power lies with the courts of law, which uniformly apply Greek laws. Apart from *stricto sensu* decisions, courts also review the constitutionality of laws and the constitutionality and legality of all other statutory instruments. Unlawful and unconstitutional administrative acts and statutory instruments, other than acts of parliament, may be declared null and void by the administrative courts, while unconstitutional acts of parliament may be denied application by any court.

It is a fundamental constitutional principle that no one may be deprived of judicial protection against his will (access to the court). Also, dispute resolutions mechanisms (e.g., mediation and arbitration) are well recognized under Greek law, and their use has increased in recent years. Other than the above, there are no other comparative means of legal protection e.g., political methods of resolving disputes.

The law defines the scope of powers as well as the jurisdiction of the different courts. There are both administrative and civil courts of law (the latter hearing both civil and criminal cases). These courts have general jurisdiction, as most courts of special jurisdiction have been abolished under the Greek legal system. The supreme administrative court is the Council of State (“*Symvoulío tis Epikrateias*”) established after the model of the French Conseil d’ État. It has an advisory function with regard to the constitutionality of secondary legislation and it is the administrative court of first and last instance for applications for review of administrative acts for breach of law or abuse of discretionary power. It is

also the court ruling on final appeals against judgments of the lower (first and second instance) administrative courts. When the law provides for a full judicial review of an administrative dispute on grounds both of law and merit, this dispute is brought before the administrative courts of first and, as an exception, of second instance, which also hear appeals against judgments of the first instance administrative courts.

The civil courts hear all “private disputes” (disputes between individuals or entities), as well as cases of non-contentious proceedings. Final appeals on points of law, both in civil and criminal cases, are decided by the supreme civil court (“*Areios Pagos*”).

Court proceedings are, as a rule, public, but the judges deliberate in private. Court decisions must contain a statement of their reasons, may include dissenting opinions, and must be pronounced at a public hearing. They are known by the name of the court which rendered them, a serial number and the year.

The judicial system is regarded as impartial and the judges are deemed to be independent and not subject to political influence. The main defect of the judicial system is the time required for the final resolution of disputes. Sometimes, a final decision (*i.e.*, a decision that has exhausted all available remedies) on a dispute may take more than ten (10) years to be issued. For this reason, it is common for foreign investors to include clauses in their commercial contracts, which either provide for the jurisdiction of foreign courts or choose arbitration for dispute resolution. By virtue of Law 4335/2015 which was recently enacted



and entered into force as of 01.01.2016, shorter and stricter deadlines for the resolution of disputes before the civil courts have been set. It remains to be seen whether such recent legislative initiative will result in faster resolution of disputes.

Under a well-established principle based on Article 25 of the Greek Civil Code and supported by case law, the parties to an agreement are in principle free to validly agree to submit disputes arising out of a contract before foreign courts (especially if sufficient connections exist with the selected forum). Thus, an explicit choice of foreign courts as a forum for potential disputes arising out of an agreement and the implicit exclusion of the competence of the Greek courts is valid and enforceable, unless it runs counter to the application of the Greek rules of public order.

Court judgments issued in EU countries are recognized and enforced in Greece by virtue of the new Brussels Regulation 1215/2012 that replaced Regulation 44/2001 on “Jurisdiction and the recognition and enforcement of judgments in civil and commercial matters”. Other foreign judgments are recognized and enforced locally by virtue of mutual agreements entered into between Greece and other countries for this reason. In the absence of such agreements, the foreign judgments may be recognized by virtue of Articles 323 and 904 of Greek civil procedure, provided that:

a. The decision constitutes *res judicata* (or conforms to an analogous doctrine) according with the laws of the state where the decision was issued;

- b. The case was subject to the courts of the state where the decision was issued, according to Greek conflict of laws principles;
- c. The party against which enforcement is sought has not been deprived of its right for a fair trial in the course of the trial;
- d. The decision is not conflicting with a court decision issued by a Greek court for the same case between the same parties and
- e. The decision does not violate the Greek public order.

Similarly, Greece is a signatory party of the New York Convention for the recognition and enforcement of foreign arbitral awards. Under the Convention and Article 903 of the Greek Civil Procedure Code, any arbitral award is regarded as valid and enforceable in Greece provided that:

- a. The award has been based on a valid arbitration clause;
- b. The object of the arbitration is arbitrable according to Greek law;
- c. It is not subject to any further judicial recourse or subject to an ongoing procedure of appeal or any equivalent action;
- d. The party against which enforcement is sought has not been deprived of its right for a fair trial in the course of the arbitration;
- e. The award is not conflicting with a court decision issued by a Greek court for the same case between the same parties and
- f. The award does not violate the Greek public order.

Explain Greece's legislative system. Under the Constitution, the legislative power lies with the Parliament and the President of the Republic.

The Parliament, which currently consists of three hundred (300) MPs, has no constraints regarding what and how to legislate, within the limits set by the Constitution. The Parliament retains competence to legislate in certain areas designated by the Constitution such as the imposition of taxes but also many sensitive areas, including the exercise and protection of individual rights. Parliament may also delegate legislative power to other organs of the executive, e.g. ministers, though only with regard to matters of a specialized, local, technical or detailed nature.

The powers of the President are mainly confined to promulgating and publishing the acts of Parliament. Although Presidents have the right of referring a bill back to Parliament, in which case the bill must receive the favorable vote of a majority of the total number of MPs to be adopted, in practice, use of this right is rarely made. In addition, the President can also adopt Presidential Decrees containing legal rules on the basis of a specific statutory delegation, which must state the subject, aim and limits of such delegation. In urgent cases, the President is allowed to issue 'legislative acts' without statutory delegation. These acts must be submitted to the Parliament's approval within forty days from their adoption or the Parliament's convocation. However, only their future force, not their past application, depends on this approval, even in case they were not submitted at all to Parliament.

D. Environmental Considerations

What is the public/government attitude toward environmental regulation?

The government aligns its position towards environmental protection with the positions and provisions decided by European Union.

Explain any environmental regulations.

Article 24 of the Greek Constitution establishes the fundamental principle that environmental protection is a duty of the Greek State and provides specifically for the protection of forests and for sustainable urban and regional planning. There are also numerous provisions on environmental protection contained in laws, presidential decrees, ministerial and joint ministerial decisions, some of them adopted to implement International Conventions or EC Directives. Such legislation covers most aspects of environmental protection: natural environment, forests, urban planning, waste, waters, industry, noise and air pollution. Law 1650/1986, so-called "Framework Environmental Law", is the most important environmental law. It was enacted to implement the aforementioned Article 24 of the Constitution, as well as EC Directive 85/337 concerning the assessment of the effects of certain public and private projects on the environment. Law 1650/1986 determines the fundamental terms of environmental protection and sets out the main principles governing the protection of the particular environmental elements, such as water, air, ecosystems and so on. Another important piece of legislation

is Law 998/1979 on the protection of forests and forest areas.

It is worth noting that in 2011 Law 4014/2011 was enacted, containing provisions which regulate, among others, the assessment of the environmental impact of projects and activities and the clearance of the latter by the competent authorities. Law 4014/2011 aims at the simplification and rationalization of the environmental clearance procedure in order to ensure protection of the environment, while facilitating investment. Particularly, following enactment of Law 4685/2020 transposing Directives 2018/844/EU and 2019/692/EU and also introducing significant amendments to Law 4014/2011 with respect to the time required for the issuance of the Decision Approving the Environmental Terms, the environmental licensing process has greatly accelerated. More specifically, Law 4014/2011 divides projects and activities into two categories depending on their impact on the environment (prior to the enactment of Law 4014/2011 projects and activities were divided into three categories). The first category is further divided into two sub-

categories (A1 and A2) and includes projects and activities which are likely to have a significant impact on the environment. The implementation of such projects is subject to the submission of an Environmental Impact Study and the subsequent issuance of a Decision Approving the Environmental Terms of the project. The environmental clearance procedure for projects and activities in the second category is much lighter, since it does not require the submission of an Environmental Impact Study. The relevant projects and activities are subject to the so-called Standardized Environmental Terms.

On 5 May 2020, the Greek Parliament passed a new environmental law on the reform of the environmental legislation and the RES licensing process, namely law 4685/2020, to ensure additional environmental protection. The 1st Chapter of the law intends to cut unnecessary red-tape and ensure faster, more efficient environmental licensing procedures, while the key pillar of the new law is the replacement of the production license with the so called “Producer’s Certificate”. The new law, *inter alia*, touches upon



a number of other issues with environmental significance, such as the reform of the management scheme of environmentally protected areas, notably through the abolition of the management bodies thereof and the creation of a new structure for this purpose, the setting forth of specific rules in relation to the uses applicable in areas characterized as Natura 2000, waste management etc.

Specific legal provisions regulate waste management (indicatively these include Law 4042/2012 transposing in the Greek legal order Directive 98/2008/EC and secondary legislation in the form of Ministerial Decisions governing the treatment of waste, both, hazardous and non-hazardous), the protection of cultural heritage (Law 3028/2002), the protection and management of water (Law 3199/2003) etc. Finally, it is noted that Greece has ratified the Cartagena Protocol on Biosafety to the Convention of Biodiversity (Law 3233/2004), as well as the “Åarhus Convention” (Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters) adopted on 25 June 1998 at the Fourth Ministerial Conference in the “Environment for Europe” process (Law 3422/2005).

Presidential Decree 148/2009 transposes into the Greek legal order Directive 2004/35/EC, as amended by Directive 2006/21/EC on environmental liability with regard to the prevention and restoration of environmental damage. The operator of certain activities listed in Annex III of the presidential decree is liable to pay the costs of preventive and remedial measures in response to a threat of environmental damage or the occurrence of such

damage, as the case may be. For the establishment of environmental liability, the operator must be identified by the competent authorities through inspections or after a complaint by a citizen/NGO is submitted, the damage needs to be specific and there must be a causal link between the operator’s activity and the threatened or occurred environmental damage. Operator’s liability is strict (without fault or negligence). Under the presidential decree, strict environmental liability is also established for all activities that harm/ threaten to harm protected species and habitats, as described in the Annexes of Directives 79/409 and 92/43, as amended, and to those species and habitats that receive special protection under national law.

E. Intellectual Property

1. Copyright law

The main statute on copyright is Law 2121/1993, the so-called Copyright Law. This law bears many similarities to the civil law approach of German and French copyright laws, but differs from the common law outlook of the U.K. and U.S. copyright laws. This law is very protective of the author. It distinguishes two types of rights, namely economic and moral rights. Economic rights include the rights to copy, reproduce, translate, modify and distribute the work, while moral rights entitle the author, indicatively, to decide when and in which form his work will be communicated to the public, to demand to have his name attached to the work and to prevent any modification of the work which would be prejudicial to him or to the work, to have access to the work and to withdraw from transfer and license

agreements under conditions. The author can transfer his economic rights or license the use of all or some of his/her economic rights. Such licenses may be exclusive, in the sense that only the licensee and no other party, has the right to exercise the powers granted by the licensor. Unlike economic rights, moral rights cannot be assigned to third parties and only after the author's death are they descended to the author's heirs. However, the author may consent to resign from certain moral rights to facilitate their use and exploitation from the assignee / licensee. Greek law provides only general guidelines for the majority of contractual agreements regarding intellectual property rights. However, it sets out compulsory rules for certain contractual types most frequently seen in practice, such as contracts for publication, for translation or for the exploitation of photographs, in order to provide additional safeguards to the author, especially in regard to royalties and moral right to the work.

Protection under copyright law (Law 2121/1993) is granted automatically from the time the work is created, without the need of compliance with any formalities, and expires seventy (70) years after the death of the author, starting on 1 January of the year following the death.

Copyright law also confers limited economic and moral neighboring rights, to performers, producers of audiovisual works, phonograms, broadcasting organizations and editors. Duration of such neighboring rights is either fifty (50) or seventy (70) years after performance or incorporation of the work as the case may be.

The Greek law on intellectual property

has incorporated the Berne Convention, the Universal Copyright Treaty and various conventions on specific issues such as the Rome Convention, the Geneva Convention, the Brussels Convention, TRIPS Agreement, the WIPO Copyright Treaty and the WIPO Performance and Phonograms Treaty and it is in line with the main European Directives on Intellectual Property Law, such as Directives 91/250/EEC (on legal protection of computer programs), 92/100/EEC, as replaced and codified by Directive 2006/115/EC (on rental right, lending right and certain rights related to copyright), 93/83/EEC (on coordination of rules concerning copyright applicable to satellite broadcasting and cable retransmission), 93/98/EEC as replaced and codified by Directive 2006/116/EC (on term of protection of economic right and certain related rights as amended by Directive 2011/77/EU), 96/9/EC (on legal protection of database), 2001/29/EC (on harmonization of certain aspects and related rights in the information society, 2001/84/EC (on resale right for the benefit of the author of an original work of art), 2004/48/EC (on enforcement of intellectual property rights) and Directive 2012/28/EU (on certain permitted uses of orphan works). It is also worth noting that pursuant to Regulation 608/2013/EC on customs enforcement of intellectual property rights, a unified procedure has been established among the EU countries in relation to the prohibition of the entry, release for free circulation, exit and export of counterfeit and pirated goods, Directive 2011/77/EU (Law 4212/2013) of the European Parliament and of the Council of 27 September 2011 amending Directive 2006/116/EC on the term of protection of copyright and certain

related rights and Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works. The latest amendment of the Copyright Law has been effected with Law 4481/2017, which introduces significant changes to the enforcement of copyrights and neighboring rights on the internet (notice and takedown procedure and waving of privacy), as well as the imposition of a copyright levy on computers.

2. Trademark law

In 2020, Law 4679/2020 (the “Trademark law”) was passed in the Greek Parliament, transposing the provisions of the Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 “to approximate the laws of the Member States relating to trade marks” as well the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights. The new Trademark law repeals and replaces the former trademark law 4072/2012, except for the chapter on “Greek Products and Services Trademarks”. The new Trademark law strives to bridge the gap between national provisions pertinent to trademark law protection and their equivalent European provisions by abolishing, *inter alia*, certain national provisions which were obsolete and in contradiction with trademarks’ commercial function. In particular, the most significant provisions introduced by the Trademark law are:

- Registrability of “non-traditional” forms of trademarks (e.g. three dimensional, horographic etc), is introduced, on condition that said

do not lack of distinctive character. Moreover, the new Trademark law reinforces the requirement for trademarks to clearly define the designated products and/or services for which protection is sought. One of the most notable amendments brought by the new Trademark law relates to the restriction of the ex officio power of examination for the refusal of a trademark application, since the Examiner of the Greek Trademarks Directorate may only impede the registration of trademarks applications on the basis of absolute grounds for refusal (lack of distinctive character, generic signs etc.). Relative grounds do not fall anymore within its remit for examination and may only be invoked by third parties claiming to have a legitimate right (*i.e.* prior right) to prevent the registration of the trademark at stake. Trademark protection lasts for 10 years starting on the day following that of the application and its protection can be perpetually renewed each time for another decade upon application of the holder of the trademark. With regard to the renewal of trademarks’ protection, said can take place either six (6) months preceding the expiry of its registration or six (6) months following the date of lapse of its registration (the so called “grace period”), provided that the renewal fees together with the additional fees due for late renewal, are duly paid. However, in the latter case, the new Trademark law stipulates that any third party rights acquired within the grace period may not be overturned. Any dispute regarding the extension of protection of a trademark is resolved by the Trade-

marks Administrative Committee at the request of the interested party.

- With regard to judicial protection conferred to trademark holders, the new Trademark law provides that an invalidity or revocation action can be filed either before the Greek Trademarks Directorate, following the administrative procedure before the Trademarks Administrative Committee, or during civil court trademark infringement proceedings, through the filing of counter law suit by the alleged infringer against the prior right holder. It is worth mentioning that the new Trademark law has particularly focused on preventing contradictory decisions emanating from the concurrent competence of both Civil Courts and the Trademark Administrative Committee to rule on the status of national trademarks. To this end, the Trademark law clearly stipulates that, should invalidity or revocation proceedings have been initiated before the Civil Courts, then, the same parties are precluded from resorting to the Trademark Administrative Committee as well for the same trademark(s), and vice versa. In the event of invalidity, the registered trademark shall be deemed not to have had, as from the outset, the effects specified in the Trademark law while, in case of revocation, the effects trace back to the time of filing of the revocation application or revocation counter lawsuit. Moreover, the non-use defence and the respective request for proof of use in opposition or invalidity proceedings may now be raised by objection in the context of civil court invalidity procedures.

- Voluntary mediation in administrative proceedings before the Trademarks Administrative Committee is introduced, in order to allow for the possibility of a friendly settlement between the opposing party and the applicant. Lastly, administrative fees (for filing a trademark application, renewal etc.) are amended as of the entry into force of the new Trademark law.

Trademark protection is not granted automatically, as in the case of protection of copyright, but the sign needs to be registered with the competent authorities, under the first-come, first-served principle. The application for registration is submitted to the Greek Trademarks Directorate of the General Secretariat of Commerce, Ministry of Development and Investment. Both hard copy and online filing are possible. The Examiner performs an examination of the trademark application for absolute grounds of refusal (for example, whether the trademark consists of certain categories of signs, more notably the Greek flag, national emblems and religious symbols) and if no such issues arise, the candidate trademark is accepted and proceeds to publication in GSC's website. Following publication, there is a three-month deadline for the filing of opposition by third parties before the Committee begins; when this deadline lapses the trademark is registered.

As Greece is a member state of the European Union, Community Trademarks are valid and produce full effect in Greek territory according to the provisions of EC Regulation on Trade Marks 207/2009 (which is expected to be replaced by the new EU Regulation on European Trademarks). In case the holder of or the applicant for a Com-

munity Trade Mark wishes to convert either the trademark or the application to national, he must submit certain documents, specified by the law.

Greece is also a member of various international conventions, more importantly the Paris Convention, the Madrid Protocol, the Nice Convention and as already mentioned above, the TRIPS Agreement.

3. Patent law

Patent protection in Greece is governed by Law 1733/1987, which was passed in order to bring Greece fully in line with the European Patent Convention (previously ratified by Law 1506/1986), to which Greece and most European countries, including all the members of the EC, are signatories. Also, Greece has ratified by virtue of Law 3396/2005 the revised text of the European Patent Convention, which was signed in Munich on 29 November 2000 and came into force on 13 December 2007. European patents are mainly regulated in Greece by Law 1607/1986, which ratified the European Patent Convention and Presidential Decree 77/1988 on the implementation provisions of the European Patent Convention. In brief, once granted, a European patent becomes equivalent to a bundle of nationally-enforceable, nationally-revocable patents, subject to a time-limited, unified, post-grant opposition procedure.

Greece signed the Agreement on a Unified Patent Court on 19 February 2013, but the ratification by Parliament is still pending.

At European Community level, Greece has adopted Presidential Decree 321/2001 on protection of biotechnological inventions in line with Directive

98/44/EC. Law 1733/1987 provides that a national patent may be granted, if the invention is new, includes an inventive step and is capable of industrial application. However, even when these requirements are satisfied, a patent may not be granted in certain cases, more importantly when the invention raises moral issues, runs against the public order, or relates to varieties of plants or species of animals or to the biological methods for their production, under conditions. Discoveries and scientific theories do not constitute invention and, thus, cannot be protected by a patent. The holder of the right is entitled to proceed to any act relating to its commercial exploitation, notably the right to reproduce and sell the invention, to conclude contracts for the transfer of the right and license its use; such licenses may be exclusive, in the sense that only the licensee and no other party has the right to exercise the powers granted by the licensor. In cases of strong public interest and for reasons of national security, the law imposes on the inventor the obligation to conclude an “obligatory license”, when certain requirements apply. Apart from the above economic rights, the inventor is granted the moral right of paternity, in the sense that s/he is entitled to have her/his name attached to the invention. The moral right of the inventor can only be transferred, if this is expressly stated in the contract and does not run contrary to the right of personality of the inventor. On 2011 Greece adopted Law 3966/2011, which is a belated transposition of EU Directive 2004/48/EC (on enforcement of intellectual property rights) in patent law and provides several procedural rights to patent holders.

The procedural requirement for acquiring a national patent is the filing of an application to the Greek Patent Office (namely the “Industrial Property Organization”, having the Greek acronym “OBI”) (www.obl.gr). Following a formalities check, OBI performs an examination regarding the invention’s novelty and inventive step, which is, however, only for the purposes of informing the applicant. The results of such examination may not constitute a ground for refusal of the patent application and the patent is granted once the examination procedure is completed. Protection lasts for twenty years starting on the day following that of the application. With regard to European patents, the application may be submitted before OBI; this application must be filed with OBI in case the applicant is a Greek citizen and provided that no priority is claimed based on a previous application filed in Greece.

By virtue of Law 4605/2019, Law 1733/1987 was amended. In this regard, the following newly introduced provisions are worth mentioning:

- a. Article 12A, providing for the public offering of exploitation licenses. Grosso modo, a patent holder may publicly offer contractual non-exclusive licenses of his patent, with or without compensation, by submitting a written statement to OBI as to his/her intention to authorize the use of his/her registered patent, by any party interested in the capacity of the licensee;
- b. Article 13 with regard to non-contractual licenses. Under the said article, OBI may grant to third parties, without the patent holder’s consent, a non-contractual license for the exploitation of a patent, provided that the following conditions are cumulatively met:
 - a period of three (3) years as of the date that the patent was granted or four (4) years as of the date that the patent application was filed, has lapsed;
 - the invention at stake has not been subject to exploitation in Greece, or as the case may be, such exploitation is not sufficient to meet domestic demand;
- c. Article 14 on compulsory licensing in the event that public interest reasons occur. Grounds of public interest occur when:
 - the products or methods of production protected by the patent at stake are made available to the public in insufficient quantity, quality, or at unusually high prices in relation to the prices of similar products in similar markets;
 - the exploitation of said patent is required for reasons of public health;
 - the exploitation of the patent constitutes an act of unfair competition;
 - the exploitation of the patent is required for the compliance with a standard that serves the public interest;
 - the lack of exploitation of the patent at hand affects the economic and technological development of the country.
- d. Article 14A, transposing the provisions of Regulation (EC) No 816/2006 on compulsory licensing, on condition that the requirements stipulated in articles 6-10 of the

Regulation are met.

Lastly, article 2 of Law 4605/2019, introduces the National Industrial Property Council, a coordinating body, competent, *inter alia*, for mapping the strategy with regard to industrial property in Greece as well as the coordination of any actions and initiatives undertaken by the competent Ministries and bodies in accordance with the above strategy.

Greece is a signatory party to the Paris Convention, the Patent Co-Operation Treaty and the Budapest Treaty and the Strasbourg Agreement concerning the International Patent Classification.

4. Trade secrets

Trade or industrial secret is a piece of information of commercial or industrial nature that is known to a small number of persons and has a financial value for the business. Until 2019, trade secrets in Greece were regulated under Law 146/1914 on unfair competition. However, in 2019, Law 4605/2019 was enacted, introducing *inter alia* specific provisions for the protection of trade secrets, transposing the Directive (EU) 2016/943 “on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure”. More specifically, the new provisions for the protection of trade secrets were added to chapter four of the Law 1733/1987 on “Technology transfer, inventions, and technological innovation”.

The provisions introduced establish the legislative framework with regard to appropriate measures, procedures and remedies against the illegal acquisition, use and disclosure of trade secrets without, however, restricting

the freedom of establishment, the free movement of workers or the mobility of workers ensuring at the same time the protection of public interest and the respect for fundamental rights and freedoms, indicatively the freedom of expression and information, the freedom to choose an occupation and right to engage in work, the freedom to conduct a business.

In order for information to qualify for trade secrets, the following conditions must be met cumulatively: information shall (a) be secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; (b) have commercial value because it is secret; (c) have been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret. The innovation introduced by the new provisions relates to the enhanced judicial protection in case there is a breach of confidentiality requirements even though all the aforementioned reasonable steps for maintaining information secret have been taken. In terms of interim measures, the trade secret holder may resort to the Court of First Instance requesting for the temporary cessation of or, as the case may be, the prohibition of the use or disclosure of the trade secret on a provisional basis. In addition, the trade secret holder may, in relation to the goods allegedly created on the basis of the unlawful or *contra* to contractual obligations use of the know-how at stake, request for the prohibition of the production, offering, placing on the market or use of infringing goods, or the importation,

export or storage of infringing goods for those purposes or the seizure or delivery up of the suspected infringing goods.

In terms of final court decision, the competent court may order for the prohibition of the production, offering, placing on the market or use of the infringing goods for these purposes, the cessation or prohibition of use or disclosure of trade secret - know how in question or other corrective measures (e.g. recall or destruction of the infringing goods or, where appropriate, their withdrawal from the market). In addition, the trade secret holder may claim compensation for the actual damage suffered as a result of the unlawful acquisition, use or disclosure of the subject matter know-how and trade secrets. Lastly, it is noteworthy that the new provisions provide for an increased court secrecy of the pertinent initiated proceedings.

5. Transfer agreements and licenses

Transfer agreements and licenses for the commercial exploitation of rights protected by copyright law, trademarks and patents must be made in writing. Moreover, while transfer and license agreements on trademarks and patents must be filed with the competent authorities to produce effect against third parties, there is no relevant obligation regarding copyright transfer or license agreements.

The general rules on contracts, found in the Greek Civil Code, also apply to licensing contracts and royalties under them. Article 179 of the Civil Code provides that contracts that tie a party excessively are invalid, as they are deemed to violate *bonos mores*. Furthermore, Article 388 provides that, if,

for exceptional reasons that could not have been predicted, the obligations of one party in a contract become excessive in view of the counter obligations of the other party, taking into account the principle of good faith and relevant transactions practices (if any), then that party may ask the competent Court to readjust the excessive obligation or terminate the contract, if this is possible.

For the licenses that relate to copyright rights, trademarks and patents, the local antitrust laws apply. The use of a registered mark or the exploitation of a patent, although rightful, does not exclude the application of the rules concerning free and unfair competition and there is case law stating that their rightful use and exploitation must be exercised within certain limits.



III. Investment Incentives

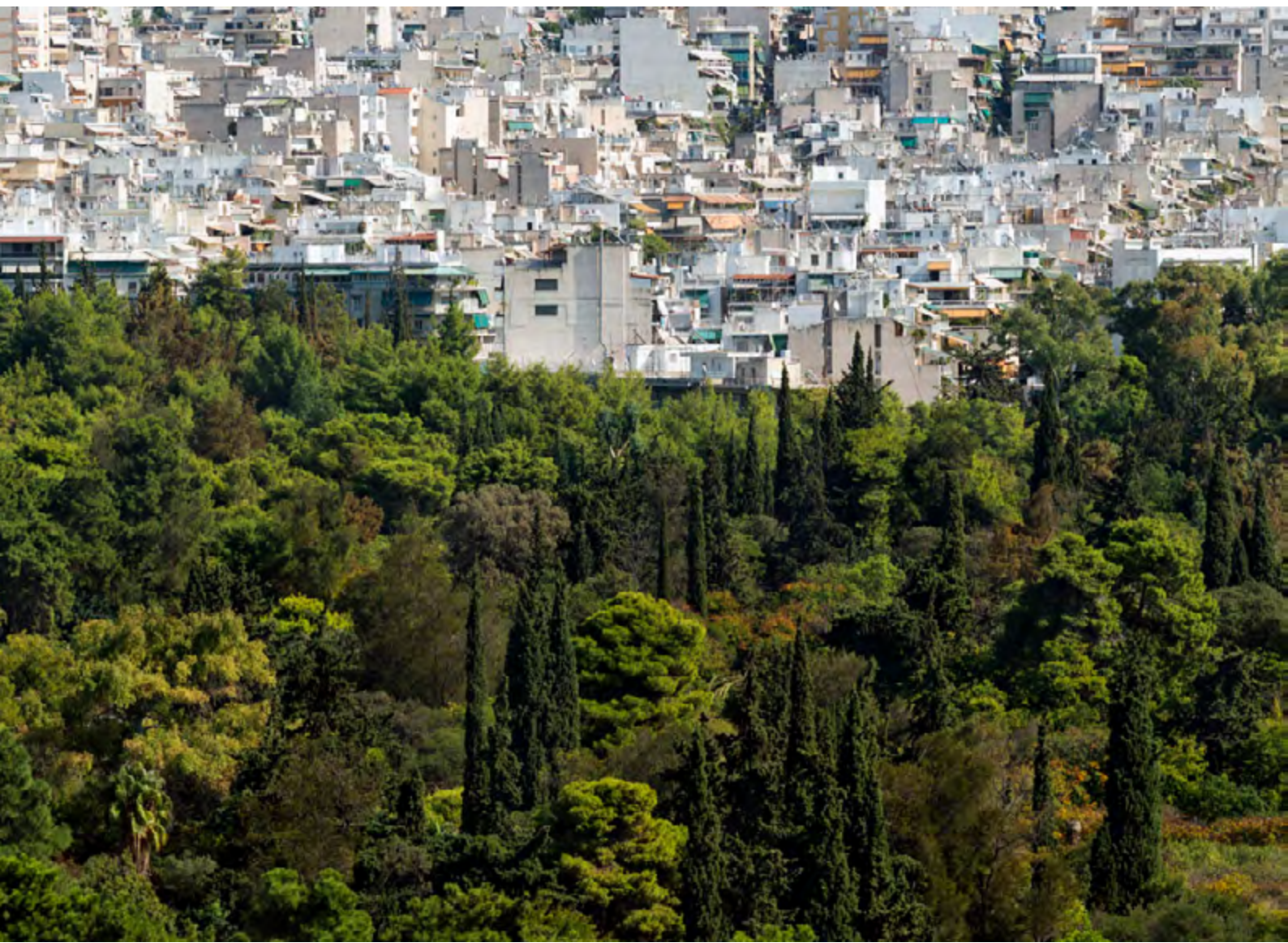
A. Explain any export incentives or guarantees.

There are no tax incentives for exports today as regards income taxation.

Greece, as a member of the EU, cannot finance either directly or through tax or duty exemptions exports to other Member States, unless after obtaining a permission from the Commission to finance certain activities as a State Aid for specific reasons of social or regional policy. Regarding export to third countries, the applicable customs legislation provides specifically that companies who import raw materials and fuel in order to process goods which are subsequently exported,

may either be exempt from taxes and custom duties on the imported raw materials and fuel used for the processing of the exported goods or the Greek State may return to the exporting company the duties and taxes paid on the imported raw material and fuel.

Furthermore, from a VAT perspective, exporters are entitled, under conditions, to purchase goods or services without VAT when such purchases relate to their exporting activity.



B. Explain any grants, subsidies or funds your country offers foreign investors.

Investment incentives are used as part of the Greek structural policy, to assist productiveness and competitiveness of the Greek economy, increase employment and help regional development. The main law on investment incentives is Law 4399/2016. Under the relevant legal framework investments covering all sectors of the economy, save for specific exceptions, can enter into an investment scheme, provided that the criteria set forth by the law are met (please also refer to the analysis under *Section C* below).

C. Explain any national tax incentives for foreign investors.

1. Investment Incentives (Law 4399/2016)

1.1 Introduction

Law 4399/2016 provides a framework for the establishment of private investment schemes, intended to promote the regional and economic growth of Greece. Law 4399/2016 applies in accordance with EU Regulation 651/2014 declaring certain categories of aid, compatible with Articles 107 and 108 of the European Treaty (“General block exemption Regulation”).

The Law focuses on the support of small and medium-sized undertakings, investments in innovative and pioneer technology as well as in remote, low-population areas and/or Industrial Zones. It applies on new investment schemes, whereas for those that have already been subjected to previously applicable incentive legislation (Law

2601/1998, 3299/2004 and 3908/2011), relevant regimes continue to apply.

Among the novelties of the law, eligible investments include the purchase of the entire assets of a business which is not in operation (closed factory), as well as the acquisition of intangibles (software, patents, rights).

Another noteworthy novelty of the law is that it allows the participation of the recipient to take the form of either own funds or full third-party funding, provided that 25% of the total investment expenses do not benefit from any type of State subsidy or similar aid.

1.2 Qualifying Investments

The percentage/amounts allowed per incentive vary based, among others, on the location and type of the investment, the size of the beneficiary, as well the regional (as per areas identified in the Regional aid map C (2014) 2642/07.05.2014) or non-regional type of the investment.

The Law is structured in two Sections: (i) the General Section Establishes the general incentive framework and restrictions and (ii) the Special Section Includes specific aid schemes e.g. aid for innovative clusters/SMEs or major investments. In particular, the special sections include incentives for machinery equipment, general entrepreneurship projects, new independent Small Medium sized Enterprises (“SMEs”), innovative aids for SMEs, clusters, financial intermediaries and funds of funds, integrated regional and sector plans and major investments.

The above differentiation of categories is crucial for the types of incentives and combinations thereof that may be granted to each category.

In principle, most sectors of economic activity may qualify for the application of incentives. Nevertheless, there are certain exceptions, which involve sectors such as Steel, Synthetic fibers, Coal, Shipbuilding (which may only be allowed subject to European Commission's prior approval), transport and energy (again certain types of investment projects are allowed exceptionally, such as co-generation units, certain types of biofuels etc.) Special focus is placed on incentives for innovative clusters/SMEs or major investments but also on the support of small and mid- sized undertakings, which are offered more lenient compliance terms and higher incentive ratios. Furthermore, other non-qualifying projects and/or activities are scientific research and development, building construction, civil engineering (with the exception of coastal and port construction projects), food service activities, financial services, real estate property management, legal and accounting services, financial leasing, education, health services (save for health tourism, medical treatment and rehabilitation centers), special tourism infrastructure facilities such as congress centers, golf, thalassotherapy centers, spas, car racing facilities, agro-tourism and wine-tourism facilities, youth hostels, activities of offshore entities. It is to be noted in this respect that the Minister of Economy, Development and Tourism and the Minister of Finance may provide further detail on requirements, restrictions and special terms for the application of the aforementioned exceptions from the investment incentives.

1.3 Requirements for the granting of benefits

The most important requirements for the granting of the benefits are the following:

Legal Form: In order to fall within the scope of the law enterprises should be seated in Greece, have the legal form of an individual enterprise, or a company, or an association or a joint-venture registered in Companies' registry, while Greek branches of foreign entities are eligible to apply for the application of said incentives.

In principle, qualifying investment plans should exceed certain thresholds. In particular: (a) for very small undertakings Euro Hundred Thousand (100,000); (b) for small undertakings Euro Hundred Fifty Thousand (150,000); (c) for medium undertakings and clusters Euro Two Hundred Fifty Thousand (250,000) and (d) for large undertakings Euro Five Hundred Thousand (500,000).

Minimum participation of the investor: 25% of the cost of the investment plan.

Filing an application: In order for any investment plan to qualify for the incentives, an application must be filed electronically through the State aid information system. The invitation of tenders for applying under the specific investment schemes is launched through a Ministerial Decision. In the respect, Ministerial Decisions have been launched for the following incentive schemes: Incentives for General Entrepreneurship, machinery equipment, major investments, new independent SMEs, synergies and networking, entrepreneurship of very small and small enterprises, whereas Ministerial Decisions for the other spe-

cific incentive regimes are still pending. The submission deadline expires on different dates depending on the type of the incentive scheme.

1.4 Contents of Incentives

The incentives offered to qualifying enterprises are:

Types of incentives offered are similar to those provided under previous regimes with the addition of the new concept of “fixed corporate income tax rate” and venture risk financing. Incentives may take the form of:

- Tax exemption *i.e.* exemption from the payment of corporate income tax (over a period of 15 years; the specific computation method for the tax allowance, the supportive documentation thereof, the content of the special tax exemption return and any other matter related to the tax exemption is determined by a Joint Ministerial Decision)
- State subsidy of the investment and State subsidy of leasing expenses for the acquisition of new machinery and other equipment (leasing subsidy for a maximum period of 7 years); subsidies are applicable only for entities that have generated profits at least during one fiscal year within a period of 7 fiscal years prior to investment selection
- Subsidy of employment cost (for new employment positions relevant to the investment plan and not receiving another type of incentive)
- Fixed corporate income tax rate for a period of 12 years following the completion of the investment project; applicable only for major investments

- Venture risk financing through participation funds (in the form of equity, quasi-equity or loan).

The type of incentive provided and the percentage/amounts allowed per incentive vary based on the type of investment project and categorization of companies.

Pending investment projects qualifying under the previously applicable regimes (*i.e.* Laws 1892/1990, 2601/1998, 3299/04 and 3908/2011) shall continue, in principle, to be governed, until their completion, by the legislative provisions thereof.

2. Incentives for Strategic Investments (Law 4608/2019)

Developments in the area of Strategic Investments (“SIs”) were introduced by Law 4608/2019 (GG A’ 66/25.04.2019) amending Law 3894/2010 on the “Acceleration and Transparency of Implementation of Strategic Investments”.

Under the previous legal framework, namely Law 3894/2010, as SIs were considered the construction, reconstruction, expansion, restructuring, modernization or maintenance of existing infrastructure, facilities and networks, in the sectors of Manufacturing, Energy, Tourism, Transport and Communications, Health Services, Waste Management, High Technology and Innovation, Education, Culture, also including the Primary and Tertiary Sector.

On the contrary, Law 4608/2019 does not explicitly name the specific sectors or projects that could be considered as SIs. For the purposes of the said law, SIs are those sectors or projects which, due to their strategic importance for

the national or local economy, may bring about significant quantitative or qualitative results regarding employment, reconstruction of production and promotion of the natural and cultural environment, having extroversion, innovation, competitiveness, universal planning, saving of natural

resources and high added value as their main characteristics.

To this end, according to the current legal framework, the incentives being offered (depending on the SIs categorization as presented below) are as follows:

Category	New Jobs	Total Budget	Available Incentives
SIs 1	> 75/yr	> €100,000,000	Spatial planning, Income tax rate stabilization, and either alternatively or cumulatively fast track licensing
SIs 2	> 50/yr	> €30,000,000	Fast track licensing, and either alternatively or cumulatively tax incentives (income tax rate stabilization, tax exemption or acceleration of tax depreciation) and subsidized costs (recruitment of employees, research and development projects)
Investments to be located within Organised Receptacles of Manufacturing and Business Activities	> 50/yr	> €25,000,000	
Emblematic investments:	n/a	n/a	Alternatively or cumulatively: spatial planning, tax incentives (income tax rate stabilization, tax exemption or acceleration of tax depreciation), fast track licensing, subsidized costs (recruitment of employees, research and development projects)
1. Emblematic investments by distinguished legal entities with international reputation	> 200/yr	> €200,000,000	
2. Emblematic investments in industrial sector and tourism			
Fast track licensed SIs	> 30/yr	> €20,000,000	Income tax rate stabilization, and either alternatively or cumulatively fast track licensing
SIs by default (e.g. Private – Public Partnerships or Projects of Common Interest)	n/a	n/a	Income tax rate stabilization, and either alternatively or cumulatively fast track licensing

Pursuant to the interim provisions, pending applications submitted in accordance with Law 3894/2010, can be, upon request of the investor, assessed and implemented under the current legal framework, namely Law 4608/2019. It should be noted that the deadline for filing applications for the inclusion of investments into the applicable SIs scheme is set on 31.12.2023.

Qualifying investors shall have access to tax incentives bearing the form of either a deferral of taxation of profits from all activities until the distribution or capitalization of relevant profit reserves, or in the form of accelerated depreciation rates for fixed assets. An additional tax incentive is the fixed corporate income tax rate.

Other benefits, including incentives for spatial development, fast track licensing, subsidy for employment and R&D expenditures, may also be granted. Also, there are special incentives related to tax treatment and Visa permit of executives of the investor-entity. More specifically, up to ten executives may be considered to have maintained their tax residence outside Greece and thus be exempt from Greek tax of their world-wide income. Greek-sourced income shall be taxable in Greece.

An ad hoc examination is required, in the context of which the investor is burdened with evidencing the need for the requested incentive and its commitment to properly benefit from it. The benefits granted shall comply with the General Block Exemption Regulation.

Furthermore, according to the newly adopted law 4711/2020, specific real estate properties owned by the Greek State or Public Sector may be granted under a remuneration fee to Strategic investors without prior tender procedure.

3. Special tax regime for High Net Worth Individuals

See below *Chapter XIII, Section B*, for an analysis of newly introduced rules providing for special tax treatment for foreign individuals investing significant amounts in Greek property or companies.



4. Other Investment Incentives

4.1 Legislative Decree 2687/1953

Legislative Decree 2687/1953 authorizes the Government to grant certain privileges to investments made with imported foreign capital. Repatriation of loan or share capital (up to 10%

annually), cumulative remittance of profits (up to 12%, net of tax, on the imported and non-repatriated capital), remittance of interest (up to 10%) are the main advantages of this law which is endowed with constitutional power (*i.e.* neither this law nor the ministerial approval can be amended by legislation).

4.2 Direct investment from an E.U. member state

Following implementation of the free movement of capital by virtue of Presidential Decree 96/1993 in compliance with the relevant E.C. Directives, a direct investment from an E.U. member state qualifies for full remittance of profits and repatriation of the proceeds of liquidation. The authorities are only allowed to check the legality and genuineness of the investment but not its expediency, as is the case under Legislative Decree 2687/1953. E.C. Directive 88/361, which further liberalized capital movements, enjoys direct application in Greece.

4.3 Investments from third countries

Investments from third countries are also treated favorably, as their status - governed by an Act of the Governor of the Bank of Greece (825/1986, as amended) - is identical, in substantial terms, to that awarded under Presidential Decree 96/1993. While capital investment originating in an E.U Member-State is processed through the Ministry of Finance, that originating in third countries goes through the Bank of Greece. As regards investments exceeding the amount of Euro Three Million (3,000,000), a 50% of which is funded by foreign capital, the respective competent authority is the Hellenic Investment Center ("H.I.C.")



(www.elke.gr); past investments financed by capital originating in third countries do not, in general, qualify for full remittance of profits unless they come within the purview of Legislative Decree 2687/1953.

4.4 Partnership Agreement for the Development Framework (PA) 2014-2020

In accordance with the Cohesion Policy of the European Union for 2014-2020, and in line with the Europe 2020 Strategy, the PA 2014-2020 constitutes the main strategic plan for growth in Greece. Law 4314/2014 sets a detailed framework for designation of the national authorities/bodies, which undertake competences for management, certification, control and coordination of the PA projects.

The PA relies on financing from the European Structural and Investment Funds (ESIF) of the European Union, comprising 20 Operational Programs (OPs), of which 7 are Sectoral and 13 Regional. The Sectoral Programs pertain to one or more sectors with nationwide geographical scope, such as transport infrastructure, environment, energy, health, tourism and agriculture, while the 13 Regional Operational Programs (ROPs) contain actions of regional scope.

Research and technology rank very high in the list of financing priorities, as identified through national/regional smart specialization strategies. To this end, the OP “Competitiveness, Entrepreneurship and Innovation” fosters the efforts to shift the growth model of the Greek economy from non-tradable into tradable sectors through upgrading the country’s infrastructures, supporting and strengthening *inter*

alia the entrepreneurship of research centers, broadband and energy efficiency interventions.

Another indicative example is agriculture, which is one of the primary sectors of the Greek economy. Within the context of the PA 2014-2020, the Rural Development Program (RDP) draws financing from the European Agricultural Fund for Rural Development (EAFRD), aiming at achieving integrated development and sustainable competitiveness of the agricultural sector through a transition to a sustainable agri-food system and enhancement of the added value of rural areas. To this end, 30% of the financing is directed to rural regions of the country.

Moreover, under the PA 2014-2020 Greece participates in European Territorial Cooperation Programs, collaborating with neighboring countries under bilateral or multilateral partnership agreements. In total, funding for the implementation of all Operational Programs amounts to 26 billion Euros approximately, of which nearly 20 billion Euros derive from European funding institutions and support schemes and 5 billion Euros from public funds.

It should be noted that the Greek Government has already submitted to the European Committee a draft of the new Partnership Agreement for the Development Framework (PA) 2021-2027, which is expected to channel community resources of over 20 billion Euro.

D. Explain any regional tax incentives open to foreign investors

See above, under *Section C*.

IV. Financial Facilities

A. Banking/Financial Facilities

Financial services are provided in Greece by credit and financial institutions. The main activity of credit institutions consists of taking deposits or other repayable funds from the public and provision of credit. Financial institutions activities include provision of deposit-taking and may include the provision of credit, issuance of e-money, financial leasing, money remittance services and several other services. Payment services provided by Greek credit and financial institutions are subject to requirements provided by European Community law.

A credit institution can only be established in the form of a société anonyme; that is, a company limited by shares. Credit institutions established in Greece, as well as their branches operating in Greece or abroad, are subject to extensive supervision by the Bank of Greece (hereinafter “BoG”, www.bankofgreece.gr) which covers most aspects of their operation and aims at safeguarding the interests of the depositors.

Apart from BoG, the Hellenic Bank Association (hereinafter “HBA”) (www.hba.gr) also plays an important role in the Greek financial market. It is a non-profit legal entity, which represents banks and other financial institutions operating in Greece and promotes issues of common interest through the convergence of its member banks’ opinions. According to a report published by the HBA in 31 December 2016 there were two thousand two hundred and ten (2,210) branches of credit institutions in Greece, which

employed a total of forty one thousand two hundred and eleven (41,211) persons.

Generally speaking, it is relatively easy for a natural or legal person to open an account, though a specific procedure must be followed and certain requirements must be satisfied. These requirements vary, depending on the type of the bank account and the bank where the account is opened. Under the applicable legislation on the prevention of use of the financial system for the legalization of proceeds from criminal activities, persons who wish to open a bank account are required to submit certain identification documents.

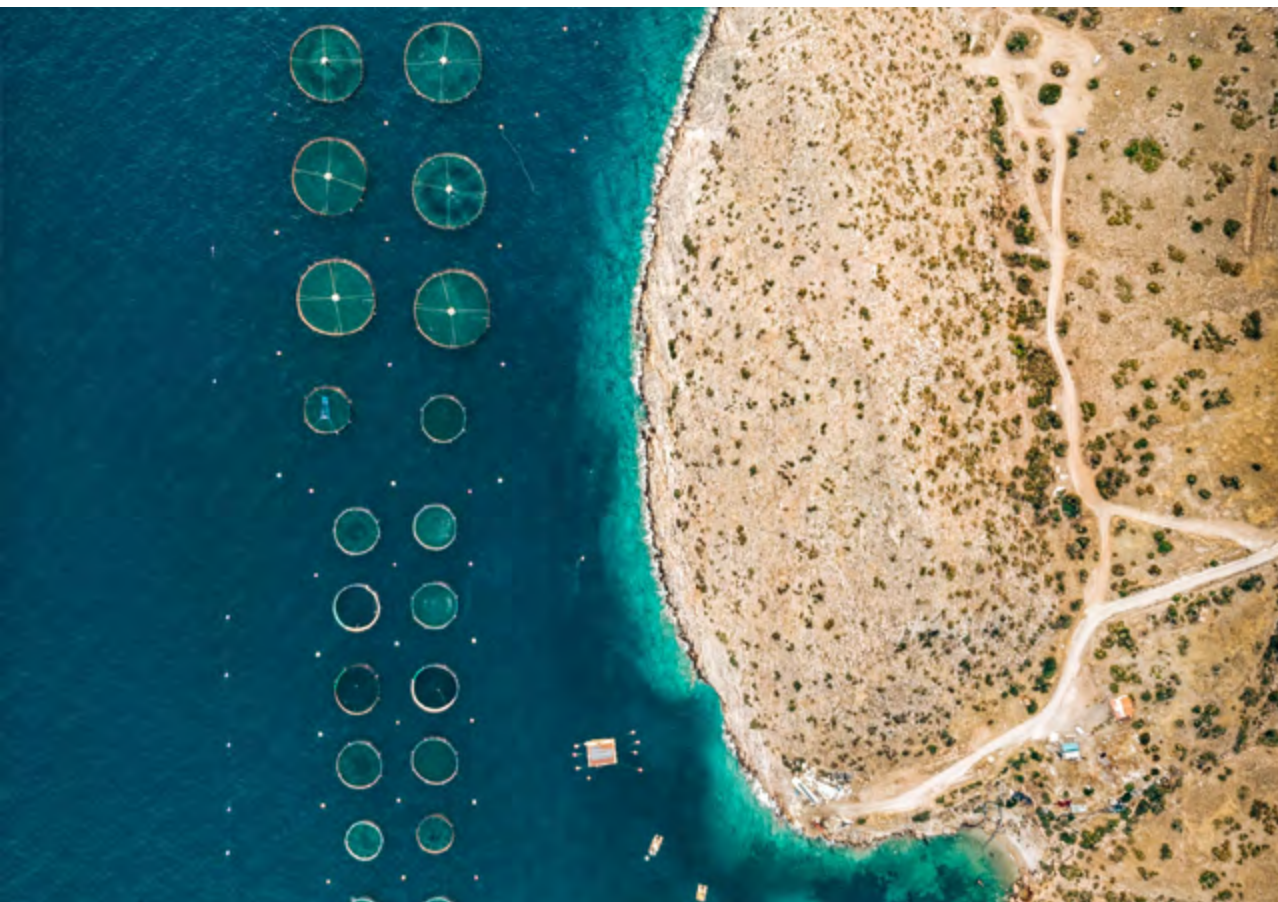
Banks may impose quantitative restrictions by requiring a minimum amount of money to open an account or time restrictions by setting a duration for which the account must remain open. In case the person opening the account is a legal entity, a copy of the Articles of Incorporation and other legalization documents are also required in order to identify the persons lawfully representing such legal person and its shareholding structure. For off-shore entities additional documentation is required, including a declaration regarding the beneficial owner(s).

There is no explicit obligation on the part of investors to maintain a bank account in Greece (but see below under VD on capital control restrictions). With regard to the restrictions on the use of the account, they also vary, depending on the nature of the account. In the cases of accounts that have been opened by natural persons there may be an obligation that the

account is not to be used for commercial purposes. Most banks provide a debit and cash withdrawal (via ATM) card with savings and current accounts which, usually, can also be used abroad and/or for online purchases.

The Hellenic Exchanges - Athens Stock Exchange Société Anonyme (www.helex.gr) ("ATHEX") is the parent company of the group that supports the operation of the Greek capital market. ATHEX, a MiFiD II regulated entity, operates two regulated markets, the "Securities Market" and the "Derivatives Market" (which includes the "Repo Market"), as well as a multi-lateral trading facility, the "Alternative Market" or "EN.A.", which comprises two shares categories, "EN.A. PLUS" and "EN.A. STEP". ATHEX's fully owned subsidiaries, the Athens Exchange Clearing House ("ATHEXClear") and the Hellenic Central Securities Depository ("HCSD") provide clearing services and transaction settlement and securities registration services, respectively.

The regulated market of the Athens Exchange includes the following segments of negotiation: The General Segment (Main Market), the Fixed Income Securities Trading Segment, the Structured Financial Products Trading Segment, the Warrant Trading Segment, the Exchange Traded Funds Segment and the Special Surveillance Segment. The Alternative Market ("EN.A.") is the MTF of the Athens Exchange. The EN.A. is not a regulated market and does not fall under the obligatory provisions that apply to regulated markets and impose strict admission and on-going requirements. The EN.A. is operated by the Athens Exchange in accordance with the EN.A. Rulebook which is notified to the Hellenic Capital Markets Commission (www.hcmc.gr). The Hellenic Capital Markets Commission, the competent regulatory authority for the capital markets legislation, supervises the Athens Exchange market.



V. Exchange Controls

A. Business Transactions with Nationals, Residents or Non-Residents

A Greek national is a person who has Greek nationality, either inherently from birth (when s/he is the child of a Greek man or woman or when s/he was born in Greece and s/he does not have any other nationality) or following application. A resident is a person who lives permanently in Greece, regardless of whether he/she has the Greek nationality or not. Legal entities do not have a nationality. Nevertheless, the location of a company's registered office constitutes its so-called "pseudo-nationality".

In general terms there are no restrictions on non-nationals to conduct private business in Greece. Participation in public sector positions is more difficult and special rules apply to certain professions, such as doctors and lawyers. In these cases, when there is no agreement between Greece and the country involved, special procedures need to be followed to allow the non-national to exercise her/his profession. An investor can receive loans both from nationals, residents and non-residents.

Residents¹ are obliged to report any transactions they enter into with non-residents for statistical purposes. Transactions that should be reported are, for example, repair services, transport services, telecommunications, construction services, insurance services, supplies, promotion services, projects, incomes, interests, transfers, direct investments, loans etc. This

reporting obligation does not include transactions related to imports or exports of goods and transactions between residents and tourists. Residents fulfil their reporting obligations by answering the questionnaires through the electronic platform (DIRECT), as managed by the Bank of Greece.

B. Investment Controls

Generally speaking, there are no specific restrictions regarding direct and indirect investment in Greece. There are various provisions aiming to attract foreign investment, which offer incentives under conditions specified in the relevant legislation.

C. Money Transfer

Since 1980 the determination of exchange rates is free. The Bank of Greece only regulates the selling profit margin of the Banks.

In addition, money operations are subject to national (Law 4557/2018) and European rules prohibiting money laundering, *i.e.* legalization of proceeds from criminal activities.

D. Capital Controls

Capital controls have been abolished in Greece.

¹ For the purposes of this obligation resident means any natural or legal person that performs or intends to perform business activities in Greece for over a year.

VI. Import/Export Regulations

A. Customs Regulation

Is Greece a member of the EU and GATT?

In 1981, Greece became a member of the European Economic Community (“EEC”), later renamed European Community (“EC”) and now known as the European Union (“EU”). Greece is also a member of the World Trade Organization (“WTO”) and has signed all Annexes of the Marrakesh Agreement that establishes the WTO. That basically means that Greece is bound both in its own capacity and in its capacity as Member-State of the EU (since the latter is a contracting party to the Agreement) by the GATT, GATS and TRIPS Agreements and the Dispute Settlement Understanding.

Is Greece a party to a regional free trade agreement?

Greece is a contracting party, in its capacity as Member-State of the EU, to the European Economic Area Agreement (“EEA”), brings together the EU Member States and the three EEA EFTA States — Iceland, Liechtenstein and Norway — in a single market, referred to as the “Internal Market”.

Does the Customs Department value the goods?

The Greek Customs value goods pursuant to the rules of the GATT Customs Valuation Agreement, which have also been incorporated into the Union Customs Code (“UCC”) in Articles 69-76. It is important to clarify that the EU is a Customs Union, meaning that a Common Customs Tariff (“CCT”) applies to imports of goods across

the external frontier of the EU (namely, goods that enter the Customs Union territory from a third country). Goods qualifying as Union Goods (namely, goods for which Customs duties and relevant taxes have been settled), are placed into free circulation within the common market and are subject to no more customs duties.

How are goods cleared through customs?

As of 3 December 2013, customs clearance is normally carried out electronically, through a relevant electronic platform that has been developed by Greek customs (i.e. “ICISnet”), either directly by the interested business or through a customs representative.

Following the electronic submission of a customs declaration, a relevant customs control is made automatically by ICISnet. Depending on the outcome of this control, the customs authorities may decide to proceed with an inspection of the supporting documents (either in electronic or physical form), as well as the declared goods, as the case may be. Other controls, such as health inspections, may be conducted when specific goods are involved, for example food, farm animals, etc.

Customs clearance normally involves payment of the relevant customs duties and VAT. The relevant payment is made with the use of a unique debt reference number that is automatically produced by ICISnet, either with the use of a credit or debit card or through the deposit of the respective amount to a bank. In particular, the taxable amount for VAT purposes consists of the import value of goods, which

is inclusive of duties paid outside Greece, import duties, and ancillary to the import expenses. It should be noted that the end-importer (i.e. the one in the name and on the account of whom the procedure before the Greek Customs Authorities is carried out) is liable for the payment of VAT.

Are there applicable tariffs?

The Common Customs Tariff (“CCT”) is in force throughout the Customs Union. The Tariff forms a combination of the Combined Nomenclature² (or classification of goods) and the duty rates³ which apply to each class of goods (TARIC Code).

In addition, the Tariff contains all other Community legislation that affects the level of customs duties payable on a particular import; that is normally the case where a preferential regime agreement is in place between the EC and the country of origin. In that regard, it is important that national Customs Authorities be provided with documentation giving full evidence of the imported goods’ origin, which is decided on the basis of the applicable EU Rules of Origin (Articles 59-68 of UCC).

B. Exports

Are there restrictions on exports?

Few restrictions on exports exist with regard to specific goods, such as drugs, dual-use goods (goods that in addition to their normal use may be used for military purposes), war materials and cultural goods. Export of such products is possible only after a license is

obtained by the competent ministry. Apart from the above restrictions based on the type of goods, restrictions exist with regard to international embargos, either total or partial; in the latter case, permission is required for an export to take place to the country against which the embargo has been declared.

Are there applicable export duties?

The export duties applicable are those provided for by Community legislation with regard to certain agricultural products. Regulation 120/1989/EEC as currently in force sets out the basic legal framework in that regard.

C. Foreign Trade Regulations

Are there foreign trade regulations on the import or export of goods involved in the business?

At a European Union level some foreign trade regulations exist with regard to particular goods. Some quotas exist on certain imports depending on the country of origin. Non-Tariff Barriers at the EU level exist mainly in the form of “anti-dumping”, *i.e.* the restriction of imports in the EU at artificially low prices.

D. Imports

As a member state of the European Union, Greece has adopted the Common Custom Tariff (“CCT”) and the Common Agricultural Policy (“CAP”) under which custom duties are applied to imports from non-EU countries.

There are no applicable import barriers

² The Combined Nomenclature (“CN”) is comprised of the Harmonized System (HS) nomenclature with further Community subdivisions. The Harmonized system is run by the World Customs Organization (“WCO”). This systematic list of commodities forms the basis for international trade negotiations, and is applied by most trading nations.

³ The TARIC is a data base, which is under daily update and includes all applicable customs duties and all customs trade policy measures for all the goods applicable at any time.

with the exception of a small number of products restricted for safety, political or sanitary reasons, such as the prohibition with relation to the international trade of endangered species (wild fauna and flora), drugs and weapons.

With regard to food and beverages, products complying with the Greek Food Code do not, generally, require a special permit in order to be imported in Greece. However, there are some restrictions for imports from non-EU countries which are related to seeds, nuts, meat, poultry and dairy products. In addition, new-to-market or new-technology food products, as well as food products that contain new substances must be approved by the General Chemical State Laboratory (www.gcsf.gr), before they may be marketed in Greece. Baby food, dietary supplements and special dietary products must comply with EU prescribed standards and are subject to a notification obligation to the National Organization for Medicines (“EOF”) (www.eof.gr), the approval of which is necessary for the custom clearance of the imported products. There is a special procedure for the import of medical and pharmaceutical products and cosmetics, the import of which necessitates a certification following a license procedure before EOF.

In addition, for the import of agricultural and forestry products from non-EU member states the importer must obtain a phyto-sanitary certificate issued by the competent department of the Greek customs’ authorities.

Finally, the importer of military equipment must obtain a special permit from the Ministry of Defense. With respect to the import of commercial weapons and ammunition, a permit from the

Ministry of Public Order is required. The permit is necessary regardless of the country of origin of the product (EU member or not). In this case, the country of origin is only relevant with regard to import duties.

E. Manufacturing Requirements

Must the product contain ingredients or components, which are found or produced only in Greece and will the importation of certain component parts be permitted only if they are to be ultimately incorporated in a final product?

There are no manufacturing requirements for the product to contain ingredients or components, which are found or produced only in Greece. If, however, a product contains a prohibited ingredient or component, its import may be forbidden. In addition, a product circulating within the Greek market must conform to Greek and EU safety standards (with regard to the CE marking requirements by virtue of EU Regulation 765/2008). If a product illegally bears the CE marking the competent national Authority may restrict the product from being supplied to the market and order its recall if such product is already on the market. This product may only be marketed again if it has complied with the law.

F. Product Labeling

Are there applicable labeling or packaging requirements (e.g. multi-lingual notices, safety warnings, listing of ingredients, etc.)?

As an EU member state, Greece applies the safety requirements prescribed

by a number of directives with regard to the use of harmonized European standards. The CE marking indicates minimum compliance to EU regulations and is a mandatory marking for many of the products sold in the EU and in the EEA. Products bearing the CE indication are deemed as being compliant with such regulations and may circulate freely within the EU, even if they originate from non-EU/EEA countries. The following products belong to a constantly growing number of goods with prescribed standards and a CE marking obligation, including but not limited to, medical devices of various kinds, toys, telecommunications terminal equipment, marine equipment and household appliances of various kinds (e.g., boilers, gas-burning appliances, refrigerators).

Apart from the CE marking requirement, and EU Regulation 1169/2011 on “the provision of food information to consumers” the market law code as it has been revised in August 2017, (Ministerial Decision 91354/30.8.2017 on the movement and trade of goods and services) imposes labeling requirements both on food and non-food products.

As a general principle, all products which are offered for consumption either in brick & mortar shops or online must bear labels regarding their price, name, quality - composition - qualitative characteristics and for food products if they are frozen. Furthermore, if a product is being sold as second-hand, used or refurbished, this information should be presented in the labelling of the product.

Prepackaged food products must bear information such as the brand name of the product, the list of ingredients,

the net quality, the date of expiration, instructions for use and preservation, lot number, the name or trademark and the address of one of the following persons or entities: the producer, the packager, the agent, the importer, or the seller established in the EU. In some cases, the same products must also bear information on the place of origin of the product (Article 10 of the Ministerial Decision 91354/30.8.2017).

The most important labeling requirements with respect to non-food products (Article 50 of the Ministerial Decision 91354/30.8.2017), is the tradename, the registered trademark and the e-mail of the manufacturer if it is established within the EU, or else of the importer or seller in the Greek market, the name of the product, the quantity of the content, the quality, composition and qualitative characteristics and the phone number of the Poison Control Center for chemical and industrial products.

All labeling information required must be in Greek. The Greek labels may be attached to the product locally, in the time period between clearing customs and being offered for sale to the end-consumer.

Instructions for use are mandatory for all consumer products that are not simple in use and operation. The instructions must be in Greek and optionally in any other language and must include information with regard to the type and model of the product, basic technical data and safety warnings pertaining to the use, operation and maintenance of the product as well as the indication whether a guarantee is provided for the specific product.

VII. Structures for Doing Business

A. Governmental Participation

Historically, the Greek State exercised a number of business activities, especially in the utilities, transportation and banking sectors, acting as a “legal monopolist”. Following a wave of privatizations, coupled to the liberalization of the utilities and transportation sectors over the last decades, the State’s participation in business activities has been substantially reduced.

B. Joint Ventures

Joint Ventures do not constitute a distinct form of incorporation. In practice, joint ventures may incorporate either:

- a. As a legal entity (most often a corporation), which is jointly held by two or more shareholders; or
- b. As a consortium or association between two or more independent entities to dedicate capital and resources for the completion of a specific project (e.g., construction projects). Such joint venture does not have legal personality, therefore is not a separate entity and is usually considered as an undisclosed partnership.

It should also be noted that a joint venture constitutes a distinct tax entity, notwithstanding lack of legal personality in the case under (b) above. For the tax implications of such investment, please refer to *Chapter XIV*.

C. Limited Liability Companies

Limited Liability Company is recognized under the Greek Law as “Eteria Periorismenis Efthisis” (“EPE”). EPE

is governed by Law 3190/1955, as amended by the Law 4541/2018.

EPE constitutes the common corporate vehicle of choice for small and medium sized businesses while it combines features of a partnership and a corporation. As a general rule, the liability of the partners is limited to the amount of their contributions. However, it must be mentioned that the aforementioned liability is joint and several until the publication formalities before the General Commercial Registry take place. Moreover, an EPE may be established and operate or subsequently become a single partner entity. It should be noted that the establishment of a single partner EPE is invalid if:

- a. The sole partner (individual or legal entity) is the sole partner of another single-partner EPE; or if
- b. The sole partner of the single partner EPE is another single partner EPE.

In addition, foreign entities and foreign individuals shall be registered with the competent Greek fiscal authorities and obtain a Greek Tax Registration number (known as the “AFM”) in order to be partners of an EPE.

The management and representation of the EPE are exercised by one or more administrators, which may be foreign individuals. However, such individuals must also be registered with the competent Greek fiscal authorities and obtain a Greek Tax Registration number (AFM).

Due formation of an EPE is subject to a non-minimum capital requirement. Consequently, the partners may freely determine the amount of capital to be

contributed. Contributions in EPE are of a capital nature whereas payment may take place either in cash or in kind. To be noted that, after the amendment of Law 3190/1955, each company part must have a nominal value of at least one (1) Euro.

An EPE may be incorporated either by means of a notarial deed or by model Articles of Incorporation, on condition that the content of model Articles of Incorporation is followed without any deviation. However, an EPE may also be fulfilled through a simplified, one-stop shop procedure, where all necessary actions for the due registration of the company are executed before the General Commercial Registry. The latter case may also take place electronically by the EPE founders or any authorized person, through the e-One-stop shop (e-OSS) procedure, within one (1) business day. Last but not least, as a general rule, it could be mentioned that the corporate name of an EPE is formed by various wording indications (not only the name(s) of the partner(s) or its activity) and may be written in a whole or in part in Latin alphabet. In international transactions, EPE legal form may be expressed with the terms “Limited Liability Company” and the acronym “LLC” or “LTD”.

The establishment procedure of an EPE is usually completed within ten (10) days with the exemption of establishment through the e-OSS procedure as mentioned above. Its average cost is in the range of Euro Three Thousand Five Hundred (3,500) and includes legal fees, notarial fees and various incorporation fees in the form of taxes, duties and publication expenses.

For the tax implications of such corporate types, please refer to *Chapter XII*.



D. Private Companies

A Private Company is recognized and known under Greek Law as “Idiotiki Kefalaioxiki Etaireia” (“IKE”) and is governed by Law 4072/2012, as amended and in force.

In recent years, IKEs have become increasingly popular (especially with start-up businesses) due to the fact that they offer a flexible structure.

As a general rule, an IKE shall be solely responsible for any and all its liabilities, without joint liability on behalf of its partners. It may be constituted by one or more natural or legal persons or be incorporated as (or later become) a single-member company. It is crucial to mention though that in IKE there is no relative restriction and thus a natural or legal person can be the sole partner of more than one Single Member IKE and a Single Member IKE can have as its sole partner another Single Member IK.E. Moreover, foreign entities and foreign individuals shall be registered with the competent Greek fiscal authorities and obtain a Greek Tax Registration number (AFM) in order to be partners of an IKE.

The management and representation of the company are exercised by one or more administrators, which may be foreign individuals. Such individuals, however, must be registered with the competent Greek fiscal authorities *i.e.*, they are required to have a Greek Tax Registration number (AFM).

Due formation of an IKE is subject to non-minimum capital requirement. More particular, the IKE’s capital may even amount to Euro zero (0). Indeed, contributions in IKE’s capital can be effected either through capital contributions (meaning contributions in

cash or in kind), or non-capital contributions (*e.g.* an employment relationship, intangible goods, know-how), or contributions of guarantee (meaning the undertaking of liability for company debts vis-à-vis third parties).

An IKE is solely and exclusively incorporated electronically through the e-One-stop shop (e-OSS) procedure by means of model Articles of Incorporation either by strictly following the content of the model Articles of Incorporation or by including therein the additional provisions provided in Article 9a of Law 4072/2012. Subsequently, all necessary actions for the due registration of the company are executed online at the General Commercial Registry’s platform. Last but not least, the trade name of an IKE is formed by the name(s) of the partner(s) or its activity and may be written in a whole or in part in Latin alphabet, including the phrase “Idiotiki Kefalaioxiki Etaireia” or the abbreviation “I.K.E.”. In international transactions, the legal form may be expressed with the terms “Private Company” and the abbreviation “P.C.”.

The establishment of an IKE may be completed within one (1) business day from the completion of the e-OSS procedure and at a relatively lower cost than EPE.

For the tax implications of such corporate types, please refer to *Chapter XII*.

E. Corporations

The “Anonimi Eteria” (“AE”) which is an equivalent of a Societe Anonyme, is the corporation under Greek law, *i.e.*, it is a stock company governed by Law 4548/2018, which abolished previous Law 2190/1920. The rule is that the

liability of shareholders is limited to the amount of their contribution to the share capital, which is represented by shares of stock. The AE may issue different classes of shares (common and preferred) which are only registered, while it is the only vehicle which can issue bond loans. Legal entities that are founders of AEs do not need to obtain Greek Tax Registration numbers (AFM). There are no limitations on nationality or residence. Incorporation requires at least one shareholder, either a natural or legal person.

An AE may be also established and operate or subsequently become a single shareholder entity.

An AE is managed by a Board of Directors composed of three (3) to fifteen (15) members, none of which is required to be Greek. Micro and small AEs, have the right to appoint a single director/administrator instead of a board of directors, but this is not applicable to medium, large and listed companies. The classification of companies as 'micro', 'small', 'medium' and 'large' is made based on quantitative criteria, provided for under Law 4308/2014, as in force. In principle, the board represents and binds the company in all matters, except corporate affairs falling within the exclusive power of the General Meeting of Shareholders. All board members need to have obtained a Greek Tax Registration number (AFM), while executive members of the board who are non-EU residents need to have a residency and/or work permit.

Due formation of an AE is subject to a minimum capital requirement. Such minimum capital shall be Euro Twenty Five Thousand (25,000) and has to be fully paid-up in full within two months as of the effective date

of incorporation. However, provision into the Articles of Association for the partial payment of the share capital is also possible. Contributions in the AE are of a capital nature whereas payment may take place either in cash or in kind (i.e., other assets, including intangibles). To be noted that the option of payment in assets triggers a valuation procedure, completion of which requires the conditions of Article 17 of Law 4548/2018 to be met. In particular there are requirements for evaluation reports that shall certify the value of the contributions in kind, which shall be composed by two (2) chartered auditors-accountants or an audit firm or, as the case may be, by two (2) independent certified valuers, and which must include all the information expressly provided under the Law 4548/2018. However, without prejudice to the aforementioned, in the event of share capital carried out by means of contribution in kind, the valuation procedure may be shortened or even waived in certain circumstances, when the provisions of Article 18 of Law 4548/2018 may apply.

An AE is formed through a simplified, one-stop-shop procedure (Law 3853/2010). It may be incorporated either by means of a notarial deed, which includes the Articles of Incorporation, or by virtue of a private agreement. In the first case, an AE shall be incorporated by means of a notarial deed, when: (a) it is required by the applicable law, (b) the divestment of assets contributed to the company requires that type of contract, or (c) it is chosen by the parties. In such case the AE is established through a Notary Public and the latter acts as a One Stop Shop, and is responsible for the online registration of the establish-

ment of the AE with the General Commercial Registry. In the second case, the incorporation of the AE by virtue of a private agreement requires the use of the model Articles of Incorporation whose content is provided in the Law and shall be mandatorily followed without deviation. In such case, all necessary actions for the due registration of the company are executed before the General Commercial Registry and may take place electronically by the founders or any authorized person, through the e-One-stop shop (e-OSS) procedure, and even completed within one (1) business day.

The AE is deemed to have been formed as of the date of its registration with the General Commercial Registry. A summary of the Articles of Incorporation of the newly established company is further published in the website of the General Commercial Registry.

It is particularly noted that the historical requirement of the administrative approval has been abolished for most AE by virtue of Law 3853/2010 and therefore, an AE is deemed concluded following completion of the above procedures, regardless of the amount of its share capital. An administrative approval is only required for companies active in specific business sectors, namely publicly traded companies, banking and credit institutions, insurance companies, sports clubs, companies of public interest and companies whose approval is required by virtue of a special statutory provision.

The establishment procedure of an AE is usually completed within ten (10) days with the exemption of establishment through the e-OSS procedure as mentioned above. Its average cost is in the range of Euro Four Thousand

Five Hundred (4,500) and includes legal fees, notarial fees and various incorporation fees in the form of taxes, duties and publication expenses.

For the tax implications of such corporate type, please refer to *Chapter XII*.

Law 4601\2018 on corporate transformations abolished the numerus clausus applicable on transformations and provided a new, flexible and secure legal framework permitting mergers, de-mergers, conversions and spin-offs among of legal corporate forms.

F. Partnerships, General or Limited

Greek law provides for both general and limited partnerships. The governing instrument is Law 4072/2012.

The general partnership in Greek law is called “Omorrythmi Etairia” (“OE”). An OE defined as a partnership in which all partners are liable, jointly and severally for the partnership debts. According to Greek law an OE is a legal entity. The name of the OE, used for commercial transactions and business, consists only of the names of the partners.

Such business type is very flexible and requires minimum costs for establishment and legal compliance, but entails a serious risk for the participants, as they are subject to personal liability for corporate debts. In particular, all partners of an OE qualify as “merchants”, by operation of law, solely on the basis of their participation in an OE (derivative commerciality of the partners). The bankruptcy of the legal entity of the OE results ipso facto to the parallel bankruptcy of its partners. The OE is therefore most commonly used for small family businesses.

A limited partnership or “Eterorrythmi Etairia” (“EE”) in Greek is a partnership with one or more general partners and one or more limited partners. The name of the EE must consist of the names of one or more of the general partners, while the inclusion of the name of the limited partners is strictly prohibited.

An EE cannot exist without at least one general partner and, in case the general partner ceases to participate, such partner must be replaced or, otherwise, the partnership must be dissolved. However, if the limited partner of an EE has ceased to participate in any way, the partnership may continue trading in the form of an OE.

In an EE, the general partners have unlimited liability whereas the limited partners have limited liability for up to the amount of their contribution only. In other words, general partners are fully liable in respect of any liabilities of the EE in parallel with the latter. Thus, any third party may seek from a general partner the satisfaction of a claim against the EE, without having to turn first against the partnership itself. A limited partner may be fully liable for the debts of the EE only if the name of such partner is included in the partnership name and the debtor in question is not aware that such partner is a limited partner.

The Articles of Incorporation of an OE or an EE may be drawn up either by a private contract or by public deed. The Articles of Incorporation govern the partnership and must be made public by the publication of an extract thereof. This extract must contain at least the full name and residence of the partners, the registered name and the registered office of the partnership, the object of the partnership and the

persons with authority to manage the business and to sign on behalf of the partnership. The Articles of Incorporation of an EE must also make reference to the full name and residence of the limited partners as well as the amount of their contributions.

There are no minimum capital restrictions as to the due formation of an OE or EE. The establishment procedure includes the filing of the Articles of Incorporation of the partnership with the General Commercial registry and the partnership is deemed to have been formed as of the date such procedure is concluded. The establishment of both OE and EE may be also effected electronically by the founders or any authorized person through the e-One-stop shop (e-OSS) procedure by model Articles of Incorporation. According to the latter, all necessary actions for the due registration of the company are executed online at the General Commercial Registry’s platform and the establishment may be completed within one (1) business day.

For the tax implications of such corporate types, please refer to *Chapter XII*.

G. Partnerships, Undisclosed

Undisclosed partnerships are governed by Law 4072/2012. They are defined as contracts whereby the visible partner allows one or more undisclosed partners to participate in the results of one or more acts of a commercial nature or business, that are carried out in the visible partners name but to the common interest of all partners. This entity has no legal personality in itself and is not subject to registration with the General Commercial Registry. The costs and fees of such a business arrangement are minimal.

All management functions are exercised by the visible partner, who has the power to bind the partnership with his or her sole signature and represents it before third parties. Therefore, only the visible partner bears liabilities for any debts of the disclosed partnership.

For the tax implications of such investment, please refer to *Chapter XIV*.

H. Sole Proprietorships

The sole proprietorship is a flexible form of business but in practice it is preferred only for very small scale businesses as they entail a high risk of personal liability vis-à-vis creditors. Establishment of a sole proprietorship is usually subject only to administrative formalities such as the declaration of the competent tax office and the registration with the General Commercial Registry (if required). The costs of starting up such a business arrangement are minimal.

For the tax implications of such investment, please refer to *Chapter XIV*.

I. Subsidiaries/Branches/Representative Offices

Foreign corporations and LLCs, lawfully established pursuant to their home state laws and regulations, may establish branches in Greece subject to certain conditions laid down by Articles 98-101 of Law 4635/2019.

A branch is a financially and legally dependent department of the foreign entity. It does not have a legal personality and its activities are performed in the name and on behalf of the foreign company. It may perform all activities provided for at the Articles of Incorporation of the foreign company, except

in case of respective limitation in the Power of Attorney for the establishment of the branch in Greece.

The main advantage of establishment of a branch in Greece is the comparatively lower establishment, maintenance and operation expenses (in comparison with establishing a subsidiary company in the form of an AE, EPE or IKE), but since the branch is not an separate legal entity, all liabilities which may arise from its operation in Greece are automatically attributable to the parent entity.

Approval of the branch's registered seat, registration with the General Commercial Registry and publication formalities is required for the establishment of a branch.

Additional licensing may also be required depending on the kind of activities performed (e.g., in the case of certain industrial establishments).

The main obligations of branches of the foreign companies during their operation in Greece are to submit to the General Commercial Registry the following data depending on whether the foreign company has its registered seat (i) in a member state of European Union, or (ii) in a third country, pursuant to Articles 98 and 99 of Law 4635/2019 respectively.

In the first case, the branches of a foreign company with a registered seat in a member state of the European Union need to submit to the General Commercial Registry:

- a. the incorporation act and/or the Articles of Association, as well as any amendments thereof;
- b. the certificate of the Register, in which the foreign company has

- been registered (Certificate of Good Performance of the competent authority or of the commercial Register of the country of origin)
- c. the address of the branch;
 - d. a report of the activities of the branch;
 - e. the Register in which the file referred to in Article 16 of Directive (EU) 2017/1132 has been created for the foreign company, as well as its registration number in this Register;
 - f. the name and form of the foreign company, as well as the name of the branch, in case this is not the same as the name of the foreign company,
 - g. the appointment, termination of duties, as well as the personal data of the persons who have currently the power to bind the foreign company towards third parties and to represent it before a court: 1) As statutory governing bodies of the foreign company or as members of such a body. 2) As permanent representatives of the foreign company for the activity of the branch, indicating the extent of their powers;
 - h. the dissolution and liquidation of the foreign company;
 - i. the financial statements of the foreign company have been lawfully published;
 - j. the closure of the branch.
- In the second case, the branches of a foreign company with registered seat in a third country, need to submit to the General Commercial Registry:
- a. all data as referred above under points (a), (c), (d), (f), (g) and (j);
 - b. the governing law of the foreign



- company;
- c. the registration number of the foreign company to the competent Register, if applicable pursuant to its governing law;
 - d. the form, the registered seat and the scope of the foreign company, as well as at least one (1) per year, the amount of the covered capital, in case these data are not included in the above documents;
 - e. the appointment, termination of duties, as well as the identity of the persons who have the power to bind the foreign company towards third parties and to represent it before a court: 1) As statutory governing bodies of the foreign company or as members of such a body. 2) As permanent representatives of the foreign company for the activity of the branch, indicating the extent of their powers;
 - f. (the financial statements of the foreign company have been lawfully published or in case this is not applicable, the balance sheet (financial statements) of the branch.

A branch of a foreign entity is managed by a legal representative, who may be a foreign individual, the scope of powers of whom is defined by a Power of Attorney that is issued by the foreign/parent company.

The cost of establishment of a branch of a foreign entity in Greece amounts approximately to Euro One Thousand Five Hundred (1,500) excluding legal fees and the incorporation procedure normally takes about one month.

Greek subsidiaries of foreign companies, being legal entities distinct from their parents, are Greek tax

resident entities. They are thus established pursuant to the forms of entity organization available under Greek law and taxed according to the rules that apply to the specific entity type. Branches have the same treatment (rates, tax base) as Greek entities. In that respect, please refer to *Chapter XII*. The treatment of Representative Offices depends on whether they qualify as a permanent establishment of the foreign investor in Greece. In the event they do, they have the tax treatment of corporations (*Chapter XII*). Otherwise, they suffer no tax in Greece at all.

J. Trusts and Other Fiduciary Entities

Greece is a civil law country. Therefore, the legal notion of common law trust and of other fiduciary entities is not provided in Greek legislation. Furthermore, Greece is not a signatory of the 1985 Hague Convention on "Trusts and Their Recognition".

The sole Greek law provision referring to common law trust regime is included in the Greek Inheritance & Gift Tax Code (IGTC art. 17 par. 4) and is associated with the imposition of inheritance tax on non-Greek assets of testamentary trusts.

VIII. Requirements for the Establishment of a Business

A. Alien Business Law

There are no major alien business law restrictions for the exercise of business activities other than the following:

- a. Foreign (non-EU employees) must obtain a work permit in order to work in Greece;
- b. Real estate property in border areas of Greece may be purchased by foreign entities or individuals only further to prior clearance issued by the competent administrative authority. For a more detailed discussion of the relevant provision, please refer to *Chapter II, Section A.*

B. Antitrust Laws

Greek antitrust legislation reflects predominantly EU competition law principles, namely Articles 101 and 102 of the Treaty for the Functioning of the European Union and the respective European merger control rules. The Greek Competition Act (Law 3959/2011, replacing previous Law 703/1977) prohibits certain business agreements whose object or effect is the restriction of free competition as well as the abuse of dominant position. The scope of application of such laws extends equally to nationals and non-nationals. The competent national authority monitoring adherence to the national framework is the Hellenic Competition Commission.

Notification obligations in the antitrust context are triggered in the event of contemplated concentrations (*i.e.* changes of control on a lasting basis,

such as mergers, acquisitions of control etc.) that are likely to raise competition law concerns. In particular, in order to qualify for notification to the Hellenic Competition Commission, a concentration must cumulatively:

- a. Meet the turnover thresholds specified in Article 6 (1) of Law 3959/2011 *i.e.*, the total turnover of the parties to the concentration in the worldwide market must exceed Euro One Hundred Fifty Million (150,000,000), and at least two of the undertakings concerned must have a turnover exceeding Euro Fifteen Million (15,000,000) each in the national market; and
- b. Not be otherwise subject to merger control by the EU commission (one-stop-shop principle) *i.e.*, it must not meet the requirement of European dimension under EU Regulation 139/2004; rather it must only affect the Greek market or a substantial part thereof.

Concentrations meeting the above criteria must be notified to the Hellenic Competition Commission within thirty (30) days from the date of the relevant “triggering event”, such as the conclusion of the agreement giving rise to the concentration.

C. Environmental Regulations

The basic environmental regulations are described above under the heading “Environmental Considerations”.

D. Government (administrative) Approvals - Licenses/ Permits

Government approvals/permits are required for the exercise of specifically regulated business activities, such as insurance, banking, investment and capital market services, mining activities, transport and tourism, and construction. The licensing requirements and the fees associated with such procedures are different in every sector.

In 2016, a law of general application (Law 4442/2016 as in force and amended by Law 4635/2019) was enacted in order to address the issue of the complex, fragmented and bureaucratic licensing procedure governing various economic activities. Under such law while most economic activities will be freely exercised without the need to obtain an administrative license or permit, certain activities are subject to specific terms and conditions or in some cases to a prior issuance of a license. In all cases, the observance of the provisions of the pertinent tax and social security legislation as well as the registration with the General Commercial Registry (“GEMI”) is required. The full activation of the aforementioned law is subject to the issuance of the secondary legislation / delegated acts (in the form of Ministerial Decisions and presidential decrees) which set forth the details which are necessary for the law to enter into full force (relating for instance to the categorization of activities, to the general terms which will govern the operation of specific categories of activities etc.).

Under the said law, certain activities are subject to the observance of specific terms and conditions related to their operation. In such cases, the commencement of operation, is

subject to a prior notification to the competent authority of certain details for the identity of the interested entity and the type of the activity. In 2017, a Ministerial Decision (MD) GG B 1750 has been issued providing details with regard to the notification process applicable to tourist accommodation (hotels, fully-furnished apartments to rent etc.). Under the said MD, the owner of the tourist accommodation notifies the competent authority of Tourism - the notification is submitted to a special electronic platform- and keeps a record of all the required documents at his premises (*i.e.* building permit, approval of environmental terms, fire protection certificate, certificate that a notification has been submitted). At a last stage, on-the-spot inspections by the relevant competent authorities verify that all legal requirements are met and that the business activity operates lawfully.

After this notification the competent authority may investigate any time whether said activity complies with the pertinent law of the respective sector. In respect of inspections following submission of the notification, the Ministerial Decision GG B 2161/2017 provides a detailed framework in respect of health and safety inspections conducted by the competent authorities to certain business activities associated with food processing, production and distribution (*e.g.* bars, restaurants, food and beverage production installations, food packaging installations etc.)

On the other hand, other activities are subject to the prior issuance of a license. This arrangement covers activities which by their very nature may significantly harm the environment or risk the employees’ safety and

the mere notification is not deemed as an appropriate measure to mitigate these risks. The license is to be obtained within a period of 60 days, while the lapse of this period amounts to an issuance of the respective license should the activity be compliant with the pertinent law. For instance, the Ministerial Decision GG B 1168/2017 provides that an operating license is required for storage and distribution centers, while the Ministerial Decision GG B 1723/2017 stipulates that a preapproval of the administrative authority must be issued in order to certify that a bar, restaurant, theatre, or cinema can operate at a specific location.

Finally, a limited number of activities are not subject to any means of prior notification or license and will be freely exercised.

E. Insurance

As a general rule, insurance is not mandatory for the exercise of business activities. However, particular business activities such as transport, construction and investment services entail the obligation for professional liability insurance.

There are no state monopolies in insurance.



IX. Operation of the Business

A. Advertising

Are there restrictions on advertising?

Advertising is a highly regulated sector. Restrictions exist, for example, with regard to the content of the advertisement, the object of the advertisement, the medium in which a product may be advertised as well as with regard to the recipients of the advertisement.

The most important restriction is that, pursuant to the provisions of Article 9 of Law 2251/1994 on the protection of consumers, an advertisement may not be unfair or misleading. To determine whether an advertisement is misleading, the criteria to be taken into consideration include, among others, the characteristics of the products or services in question, the price and the terms of the supply of the product. On the other hand, comparative advertisement is acceptable—yet subject to a number of conditions and most importantly that the comparative advertisement is not unfair or misleading.

By virtue of the Code of Conduct that came into force in 2017 for online advertising, all information regarding the services or the products which are being advertised, must be transparent as regards the identity of the provider, the final price of the product or the service and in plain language for the consumer to understand it. Furthermore, it introduces guidelines with regard to advertising to minors, the most important of which is that the advertising message must not induce minors to acts of violence, use of alcohol, drugs and tobacco products.

Further amendments are expected

to be introduced to the main legislative framework of Law 2251/1994 on Consumers' Protection following the implementation into Greek law of the "Omnibus" EU Directive 2016/2109/EU on the modernisation of Union consumer protection rules and EU Directive 771/2019/EU on the sale of goods. Such amendments are expected to be introduced by the end of 2020 or early 2021.

B. Attorneys

Is it necessary to have local counsel?

There is no legal requirement for a company to have an attorney in order to operate its business. In practice, however, a local counsel is necessary both regarding the establishment of a business as well as regarding various issues arising during the regular conduct of business. A party to a dispute before Greek courts must also be represented by an attorney licensed to practice law in Greece, unless the dispute is heard before the lowest court for small disputes ("Eirinodikio"), where the party may represent itself without legal representation. Even in that case, the court, taking under consideration the particular circumstances, is entitled to order the party to hire an attorney.

How can local counsel be found and how much are attorney's fees?

International clients and foreign investors may find local counsel through international listing publications and the internet. The local bar associations have lists of registered members, which a client or an attorney admitted in another Bar Association may consult.

With regard to attorney's fees, major commercial law firms charge on the basis of hourly rates. However, the majority of single practitioners and especially criminal lawyers either charge on a success fee or on a lump sum basis. Overall, the recently issued Code of Lawyers (Law 4194/2013) provides that the rate of attorney's fees is freely determinable between lawyers and clients.

C. Bookkeeping Requirements

Must the investor keep local books of accounts?

A foreign investor is under the obligation to keep local books of accounts, if it performs business activities in Greece with the purpose of realizing profit therefrom. For the above obligation to arise for the foreign investor, it suffices that the investor maintains an actual physical professional establishment in Greece, irrespective of whether such establishment amounts to a fiscal permanent establishment. Non-resident entities holding real estate properties in Greece are also required to keep local books and accounts.

The governing statutes of companies with a capital structure (AE, EPE and IKE) detail the bookkeeping obligations of investors with particularity, when such business forms are used (see *Chapter IV*, above). Such companies are subject to both corporate bookkeeping (*i.e.*, recording of certain decisions reached by the corporate bodies) as well as accounting bookkeeping requirements. With regards to the latter, it is noted that the law provides for annual compliance obligations involving the publication of certain financial statements, such as the Statement of Financial Position

(Balance Sheet), the Income Statement and the Notes which represent the minimum financial statements that should be prepared annually. Additional financial statements may be applicable depending on the size of the company based on relevant quantitative criteria (turnover, total balance value and average employees' number).

A distinct case is that of the fiscal representative for VAT purposes, appointed by non-EU investors that do not maintain any permanent establishment in Greece, however they effect VAT taxable transactions therein. The fiscal representative keeps books and records specifically destined to allow compliance with the respective operator's VAT obligations in Greece. However, it is noted that foreign EU investors that do not maintain a permanent establishment but are only registered in Greece for VAT purposes (direct VAT registration) are not under the obligation to maintain books and records therein.

Based on a newly introduced framework, Greek entities, irrespective of their legal form and size, are obliged to transmit electronically to the Tax Administration the data of fiscal documents issued and accounting books maintained, including information for the tax basis thereof (e-books system). Under the e-books system, materialized through the on-line platform "myDATA", entities will upload the data of their books electronically (in parallel with their current bookkeeping/tax compliance activities) allowing on-line access to tax authorities and tax audit verification procedures. In this context, the totality of revenue and expenses of the entities will be monitored through myDATA so that both the accounting and tax results are

reported in the system. Different formalities apply depending on the applicable transmission method and the types of transactions performed by each entity. The above compliance obligation commences as of 01.01.2021.

In what form must the investor keep accounts (e.g. GAAP, in what language, etc.)?

Accounts are kept in the Greek language and pursuant to the provisions of the Greek Accounting Reporting Standards or the International Financial Reporting Standards method of reporting financial statements (if the company is a public interest entity or has opted for this accounting method).

D. Business Ethics/Codes

Are there certain business ethics or codes, which the investor must follow (e.g. GAAP for accountants, etc.)?

Different codes of conduct apply to each professional discipline, which investors must take into account accordingly. For example, Presidential Decree 1123/1980 introduces GAAP for accountants, while Law 3148/2005 refers to the incompatibilities and limitations of the activities of accountants.

E. Consumer Protection Laws

Are there consumer protection laws, which apply to the investor's operations?

Greece has a solid consumer protection framework. The principle governing instrument is Law 2251/1994 on the protection of consumers. The law offers particular protection in the fields of product liability and unfair

business-to-consumer commercial practices, and regulates among others the general terms of transaction, distance selling, contracts negotiated outside business premises, after sale service and advertisement (see *Chapter IX, Section A*, above).

In addition, Greece has implemented various EU Directives on consumer protection, such as the Consumer Credit Directive (Directive 2008/48/EC, which has been implemented into the Greek legal system by virtue of Ministerial Decision Z1-699/2010 and the Directive on Consumer Rights (Directive 83/2011/EU).

As from 17.3.2018, Law 2251/1994 has been revisited and amended including two major amendments as regards 1) the definition of consumer and 2) the application of legal guarantee in case of defective products to be provided by the seller and the optional commercial guarantee to be provided by the manufacturer:

- i. The legal framework narrows down the definition of consumer only to natural persons – and not legal persons as was applicable in some cases so far, therefore excluding legal entities from the protection of the said law;
- ii. The provision of a commercial guarantee by the supplier/producer or seller is optional; in case such a guarantee is granted it works in addition to the contractual (legal) guarantee for defective products which is granted by the Greek Civil Code and is of a mandatory nature. If the commercial guarantee is not granted, the seller of the goods needs to disclose that information to the consumer, *i.e.* that no commercial guarantee is granted, and that

their statutory rights (out of the legal guarantee) remain in force and are not affected by the fact that no commercial guarantee is granted;

- iii. (iii) An important note is that consumer law provisions are of a mandatory nature and to the extent that a foreign law is applied in a transaction between a business and a consumer residing in Greece, then Greek protective provisions in favor of the consumer will be applicable irrespective of the law chosen by the parties as applicable (principle of favorability).c

F. Construction

What are the costs of construction?

Are permits required for construction and how is authorization obtained?

How long does it take to receive authorization to construct and what fees are involved?

The vast majority of construction work requires previous issuance of a construction permit through an administrative procedure. The period of time and the fees necessary for the issuance of a construction permit depend on the type and magnitude of the construction work.

G. Contracts

Can the investor freely enter into local contracts?

Greek law recognizes the principle of freedom of contract, which means that a person has the freedom to enter into any agreement. An agreement will only be void, if prohibited by law (e.g., a contract for the sale of drugs). An investor may therefore enter into any

local contract s/he deems appropriate subject to the above restrictions.

Can the law of another country govern the contracts?

The parties to an agreement may determine that the law of another country is applicable in accordance with Greek conflict of laws principles (Article 25 of the Greek Civil Code), unless the application of a foreign law is contrary to morality or to the Greek public order. It is noted that transactions involving real property rights are governed by the law of the country where such assets are situated.

H. Price Controls

Are there applicable price controls?

In general, prices are freely determinable, subject to the general rule of supply and demand. Few exceptions apply currently e.g., medicine, the prices of which are regulated and subject to approval by the Ministry of Health.

Pricing at the retail sales level below cost (known as “predatory pricing”) is prohibited, when the structure of a specific market is jeopardized or the principles of competition and/or the interests of the consumers are substantially distorted. Notably, a number of cases of concerted retail pricing policies have been found by the Hellenic Competition Commission to be in breach of competition legislation.

I. Product Registration

Must the entity register its product? If so, how is registration obtained and how long does the process take?

The need of registration of product depends on the nature of the product and the regulation of the specific market for this product. Some examples of regulated markets are provided below:

Medical or cosmetic products must be registered with the National Organization for Medicines (“EOF”). The duration of the procedure is longer with regard to medicine, for which a permit to circulate must be obtained, and depends on the nature and the properties of the medicine. Other products, such as food supplements need to be notified to EOF, rather than go through a complete registration process.

Furthermore, all detergents and cleaning products distributed in the Greek market must be registered with the Detergent and Cleaning Product Register held by the General Chemical State Laboratory (“Geniko Chimiotou Kratous”). Other products, such as insect repellents and fertilizers, must be registered with the Ministry of Agricultural Development and Foods. The duration of such procedures is estimated ad hoc but, in general, a company must count with a period of three to six months before the legal placing of its product on the market.

J. Reductions or Return on Capital

Can capital be repatriated while the corporation is still ongoing?

A corporation may reduce its capital and pay the sum of the deduction as

refund of capital to its shareholders after the satisfaction of the creditors of the corporation provided that the reduced capital meets the minimum capital requirements prescribed by law (if any) and the deduction does not result in the under-capitalization of the corporation.

K. Sale of Goods

Are there restrictions on the manner, time or place of sale of goods?

A number of regulations provide for the operation schedule of the stores and the places a number of products may be sold. Medicine, prescription or no-prescription, for example, may only be sold in pharmacies, while cigarettes may not be sold in supermarkets. Food supplements may be only sold in pharmacies and in stores specifically licensed to sell packaged goods (stores of sanitary interest). Acquiring such a license requires registration of the business with the online system <https://notifybusiness.gov.gr/assets/index.html> and includes an inspection by the competent authorities of the Prefecture at the premises of the business.

L. Trade Associations

Are there trade associations the investor can or must join? If so, are there fees involved?

An investor pursuing commercial activities may register with the local Chamber of Commerce (, the Athens Chamber of Commerce in Athens) for a moderate fee.

X. Cessation or Termination of Business

A. Termination

Can the business be terminated without government approval or intervention and what are the obligations towards creditors, employees and others upon termination?

A legal entity may at any time and at its members' discretion terminate its business and enter a liquidation procedure, which will result in the payment of all of the entity's outstanding debts to creditors and employees of the business and the distribution of the remaining assets to its members.

Termination costs and timeframes are determined ad hoc, depending on the type of the business entity involved, the nature of its business and the total of its assets and liabilities at the time of termination.

What are the tax consequences of terminating the business?

The termination of a business brings forth no specific tax consequences. Income tax returns need to be filed both for the last fiscal period of operations which ends upon the commencement of liquidation and for the fiscal period of the liquidation. In case that the liquidation period lasts more than twelve months a tax return has to be filled annually and a final tax return upon completion of liquidation for the whole period thereof. From a VAT perspective, an obligation for filing of periodical VAT returns and payment of any VAT due applies throughout

the liquidation period. It should be mentioned that termination of a business is not linked to a tax audit. That implies that a tax audit, meant to audit the unaudited years, may as well take place after the entity has terminated its business activity.

B. Insolvency/Bankruptcy

What is the extent of the investor's liability in the event of insolvency or bankruptcy?

According to Greek Bankruptcy Code, there are two necessary conditions for the declaration of a natural person or legal entity as bankrupt: (a) the status of a person or legal entity as a merchant and (b) the actual or threatened cessation of payments towards e.g., the inability to pay debts arising from involvement in trade and non-trade activities, that occurs in a general and persistent manner and demonstrates lack of creditworthiness.

The declaration of bankruptcy is linked to a series of consequences for both the bankrupt debtor and its creditors. A person or legal entity declared bankrupt is debarred from being involved in trade on a customary basis, although s/he may intermittently undertake individual trade actions. As a matter of principle, the bankrupt person is also deprived of any power to administer or dispose of any assets belonging to its bankruptcy property despite remaining the legal owner of such assets. Instead, the bankruptcy administrator assumes the responsibility to proceed to every action that appears

to be necessary for the preservation of the bankruptcy property. The only exception from this rule is the case when the company itself asks to be declared bankrupt entering a phase of threatened inability to satisfy its debts. Then the management of the company estate remains in the company and is assisted by the bankruptcy administrator. During that time, creditors are barred from undertaking individual execution measures, unless their claims are secured. There are three alternatives with regard to the result of these proceedings: (a) the court validation of the reorganization plan for saving the bankrupt entity; (b) a pro-rata allocation of the liquidation proceeds among the bankruptcy creditors; or (c) termination of the bankruptcy proceedings, because the liquidation of the bankruptcy property appears to be unfruitful or unprofitable in which case creditors are free to seek individual redress for their claims.

The autonomous legal personality of companies with a capital structure and limited liability (*i.e.*, AE, EPE and IKE) and the distinction of their assets and liabilities from the assets and liabilities of their shareholders and executives is a well-established principle in Greek law. As a result of the above principles, shareholders may not be held liable and their personal assets are shielded against insolvency, tort, and contractual claims of creditors of the company. However, the doctrine of piercing of the corporate veil *i.e.*, the possibility to reach the shareholders or partners of a company with a capital structure in order to obtain relief has been endorsed in a very small number of instances by the case law of the Supreme Court of Greece (“*Areios Pagos*”), especially in maritime law cases.

What choices, if any, are available to the investor with regard to the restructuring of the business?

With regard to the restructuring of a business, Greek Bankruptcy Code provides two possible procedures:

a. Rehabilitation (Article 99 *et seq.* of the Greek Bankruptcy Code)

This is a pre-bankruptcy procedure proceeding that aims to maintain, exploit and rehabilitate the business without putting the creditors’ interests at risk, via the eventual conclusion of an agreement with such creditors. The business with the present or anticipated inability to pay concludes an “early” agreement with its creditors (the “Rehabilitation Agreement”) in order to rescue and restructure its operations at the pre-bankruptcy (insolvency) stage; the pattern, timing and conditions of satisfaction of creditors are regulated by the -freely negotiated - “pre-packaged” Rehabilitation Agreement that becomes valid and enforceable upon its ratification by the bankruptcy court. In particular, the company debtor negotiates and concludes with its creditors an out of court Rehabilitation Agreement. Provided that the conditions of the GBC are met, the Rehabilitation Agreement is submitted to the Bankruptcy Court for ratification, by means of a ratification application. It should be noted that, pursuant to Article 106 GBC, any pending or non-pending collective or individual enforcement actions for the satisfaction of claims against the debtor as well as the ordering of injunctive measures (with some exceptions) are automatically suspended as of the filing of the Rehabilitation Agreement with the Bankruptcy Court until the issuance of a court decision

ratifying or rejecting such agreement; this suspension period may not exceed four (4) months. The granting of further injunctive measures in favor of the debtor is not excluded.

The Rehabilitation Agreement is in principle a settlement agreement, with no mandatory minimum content, whereas the parties may freely negotiate and agree on its terms and is concluded between the debtor and its creditors representing specific percentages of the debtor's obligations (creditors holding 60% of the total debts of the company debtor including 40% of any -in rem- secured debts). Although the agreement may provide any arrangement of the debtor's assets and liabilities towards the viability and the restructuring of the business, the law provides for an indicative content which may be freely negotiated and agreed upon between the debtor and the creditors.

The rehabilitation proceeding is formally initiated following a Bankruptcy Court decision approving an application to ratify the Rehabilitation Agreement (the "Ratification Application"). In this application, the business has to present, among others, 1) the scope of the debtor's business (including size, employees, conditions and relevant market perspective); 2) the debtor's financial condition; 3) the reasons for its financial hardship; and 4) measures agreed to address such inability and must be accompanied, under penalty of inadmissibility, by 1) a duly executed Rehabilitation Agreement, accompanied by a creditors' list and a "business plan" also endorsed by the creditors that have executed the Rehabilitation Agreement; 2) the debtor's financial statements (if applicable) for the last fiscal year; 3) a certificate issued by

the competent financial authorities regarding its debts towards the Greek State and 4) an Expert Opinion, effectively attesting, inter alia, that all statutory requirements for ratification of the executed rehabilitation agreement are fulfilled.

Taking into consideration the conclusions of the expert and if the court considers that the Rehabilitation Agreement is duly executed by the debtor and the necessary majority of the creditors, the Rehabilitation Application is reasoned and well founded and the interests of the creditors are not put at stake, it approves the Ratification Application and the Rehabilitation Agreement becomes binding upon all creditors, whose claims are regulated thereof (regardless of whether they have consented to it or not).

b. Reorganization plan (Article 107 *et seq.* of the Greek Bankruptcy Code)

This is a post-bankruptcy procedure proceeding aiming to regulate the recovery of the business, its exploitation, the distribution of the property and liability matters, by way of agreement. Pursuant to Article 108 of the Greek Bankruptcy Code, reorganization proceedings are initiated following 1) a submission of application to the court by the insolvent person or entity or 2) its creditors holding 60% of the total debts of the business including 40% of any -in rem- secured debts, together with their bankruptcy application filed against the debtor.

The reorganization proceeding is grounded in the so-called reorganization plan, i.e., the agreement setting forth details regarding the financial

condition of the insolvent business, a proposal of measures to be adopted for the restoration of its viability, and the impact of the latter on the rights of bankruptcy creditors.

In terms of procedure, the plan must be approved by the bankruptcy creditors, and finally ratified by the court. At the same time, each individual creditor may seek the annulment of the reorganization plan, after it has been put into force, in case it fails to produce the contemplated effects (i.e., restoration of viability of the insolvent business).

Once ratified by the court, the reorganization plan is binding for all creditors (regardless of whether they have consented to it or not). In any event, before the plan's approval, and for a period extending to ten months from the declaration of bankruptcy, individual enforcement measures of bankruptcy creditors are prohibited and, if undertaken, they produce no legal effect.

Notwithstanding the above, and apart from the Greek Bankruptcy Code, the Greek legal framework provides for another two rescuing proceedings aiming at the satisfaction of the business's creditors and the restructuring of the liabilities of distressed companies. In particular:

a. The Special Administration Process (Law 4307/2014)

An attempt-to-rescue pre-bankruptcy procedure provided by Law 4307/2014 is the special administration process (the "Special Administration Process") which is more of a liquidation nature than of a restructuring one. In particular, no restructuring amendments are provided therein, nor any debt arrangements or relevant; rather, it aims at maintenance and divestiture of the business, if possible, as a whole. It is a fast track procedure which shall either succeed within a time frame of one year (success is considered to be the divestiture of 90% of the assets) or fail in which case the business is driven to bankruptcy.

b. The Out-of-Court Work Out Mechanism ("OCW") (Law 4469/2017):

OCW allows the extrajudicial settlement of amounts due by a debtor to any creditor by submitting an online application before the Special Secretariat of Private Debt Management until 31.12.2018 via a special electronic platform available on the latter's official website. OCW aims at the conclusion of a debt settlement agreement through the involvement of a coordinator who is in charge of notifying all



creditors of the debtor referred to in the application. Creditors representing 50% of all claims should participate in order for the settlement to proceed.

The debt settlement agreement is concluded between the debtor and specific majorities of the participating creditors (*i.e.* 3/5 of all claims and 2/5 of secured claims). The parties may decide freely on the terms of the debt restructuring agreement subject to certain restrictions, the most important of which are:

- a. the creditors must be no worse off under the out-of-court settlement than what they would have been if the debtor's assets were liquidated through the enforcement procedure of the Code of Civil Procedure; and
- b. restrictions regarding the write-off and/or settlement of the claims of the Greek State and the social security funds; for the calculation of such amounts and considerations, the following are deducted from the creditors' claims: 1) the aggregate amounts of interest due for late payment, 2) 95% of the claims of the Greek State stemming from fines imposed by the tax administration and 3) 85% of the claims of the Greek State and the social security funds stemming from increases and interests for late payments.

The relevant legislative framework provides for the option (and not the obligation) of the debt restructuring agreement's judicial ratification by means of a court ruling. The judicial ratification is required in order for the settlement agreement to legally bind the non-contracting creditors. The court decision ratifying the Settlement Agreement constitutes an *ex lege* enforcement title.

In view of the above and the brief outline of the available distress rescue tools, the current legislative framework provides for a wide range of restructuring measures mostly freely negotiable among the involving parties.

New Bankruptcy Code

Notwithstanding the above, the Greek Parliament introduced recently Law 4738/2020 on "Debt settlement and second chance providence" (the "**New Bankruptcy Code**") codifying all debt settlement legislative tools. The New Bankruptcy Code comes into effect on 01.01.2021, profoundly reforming the insolvency legislation currently applicable in Greece while transposing into Greek law EU Directive 2019/1023 on preventive restructuring frameworks and second chance. The New Bankruptcy abolishes, among others, the current Greek Bankruptcy Code (Law 3588/2007), while as of the date of its enactment, submission of new applications pursuant to law 3869/2010, on indebted households, and art. 68-77 of law 4307/2014, on special administration, will no longer be available. Additionally, the reorganization plan proceeding will also be abolished.



XI. Labor Legislation, Relation and Supply

A. Employer/Employee Relations

What laws govern employer/employee relations?

The employment relationship is essentially a contractual one, and thus it is basically subject to the contractual arrangements between the parties. However, due to the element of subordination of one party to the other, it is highly regulated to safeguard the weaker party's (*i.e.* the employee's) rights. Protection of the employee pervades Greek employment law and its judicial interpretation and application.

In Greece there is no unified employment code; instead, employer and employee relations are regulated by a number of provisions included in the Greek Constitution, the Greek Civil Code and several employment laws, as well as an extensive corpus of case law.

B. Employment Regulations

1. Minimum Salaries

Pursuant to legislation enacted in 2012 and 2013 minimum salaries are determined by the State (unless a collective labor agreement covers the employment relationship). Collective Labour Agreements can be entered into a company, professional or sectoral level or they can cover all employees in the country (National General Collective Labour Agreement). The National General Collective Labour Agreement, however, no longer stipulates the minimum salaries, as used to be the case

under the previous legal frameworks, but can set only other non-monetary terms. The currently applicable statutory minimum wage is set at 650 Euros per month and 29.04 Euros per day.

2. Maximum working hours

Under Greek law the maximum working time for employees who work under a 5-day working week is 40 hours per week and 8 hours per day. The working schedule and any changes thereof must be notified electronically to the labour authorities within specific deadlines provided in the law.

The provision of work above the forty (40) hour limit and up to forty five (45) hours per week constitutes overwork. Under the current legal framework overwork must be compensated with the employee's contractual hourly wage increased by 20%.

Work above the limit of forty five (45) hours per week or nine (9) hours per day constitutes overtime and is allowed only on an exceptional and short term basis (*e.g.* unexpected workload). Under the general legal framework, overtime work is allowed for a maximum of two (2) hours per day and one hundred twenty (120) hours per year. Overtime is compensated with an increase ranging from 40% to 80%.

Under the current legal framework the employer is obliged to notify the authorities about the conduct of overtime/overwork at the latest on the effective date and in any case before the commencement of such overwork/overtime.

3. Vacation/Sick days

The annual leave entitlement provided by law ranges from twenty (20) to twenty six (26) days, depending on the years of service. The accrual of annual leave during the first and second calendar years of employment is proportionate to the employee's period of service. From the third calendar year onwards, the employee is entitled to the full year entitlement as of 1st January.

The breakdown and period of granting of annual leave are subject to specific rules provided by law. The carrying over of leave to the following year is prohibited. Failure by the employer to grant the full annual leave by 31st December entitles the employee to compensation equal to 100% of the corresponding leave wages if the failure was attributable to the employee or 200% if it was attributable to the employer.

Employees who are prevented from working due to serious reasons (including illness) for which they cannot be held responsible, are entitled to their normal remuneration during the period of absence on condition, that they have been providing their services to the employer for at least ten (10) days before their illness. This entitlement does not last for the entire period of the employee's absence but ranges from 15 days to one month depending on the employee's years of service with the employer. The employer has the right to deduct from the amount payable to the employee any amounts which the latter received from the social security authorities.

C. Hiring and Firing Requirements

Types of employment contract - termination requirements

There are two main types of employment contracts: **contracts of indefinite term** and **contracts of fixed term**. The two contractual types differ as regards to:

- a. **Their term;**
- b. **The nature of the employment involved:** fixed-term contracts involve employment of a limited/short-term nature, whereas indefinite-term contracts involve employment of a continuous nature. The first type of employment attempts to address short-term needs of the employer, while the second type attempts to address continuous needs;
- c. **The requirements for their termination:** The termination of indefinite-term employment contracts by the employer requires service of a written termination letter to the employee and payment of the minimum severance indemnity provided by law (which is calculated on the employee's length of service and monthly remuneration). The law does not require the service of a prior notice of termination to the employee unless agreed between the parties. Nevertheless, if the employer gives to the employee the "lawful notice", *i.e.* a minimum period of notice set by law on the basis of the employee's length of service, the employee is entitled to half ($\frac{1}{2}$) of the minimum severance indemnity which applies to termination without prior notice. In case of resignation the employee is obliged to give to the employer

notice which is equal to half (½) of the lawful notice which applies to the employer capped at 3 months.

The employer is not obliged by law to state the reasons for the termination in the termination letter. However, according to the Greek courts, the termination may be declared “abusive” or “unfair” (*i.e.* void) if the employer is not able to prove a reason that could objectively justify it. Finally, In the case of **redundancy**, finally, the employer is obliged to follow certain additional requirements such as the legislation on mass redundancies, the application of specific selection criteria etc.

Employment contracts of fixed term expire automatically upon their agreed expiry date without payment of severance indemnity. However, early termination of such contracts is possible only for “serious cause”, which in practice is very difficult to establish. In case of termination for serious cause no severance or other indemnity is due to the other party. If the fixed term duration is not justified by the circumstances and the needs of the employer, the contract can be automatically converted into one of indefinite term (especially in case of consecutive renewals).

The execution of a written employment contract is not obligatory under Greek law. However, the employer is required to inform the employee in writing about the basic terms of their employment within two months from recruitment. In any case, the conclusion of an employment contract is advisable as it allows the parties to regulate their employment relationship more effectively, in compliance of course with the applicable legal framework.

D. Health and Safety Standards

According to Greek law on health and safety, the main obligations of the employer can be summarized as follows:

- Take all necessary measures for the protection of the health and safety of employees or other persons physically present at the workplace
- Implement the instructions of the labour inspectors on health and safety issues and assist them in their work
- Inform the employees about all risks associated with their work
- Encourage the training of employees on health and safety issues
- Set out a schedule of precautionary action and improvement of the working conditions
- Appoint and train the employees responsible for the application of measures concerning first aid, fire security and evacuation of the workplace
- Obtain a written risk assessment report regarding the health and safety of employees
- Use the services of a Safety Technician regardless of the number of personnel and the services of a Work Doctor if they have at least fifty (50) employees.

Non-compliance with the above-mentioned health and safety regulations may result in administrative and criminal sanctions.

E. Unions

The right to form trade unions is recognised by the Greek Constitution. It is further protected, safeguarded and regulated through various statutory provisions. Such provisions aim to protect the union rights of employees such as the right to strike and the right to enter into collective bargaining.

Trade unions are divided as per profession/specialty, as per market sector and as per company. Professional unions are those covering employees of the same profession (e.g. engineers); sectoral unions are the ones covering employees who work in a certain market sector (e.g. banking); and company unions are unions covering employees of a specific company.



XII. Tax on Corporations

A. Allowances

What are the major allowances (e.g. capital cost depreciation)?

In principle, all expenses are deductible, provided that they serve the business purpose of a taxpayer or are incurred in the ordinary course of a corporation's trade/business activity. In addition thereto, an incentive is provided to enterprises involved in Research & Development ("R&D"), which are entitled to deduct 200% (previously 130 %) of scientific and technological research expenses under certain conditions, while an allowance is granted to account for the depreciation of a corporation's assets.

More specifically, deductible expenses must fulfill the following criteria:

- i. The expenses incurred must serve the business purposes of the enterprise or be incurred in the ordinary course of the enterprise's trade;
- ii. They must correspond to an actual transaction and the value of the transaction should not be deemed to be below or above the market value on the basis of the information available to the Tax Authorities;
- iii. They must be properly recorded in the company's books and supported by all necessary documentation in line with the law.

Expenses related to CSR activities are now explicitly classified as expenses incurred in the interest of the company.

What are the major deductible items?

There is no exhaustive listing of deductible business expenses in Greek

Corporate Income Tax Code. In principle, all business expenses are deductible to the extent they fulfill the criteria set by the law. Notwithstanding the above, from 01.01.2014 onwards, the Corporate Income Tax Code exempts certain non-deductible expenses, which are referred in the *next section*.

Depreciation is compulsory and must be performed annually. For tax periods as of 01.01.2014, the previously long list of depreciation rates is cut down into a few basic categories. The Law provides for the obligatory depreciation of tangible and intangible assets under a common "regular" depreciation rate method and the applicable depreciation rates are merged into seventeen basic categories applicable for all industries. By derogation to the main rule, depreciation of intangibles may be performed on the basis of their contractual duration. Depreciation is performed by the owner of an enterprise's assets and with respect to assets under financial leasing or other similar arrangements by the lessee. The said rule is effective from fiscal year 2014 for leases concluded from 01.01.2014, whereas for leases concluded prior to that date, depreciation may be deducted by the lessee from 01.01.2019.

What are the major expenses that are excluded from deductibility?

As from 01.01 2014 the Income Tax Code provides for a limited list of non-deductible expenses. This includes the following:

- Interest on loans, other than interest on loans by banks, microfinance,

interbank loans or bonds issued by corporations - exceeding statistical thresholds set by the Bank of Greece

- Any payment for the supply of goods and services exceeding Euro Five Hundred (500), if not performed through banks
- Unpaid social security contributions
- Provisions except for bad provisions that are formed in line with the thresholds set in the Income Tax Code
- Penalties and fines, including surcharges
- Provision or receipt of remuneration in cash or in kind constituting criminal offence;
- Income Taxes, including entrepreneur's duty and special contributions, levied on business income, according to Income Tax Code, as well as V.A.T. which corresponds to non-deductible expenses, provided that is not deductible as input V.A.T.
- The imputed rent in case of owned premises to the extent that it exceeds 3% on the objective value of the property
- Expenses for the organization and conduction of informative conferences and meetings, which concern feeding and accommodation of customers or employees to the extent that they exceed the amount of Euro Three Hundred (300) per participant and to the extent that the total annual expense exceeds half per cent (0.5%) of the annual gross income of an enterprise
- Expenses regarding the conduction of celebratory events, feeding and

accommodation of guests to the extent that they exceed the amount of Euro Three Hundred (300) per participant and to the extent that the total annual expense exceeds 0.5% of the annual gross income of an enterprise

- Entertainment expenses, unless the main business activity of the taxpayer pertains to provision of entertainment services and those expenses are incurred in the context of the business activity
- Personal consumption expenses
- All expenses paid to entities tax residents in non-cooperating countries and in countries with preferential tax regimes, unless the taxpayer proves that they pertain to real and usual transactions and they do not result in shifting profits, income or capital aiming at tax avoidance or evasion.
- Any payment of rent, if not performed through banks.

Pursuant to the earnings-stripping amended in light of the EU ATAD, exceeding borrowing costs, which is the amount by which deductible borrowing costs of a company exceed taxable interest revenue and other economically equivalent taxable revenue is limited to 30% of EBITDA ("Earnings Before Interest, Taxes, Depreciation, and Amortization").

The said limitation applies only if exceeding borrowing costs amount to more than Euro Three Million (3,000,000)/ per year. The interest expenses which are disallowed can be carried forward indefinitely, whereas several types of financial undertakings such as credit institutions, insurance companies, and specific institutions for

occupational retirement are exempt from such rules. Greece has not excluded standalone companies from the scope of the rule (*i.e.* companies not being part of a consolidated group and with no associated enterprise or permanent establishment).

No expenses are deductible to the extent they relate to tax exempt income (*i.e.* dividend income).

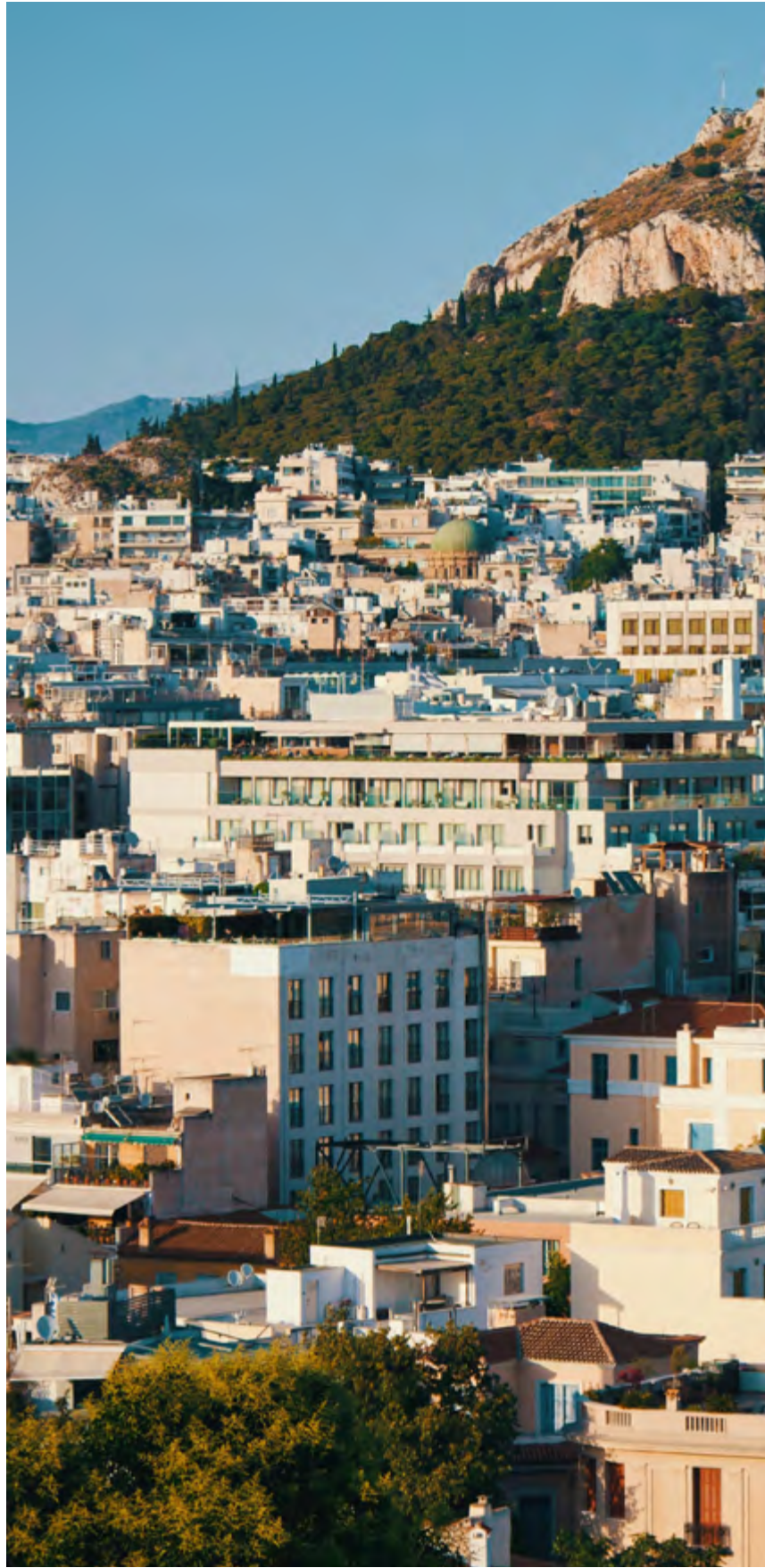
B. Calculation of Taxes

How is the taxable base determined?

Greek corporations are subject to income tax on their worldwide annual income. Foreign entities are taxable in Greece only on their Greek-source income earned through a permanent establishment. The Income Tax Code provides for a definition of a permanent establishment which is in line with the OECD Model convention. It is noted that treaties for the avoidance of double taxation between Greece and other countries may vary in their definition of a permanent establishment and taxation of foreign residents. Foreign entities are also subject to withholding tax for Greek source interests, royalties and dividends in case that the payee of such income is an entity liable to withhold tax (*e.g.* a corporation or entrepreneur carrying business activities in Greece).

Generally, taxable income equals to accounting profits following adjustments for intercompany dividends that are exempt based on the participation exemption regime as well as following adjustments for non-deductible expenses (see above XII A). The scope of the said participation exemption regime covers dividends earned by any Greek resident legal entity or branch

and distributed by any qualified subsidiary provided that specific requirements are met. Qualified subsidiaries are those that fulfill the following criteria: minimum holding period of 24 months and minimum participation in the distributing entity's capital, shares



or voting rights 10%, whereas it is possible to receive tax exempt distribution before lapse of said minimum required holding period, upon providing (bank) guarantee equal to the amount of the tax exemption.



C. Capital Gains

What are the federal or national tax rates on capital gains?

Capital gains (difference between the acquisition value and the transfer value) derived by corporations are taxed as normal business income, except for certain transactions for which gains may be deferred in certain cases (e.g. corporate restructurings). Therefore, while in respect of transfers of shares, quotas in partnerships, bonds (public or private), treasury bills and derivatives performed by (non-business performing) individuals there is a 15% income tax on the relevant capital gain. With regard to corporations any capital gain is taxable at the corporate income tax rate (24% for fiscal year 2019 onwards, except for credit institutions subject to the regime regarding the voluntary conversion of deferred tax assets to deferred tax claims against the Greek State, which remain taxable at a rate of 29%) as part of the annual income tax liability.

Greece has recently introduced a participation exemption framework. As per the relevant provision, applicable to income generated as of 01.07.2020, a Greek legal entity is exempt from tax on capital gains arising from the disposal of shares in a legal entity which is a tax resident of an EU Member-State, insofar as the transferring entity holds at least 10% participation for a minimum holding period of 24 months. The capital gain is not taxed upon distribution or capitalization. As per the transitional provision, losses arising from the transfer of shares shall be recognized for tax purposes after 1.1.2020 under the conditions analyzed below in *Chapter XII, Section M*.

Greece also transposed a set of rules provided under the EU Anti-Tax Avoidance Directive in relation to exit taxation (art. 5 ATAD). Pursuant to the relevant provisions, an exit tax liability shall in principle arise over unrealised gains upon the transfer of assets between a permanent establishment (PE) and its head office, the transfer of tax residence of a company or entity or the transfer of activities of a PE, towards an EU member state or third country. The taxpayer shall be subject to corporate income tax on the amount of such gains calculated as per the market value of the transferred assets, as at the time of exit, less their value for tax purposes. The tax rate to be applied shall be the one applicable to business profits as at the FY of the exit. A relevant exit tax return shall be filed three days in advance of the transfer; the whole amount of the exit tax shall become due and payable on the basis of the exit tax return, unless deferral is granted for cases of transfer towards EU or EEA member states. The deferral shall entail the payment of the amount over five interest-free instalments, and Greek tax authorities may request for a guarantee as a condition for granting the deferral, in cases of demonstrable and actual risk of non-recovery. The rules shall apply to any transfer realised from 01.01.2020 onwards.

As regards individuals, please refer to *Chapter XIII, Section C*.

D. Filing and Payment Requirements

The corporation must file its tax return using the web-platform of the Ministry of Finance by the last day of the sixth month that follows the end of the year of assessment in the course of which tax liability arises.

The arising income tax liability must be paid off in six equal monthly installments; the first one thereof must be settled following the filing of the tax return. The other five installments must be remitted by the last working day of the seven months following that in the course of which the tax return was filed, which cannot extend beyond the same tax year. Especially with respect to income tax of fiscal year 2019, the amount assessed must be paid off in eight monthly installments.

Each year there is also a requirement to pay preliminary income tax for the upcoming year. This preliminary tax is 95% of the CIT due on the specific year for legal corporations, legal entities, banks and branches of foreign banks. The prepayment of corporate income tax for partnerships, civil for-profit, non-profit entities and consortia of partnerships will be also assessed at an increased rate of 95% (as applicable for corporations). The preliminary tax is assessed at a reduced rate for new taxpayers (and for the three first years of their company's operation), whereas a special reduction of prepayment has been provided for taxpayers who have seen reduced turnover due to the Covid-19 pandemic.

Greek law also provides for certain other reporting formalities with regard to intercompany transactions. From 2014 onwards, the Greek Income Tax Code explicitly refers to the OECD Transfer Pricing Guidelines for intercompany transactions, applying the Arm's Length Principle in transactions amongst associated enterprises. In addition, taxpayers engaged in transactions with associated enterprises are required to document such transfer prices, by preparing a complete and standardized transfer pricing file. The

minimum required content of this file is similar to the “masterfile” or the “country-specific documentation” provided in the Code of Conduct on transfer pricing documentation for associated enterprises in the European Union (“EU TPD”) depending on whether the Greek company is the parent or subsidiary of the group.

Particularly, however, in the case of a local entity having an annual turnover not exceeding Euro Five Million (5,000,000), controlled transactions shall be subject to transfer pricing documentation, as long as their volume exceeds the amount of Euro 100,000, per annum. The said threshold is increased to Euro Two Hundred Thousand (200,000) with respect to local entities having a total annual turnover above Euro Five Million (5,000,000). The scope of transfer pricing documentation requirements is extended so as to cover a Summary Information Table (the “Summary Information Table”), summarizing the key features of controlled transactions performed during each fiscal year, in addition to the transfer pricing file, which consists of the group Master and Local file. The Summary Information Table should be submitted electronically to the relevant Directorate of the Greek Ministry of Finance before or on the deadline for submitting the company’s corporate tax return. In the event of a tax audit, the local transfer pricing file should be submitted in Greek, within 30 days of receipt of a relevant request.

During 2017, Greece introduced the automatic exchange of CbC reports amongst EU member states, as well as amongst the signatories of the “Multilateral Competent Authority Agreement on the Exchange of CbC Reports”, while a relevant bilateral

agreement was also concluded with the US. CbC reporting obligations, effective for fiscal years starting on or after 01.01.2016, apply for MNE groups with an annual consolidated turnover exceeding the amount of Euro 750M.

Violations of transfer pricing compliance obligations, trigger the following penalties:

- Delayed reporting or inaccurate reporting of controlled transactions through the Summary Information Table is sanctioned by a fine equal to 1/1000 over the total value of the intercompany transactions. The fine in question may not be less than Euro Five Hundred (500) or more than Euro Two Thousand (2,000). In the case of inaccuracy, the penalty is imposed only if the inaccuracy impacts more than 10% of the total value of the reported I/C transactions
- Amendments in the initial Summary Information Table are not sanctioned to the extent that the amendments do not impact the value of I/C transactions (e.g. change of the descriptive information etc.). For amendments exceeding Euro Two Hundred Thousand (200,000), the fine in question may not be less than Euro Five Hundred (500) or more than Euro Two Thousand (2,000)
- In the case of non-filing of the Summary Information Table, the applicable penalty rate is 0.1% over the total value of the intercompany transactions. In this case, minimum and maximum penalty ranges between Euro Two Thousand and Five Hundred (2,500) and Euro Ten Thousand (10,000)

- In the case of delayed submission of the TP file to the tax auditors, the relevant fine may not be less than Euro Five Thousand (5,000) or more than Euro Twenty Thousand (20,000), depending on the extent of the delay, while the fine for not submitting the TP files to tax auditors is Euro Twenty Thousand (20,000)
- Provided that a Greek entity is required to file a CbC report in Greece, a penalty of Euro Twenty Thousand (20,000) shall be imposed in the case of non-filing, whereas a penalty of Euro Ten Thousand (10,000) shall be imposed in cases of inaccurate or late filing.

Pursuant to recently enacted legislation, Greek tax administration has provided a procedural framework necessary for the application of MAP procedures, which had been stagnating for long periods. Also, Greece recently transposed Council Directive (EU) 2017/1852 on tax dispute resolution mechanisms in the European Union.

E. Miscellaneous Taxes Due

Is there a tax on capital?

Law 1676/1986, implementing Directive 69/335/EEC, introduced a special tax of 1% on capital accumulation, *i.e.* on the share capital accumulated upon capital increase or capital contribution in kind in any form of legal entity. When these transactions are effected by an AE, a special duty of 0.1% is to be paid additionally in favour of the Greek Competition Committee. Moreover, capital accumulation tax is imposed upon provision by non EU entities of fixed or working capital to their Greek

branches as well as in the case of the transfer of the real or statutory seat of non-EU companies to Greece. The Supreme Administrative Court has recently confirmed that capital accumulation tax is not due upon contributions of share premiums, so long as the relevant amounts are not drawn to the nominal share capital. It is to be noted that under a legislative amendment introduced by virtue of L. 4254/2014, as of 2014 capital accumulation tax is not imposed upon establishment of the companies which are subject to such tax.

There are also annual property taxes imposed on property rights on real estate located in Greece, *i.e.* the ENFIA and the Special Real Estate Tax.

As from 01.01.2014, a Unified Real Estate Tax (“ENFIA”) applies to individuals and legal entities holding Greek real estate property rights. Although ENFIA is considered to be an annual unified tax, it actually comprises two taxes; the main and the supplementary tax. In particular, the main tax applies to each property separately and is calculated based on a formula which varies depending on the type of the real estate asset, *i.e.* building, land in areas within (or outside of) city planning, on its location, as well as on various other parameters set in the law such as its intended use, age of construction (in the case of buildings), proximity to the sea, ability to develop, etc. The main tax is the result of the multiplication of the basic tax with various coefficients, all set in the law. The basic tax is determined based on the tax value of the area where the property is located and ranges 1) from Euro Two (2) to Euro Thirteen (13) per square meter for buildings, and 2) from Euro Zero point Zero Three (0.0037) to Eleven

Twenty Five (11.25) per square meter for plots within the city planning. For land outside city planning the basic tax is set at Euro Zero point Zero One (0.001) per square meter.

The supplementary tax applies to the total value of the real estate held by the taxpayer. The supplementary tax is calculated on the basis of different tax rates for individuals and legal entities, while there are various exemptions from the supplementary tax that do not apply similarly to individual and legal entities. For legal entities the supplementary standard tax rate is set at 0.55%, whereas properties that are self-used by the taxpayer for its business activities are subject to 0.1% supplementary tax. As of 01.01.2016, the exemption from supplementary tax applicable to buildings and plots self-used by legal entities for business purposes has been abolished.

The ENFIA law provides for various exemptions and/or reduced tax rates from both the main and the supplementary tax that apply to specific category of properties and/or taxpayers (e.g. non for profit entities etc.).

Moreover, legal entities holding Greek property are subject on an annual basis to a Special Real Estate tax ("SRET"), unless they fulfill the requirements for an exemption. SRET is computed at 15% rate which is imposed on the statutory value of the immovable property as of 1 January of each calendar year. The 15% SRET constitutes an anti-avoidance rule which aims to tackle non-transparent structures that own Greek real estate. Therefore, there are various exemptions provided in the law.

For example, exemption from the 15% tax is granted, among others to: companies (whether EU or non EU) that

generate in Greece higher amounts of business income than rental income, companies (whether EU or non EU) that are listed on a stock exchange or a regulated stock market, all companies with the exception of companies registered in non-cooperative countries that disclose their shareholders up to the level of private individuals, provided that said individuals have obtained a Greek tax identification number, companies whose shareholders are, among others, entities listed on a regulated stock exchange market or multinational trading facility as per Law 4514/2018 or qualify as institutional investors such as credit institutions, insurance companies, mutual funds, closed or open ended mutual funds, AIFs and AIFMs investing in real estate property or managing real estate investments that operate under the supervision of a regulator of the country in which they operate.

Are there other taxes?

i. Municipal Taxes

Corporations may be liable, depending on the precise form of their activity, to various municipal taxes/duties. Such taxes/duties indicatively include: (a) cleaning and lightning duties; (b) advertising duties etc.

Furthermore, as of 01.01.1993, a small property duty is levied at a rate ranging between 0.025% and 0.035% on the objective value of immovable property located in the territory of a municipality.

ii. Taxes in favor of third parties

Certain provisions impose numerous taxes in favor of third parties, such as the Lawyers' Pension Fund, Universities, other funds and non-profit organ-

izations. A number of taxes and duties in favor of third parties (e.g. charges on the registration of real estate properties in the land registry in favor of Lawyer's Pension Fund) have been abolished.

iii. Stamp Tax

With the exception of those subject to VAT, certain other transactions, as well as all contracts which are concluded and executed within Greece and pertain to transactions outside the scope of VAT are in principle subject to stamp tax. The applicable rates vary from 1% to 3% depending on the nature of the transaction involved.

What are the filing and payment requirements?

Capital accumulation tax return is filed and the tax is paid within fifteen (15) days from the corporate resolution approving the share capital increase.

Corporations holding real estate should update their property registry form (E9 form), following any change to the real estate property by May 31st of the following year. This is a reporting obligation that applies equally to both individuals and legal entities.

ENFIA which is the property tax applicable as of 01.01.2014 will be assessed by the tax administration on the basis of the E9 forms and is payable either in lump sum until the last working day of the month following tax assessment or in equal installments starting from the last working day of the month following tax assessment until the last day of January of the following year.

The SRET tax return is filed until 20 May of each year and is paid in a lump sum.

F. Registration Duties

Are there registration duties due upon the incorporation of a company?

See above in *Chapter XII, Section E* regarding capital accumulation tax and special duty in favour of Competition Committee.

Are there registration duties due upon the transfer of the company's shares?

There is a 0.2% sales tax imposed on the market value of listed shares. The tax due is borne by the seller and is either withheld by the Hellenic Exchange upon liquidation in case of listed shares on the Athens Stock Exchange or paid to the State within the first 15 days of the month following the sale of the shares in cases of shares listed in foreign stock exchanges.

Are there registration duties due upon a transfer of corporate assets?

There are no registration duties as such. Nevertheless, transactions that qualify as transfers of business as a going concern are subject to stamp duty either at 2.4% or 3.6% depending on the identity of the counterparties. Stamp duty is imposed on the higher between the net asset value of the business or the consideration agreed.

Also, an exit tax liability shall in principle arise over unrealised gains upon the transfer of assets between a permanent establishment (PE) and its head office, the transfer of tax residence of a company or entity or the transfer of activities of a PE, towards an EU member state or third country.

See above in *Chapter XII, Section C*, for further details.

Where property rights in real estate are transferred for a consideration, one of the following applies:

i. Real estate transfer tax

Where property rights of a corporation on real estate are transferred for a consideration in Greece, in principle, transfer tax is due. However, such tax is normally not a burden to the seller; the relevant tax is borne by the purchaser and is also deductible for tax purposes.

The tax base is either the “objective value” of real estate property (*i.e.* such value is calculated pursuant to official tables prepared on the basis of certain parameters such as location, place, floor, age etc.) or the “market value” thereof (*i.e.* such value is based on the comparative system assessing the value of real estate property located in areas where the “objective system” does not apply yet). For any value, the applicable rate is 3%. In addition, a municipal tax of 3% is levied on the relevant amount of transfer tax. Reduced rates apply to certain cases, such as mergers. However, it must be stressed that if the transfer price is higher than the “objective” or the “market value”, as the case may be, then this higher transfer price is to be taken into consideration for the calculation of transfer tax.

ii. VAT

The sale of buildings or part of buildings that have not been occupied yet and the land on which they are erected is in principle subject to VAT at the rate of 24%. For the period 2020-2022, such sales will be exempt from VAT.



The exemption covers both buildings which have been completed with building permits following 1.1.2006, as well as those that will be built within the aforementioned three-year period. In order for the exemption to apply, the constructor will need to file a relevant application. The constructor will waive the right to deduct the VAT on construction cost, and any VAT already deducted or refunded should be refunded to the State. Any non-recoverable VAT can be deducted as an expense for income tax purposes.

G. Sales Tax or other Turnover Tax

What is the system of sales tax (e.g. V.A.T., cumulative)?

As of 01.01.1987, value-added tax (hereinafter “VAT”) applies in Greece. The VAT system was introduced to bring Greek law in line with the respective EU legislation. It replaced, totally or partially, many other indirect taxes and, particularly, the turnover tax and stamp taxes. VAT is payable when any person engaged in independent economic activity supplies goods or renders services in Greece for a consideration or imports goods into Greece. Certain categories of transactions are exempt (such as insurance, educational, medical services, post-office services etc.), while special regimes apply to small enterprises, farmers and travel agents. Transactions carried out by the State or state agencies are, in principle, not subject to VAT with the exception of a selected list of services and supplies of goods (telecommunications, distribution of energy etc.).

Following introduction of VAT, turnover tax (which has been renamed in

“premium tax”) has been limited only to insurance companies. The applicable rates range from 4% to 20%, depending on the type of risk against which the insurance policy has been taken out. The premium tax applies on the insurance premiums.

As far as the imposition of VAT on the sale of new buildings is concerned, please refer to *Chapter XII, Section F*.

Furthermore, a 0.2% sales tax regime is applicable in respect of sales of listed shares acquired on or after 1 July 2013.

What are the tax rates?

The standard VAT rate is 24% and applies in principle to most of the taxable supplies of goods and services. There is also a reduced rate of 13%, applicable to certain goods and services exhaustively enumerated in the Greek VAT legislation. Indicatively, such rate applies to certain food products, medical equipment and ancillary goods, hotel accommodation, etc. Greek VAT legislation provides also for a super-reduced rate of 6% which applies to books and printed material, pharmaceuticals, theatre tickets, as well as electricity and gas. The same rates apply throughout the country, with the exception of certain islands of the Aegean Sea which face increased refugee flows (the islands of Leros, Lesvos, Kos, Samos, and Chios), and for which reduced rates by 30% continue to apply under conditions in relation to supplies of goods and services until 31.12.2020. The reduced VAT rates do not apply to tobacco products and means of transport. Agricultural goods and services are subject to special treatment.

Is input tax creditable against output tax?

Yes, it is. VAT is a tax neutral to business, structured to be ultimately borne by the final consumer; it is collected gradually at all stages of production by the encumbered taxable persons. In essence, such persons charge VAT on their outputs and remit it to the State after having deducted the VAT applicable on their inputs. If they have incurred higher inputs than outputs, then they are entitled to apply for a refund of credit VAT or VAT that has been unduly paid to the State immediately after the filing of the respective periodical VAT return in which the relevant credit balance occurred.

Furthermore, Greek VAT law, in line with the respective EU VAT legislation, provides for the VAT exemption of certain activities; for some, it allows the recovery of the input VAT (such as intra-community supplies, exports, supplies to vessels and aircraft) and for others it does not (such as medical, insurance, postal and financial services).

What are the filing and payment requirements?

Corporations have the obligation to file periodical VAT returns electronically on a monthly basis, irrespective of whether the corporation is in a debit or credit VAT position or it has not effected any transactions at all in the month for which the VAT return is filed. The said VAT returns must be filed by the last working day of the following month.

VAT due can be paid in lump sum by the time of the filing of the respective VAT return.

Alternatively, to the extent the amount of VAT due exceeds Euro One Hundred (100), it can be paid in two equal instalments. The first one should be paid by the last working day of the month of filing of the VAT return and the second one by the last working day of the following month.

Corporations effecting intra-community supplies or intra-community acquisitions, also have the obligation to file electronically recapitulative statements and Intrastat returns monthly, but only for those periods where such transactions occur.

H. Social Security and Welfare System Contributions

Are social security contributions due?

Are retirement or pension contributions due?

Are unemployment insurance contributions due?

What are the filing and payment requirements for any such contribution?

Corporations are liable to pay approximately two thirds (2/3) of their personnel's social security contributions. The remaining one third (1/3) thereof is a burden to the employees themselves. The amount of social security contributions depends on the particular status of each employee (*i.e.* amount of salary, the specialty/profession of the employee etc.)

Part of the above social security contributions is used by Pension Funds to pay pensions to their retired members, while another part thereof is destined to cover medical care needs of the working population.

In addition, unemployment contributions are borne by all employees

entitled to unemployment compensation; those are collected as part of the monthly Social Security contributions.

Corporations must send a detailed list, called “Analytical Periodical Declaration”, of all their employees and respective social security contributions to the competent Social Security Fund; that can be done in electronic form once a month. The amount of social security contributions due by the corporation must be paid in full by the last day of each month. The part [*i.e.* approximately one third (1/3) thereof] of social security contributions that burdens the employees themselves is withheld from their monthly salary.

I. Special Tax Schemes

Cost-plus regime

A Cost-Plus Ruling Regime is available for the determination of taxable profits of Greek companies and branches of foreign companies exclusively engaged in the provision of specific types of services to foreign associated enterprises. Under such rules, gross revenues of qualifying enterprises are determined by means of application of a profit percentage (which cannot be less than 5%) on the aggregate of all of that enterprises’ expenses and depreciations excluding income tax expenses. All such expenses are accepted as tax deductible for purposes of calculating taxable profits on the condition that they are supported by fiscal documents. Licenses to operate under such regime are granted by the Greek Ministry of Economy following applications accompanied with suitable benchmarking analyses regarding the proposed profit percentage. In order to be eligible for qualification, applicant enterprises

should employ a minimum of four employees, have annual operating expenses of at least Euro One Hundred Thousand (100,000) and provide any of the following types of coordinating services: advisory and consulting services, centralization of accounting services, quality control of production, products, processes and/or services, preparation of studies, designs and contracts, advertising and marketing services, data processing, collection and transmission of information and research and development services.

APAs

The Tax Procedures Code (Law 4174/2013) includes the possibility of an advance pricing agreement (APA) with the tax authorities. This agreement is made in advance and determines the transfer pricing methodology to be used in setting the prices for cross-border intercompany transactions along with the critical assumptions, under which such methodology will remain valid. An APA term cannot exceed four years. The option of a preliminary cycle of discussions with tax authorities, with a view to obtaining their input on the possible outcome of an intended APA application, is provided to the taxpayer.

Following the relevant recommendation set out in the MAP Peer Review Report (Stage 1), Greece now provides for the roll-back of bilateral or multilateral APAs in cases where the relevant facts and circumstances in the earlier fiscal years are the same. Taxpayers filing for an APA may submit a relevant roll-back request, provided that the earlier fiscal years have not been time-barred and that there is no tax audit mandate communicated to the

taxpayer with respect to the relevant fiscal years. It should be noted that, as set out by the legislature, the roll-back request shall not impair the tax auditors from performing a tax audit on such fiscal years, and the APA may not be rolled back to the extent that a final assessment is issued in this respect.

The APA may be revised, revoked or cancelled in the case where the taxpayer does not comply with the terms or responsibilities arising therefrom or the critical assumptions change or are proved incorrect or in the case of a different outcome arising in the context of the mutual agreement procedure pursuant to the relevant bilateral tax treaty or in the context of the convention of the member states of the European Union on the correction of profits of associated enterprises.

Finally, Ministerial Decision (POL 1284/2013) by the Secretary General of Public Revenue provides clarifications and guidance for the application of the APA procedure.

It should be noted that, pursuant to transposition of EU Directive 2015/2376/EU (DAC3), APAs may in principle be exchanged automatically with other EU member states, and to a more limited extent the European Commission.

Tonnage tax

Tonnage tax is applicable to vessels under Greek and foreign flag. The tax is calculated on the basis of the capacity and age of the vessel. In relation to vessels under Greek flag or under the flag of an EEA company but operating in Greece, the tonnage tax exhausts any further income tax obligation of the ship-owner and its shareholders with respect to the income arising from

the operation and exploitation of the vessel. With respect to vessels under foreign flag, tonnage tax is imposed only in relation to those vessels that are managed in Greece by companies which have established offices in Greece for such management.

Other special regimes

A special tax regime applies to Portfolio Investment Companies, Real Estate Investment Companies, Real Estate Mutual Funds and Undertakings for Collective Investment in Transferable Securities (UCITS) which are established under domestic laws. In general, the tax rate is a coefficient set at 10 percent of the main refinancing operations rate of the European Central Bank with a spread added on the basis of their investments including available cash. The minimum tax threshold of 0.375% applicable since June, 1, 2019, was abolished with effect from December 12, 2019.

Are there particular tax consequences of doing business in the country?

Certain investment incentives laws are in place, e.g. Law 4399/2016 and Law 3908/2011, which provide fiscal incentives for the start-up of specific businesses.

J. Tax on Profits

What are the federal or national income tax rates on profits?

The national income tax rate applicable on net profits of fiscal year 2019 onwards is 24%. This rate applies to corporations established in Greece, in the form of Anonymes Etaireies ("A.E."), Etaireies Periorismenis

Efthinis (“E.P.E.”), Idiotikes Kefailouchikes Etairies (“I.K.E.”), branches of foreign corporations, co-operatives and associations thereof, Greek or foreign not-for-profit entities as well as partnerships, civil for-profit or non-for-profit partnerships and consortia when maintaining double entry. The said rate also applies to partnerships, co-operatives and their associations, civil for-profit or non-for-profit partnerships, consortia and other legal entities maintaining single entry books. However, credit institutions subject to the regime regarding the voluntary conversion of deferred tax assets to deferred tax claims against the Greek State remain taxable at a 29% rate.

According to a legislative amendment introduced in 2016 with effect for tax years starting from 01.01.2017, previously untaxed profits which are distributed or capitalised by legal persons and entities are subject to corporate income tax without being offset with any tax losses available as of the year of distribution or capitalisation. The amendment marks a change to the position applicable up to 2016 based on the pre-existing legal provisions and relevant guidelines.

As per recent legislative amendments, incentives for capitalization of tax-free reserves for listed and non-listed companies are now provided without any time limitation. The previously applicable rate of 20% is reduced to 5%, insofar as the capital is maintained for at least five years. The reduced rate applies for capitalizations even where no share capital increase in cash for the equivalent amount is effected.

K. Tax Treaties

Are there any applicable tax treaties?

Greece entered into fifty seven (57) tax treaties between 1953 and 2014. The tax treaties currently in force have been concluded with the following countries (listing is by chronological order): (1) United States of America, (2) United Kingdom, (3) Sweden, (4) France, (5) India, (6) Italy, (7) Germany, (8) Cyprus, (9) Belgium, (10) Austria (revised), (11) Finland, (12) Netherlands, (13) Hungary, (14) Switzerland (partly revised), (15) The Czech Republic, (16) Slovakia, (17) Poland, (18) Norway, (19) Denmark, (20) Romania, (21) Bulgaria, (22) Luxembourg, (23) Korea, (24) Israel, (25) Croatia, (26) Uzbekistan, (27) Albania, (28) Portugal, (29) Spain, (30) Armenia, (31) Georgia, (32) Ukraine, (33) Slovenia, (34) South Africa, (35) Ireland, (36) Turkey, (37) China, (38) Lithuania, (39) Mexico, (40) Kuwait, (41) Latvia, (42) Moldova, (43) Egypt, (44) Russia, (45) Estonia, (46) Iceland, (47) Malta, (48) Bosnia & Herzegovina, (49) Tunisia, (50) Morocco, (51) Qatar, (52) Canada, (53) Saudi Arabia, (54) Serbia, (55) Azerbaijan (56) United Arab Emirates and (57) San Marino.

All tax treaties, except for those concluded with the United States of America and the United Kingdom, follow, in principle, the OECD Model. These treaties define, in general, certain key terms, such as the “permanent establishment” or place of taxation and provide for certain tax exemptions at source in favor of tax residents of the other country or special treatment of certain types of income.

Are there any rules against treaty-shopping?

The Corporate Income Tax Code, in force as of 01.01.2014, includes Controlled Foreign Companies (“CFC”) legislation, as well as a General Anti Abuse Rule (GAAR). Both rules have been modified in 2019 in alignment with the EU Anti-Tax Avoidance Directive.

Pursuant to currently applicable CFC rule, undistributed profits earned by a CFC are added to the taxable profits of the shareholder or the head office and be subject to Greek income tax. A foreign entity is classified as a CFC under the following conditions: (i) the Greek shareholder by itself, or together with its associated enterprises holds directly or indirectly more than 50% rights in the capital of the CFC; (ii) the actual corporate tax paid on the CFC’s profits is less than 50% of the corporate tax that would have been charged on such profits in Greece; and (iii) 30% or more of the income before taxes accruing to the CFC is classified as passive income (i.e. interest, royalties, dividends, income from the disposal of shares etc.). Moreover, in respect of the GAAR, it purports to disregard non-genuine both domestic and cross-border arrangements dependent, among other factors, on whether such arrangements make sense from a commercial point of view and whether they conform to the actual conduct of the parties and effective allocation of risks. The revised GAAR adopts the main purpose test, instead of the essential purpose test adopted by the previously applicable provision.

Greece transposed also the amendments to EU Parent & Subsidiary Directives with regard to the rules against treaty-shopping. These rules apply only on intra-group dividend pay-

ments of EU qualifying legal entities. In particular, the exemption from Greek corporate income tax on dividends received by Greek legal entities from EU affiliates will henceforth only apply to the extent that such profits are not deductible by the subsidiary. This amendment targets hybrid loans and aims at preventing situations of double non-taxation due to mismatches in the tax treatment of profit distribution between the state of the subsidiary and of the parent company.

Furthermore, a Special Anti-Avoidance Rule (SAAR) was adopted, aiming at prohibiting the withholding tax exemption of dividends paid by Greek companies to their EU parent entities, as well as the relief from corporate income tax regarding dividends received by Greek companies by their EU-based subsidiaries. This is to the extent that such exemptions are claimed in the context of artificial arrangements that are not put in place for valid commercial reasons reflecting economic reality, but aim mainly at obtaining a tax advantage. The appropriate interpretation and application of the proposed SAAR is a matter that is anticipated to raise uncertainties in the course of future tax dispute resolution.

In the context of the OECD Base Erosion and Profit Shifting (BEPS) Plan, Greece has also signed the Multilateral Instrument (MLI). Greece has generally taken a mainstream approach by adopting minimum standard provisions to combat treaty abuse and to improve the efficiency of cross-border dispute resolution, while notifying of the intention to apply the MLI provisions with respect to all double taxation treaties currently in force with other OECD member states. On the other hand, Greece has opted out of

the provisions concerning hybrid mismatches (art. 3-5) and the artificial avoidance of PE status (art. 12-15). The MLI will only be implemented in Greece after its ratification.

Greece has also signed the OECD's Multilateral Competent Authority Agreement (MCAA), which provides for Automatic Exchange of Financial Account Information under a global standard known as the Common Reporting Standard (CRS). The MCAA has been ratified by Greek Law 4428/2016.

Moreover, in 2017 Greece signed an agreement with the United States of America to improve international tax compliance and to implement the Foreign Account Tax Compliance Act (FATCA). The agreement is based on a Model 1 Intergovernmental Agreement published by the US Treasury for the implementation of FATCA and provides for annual exchange of information on an automatic basis. The agreement has been ratified by Greek Law 4493/2017.

Finally, it is expected that Greece will incorporate the EU Anti-Tax Avoidance Directive (Council Directive 2016/1164/EU) into domestic legislation.

L. Territoriality Rules

Where is the corporation subject to tax?

The corporation is subject to tax on its worldwide income at the place where it is resident for tax purposes. The residence criteria in Greek law consist of certain triggering events, such as the incorporation, the registered seat and the place of effective management. Further, for identifying the place of effective management a number of factors should be taken into account; the place

of exercise of day-to-day business, the place of strategic decision-making, the place of annual shareholders' meetings, the place of bookkeeping, the place of Board of Directors ("BoD") meetings and the place of residence of the BoD members. In addition to the above, the residence of the majority shareholders may potentially be considered along with the other factors.

Is the corporation subject to tax on its worldwide income?

The corporation is subject to income tax on its worldwide income in the country of its residence. However, if the corporation also receives foreign-sourced income, that has already been subjected to tax in the country of source, the corporation is in principle entitled to a tax credit provided it duly submits official documentation giving evidence that tax has been paid abroad. The credit may not exceed the respective Greek tax liability.

M. Treatment of Tax Losses

How are corporate tax losses treated?

Under certain requirements, corporate tax losses may be carried forward for five consecutive fiscal years. There are restrictions on tax loss carried forward in case of change by more than 33% in direct or indirect holding of an enterprise's capital, shares or voting rights. Enterprises bear the burden of proving that change of control serves business purposes and thus fall outside the scope of the loss carry-forward prohibition. Corporate tax losses generated in an EU or EEA Member State may be set off only against foreign source income, provided that the relevant income is not exempt on the basis of a tax treaty between Greece and the EU/EEA Member State.

In the case of a merger, losses of the absorbing company are also carried forward whereas losses of the entity being absorbed may be lost depending on the legal framework to apply for the merger.

As per the transitional provision introduced along with the recently enacted participation exemption for disposal of shares in qualifying EU or EEA subsidiaries, losses arising from the transfer of such shares shall be recognized for tax purposes after 1.1.2020 under the condition that 1) a valuation will have taken place up until 31.12.2019 and they will have been recorded in the accounting books or will have been reflected in the financial statements audited by statutory auditors and 2) they will become final up until 31.12.2022. If final losses are lower than those of the valuation, the final losses will be recognized; however, if they are higher, losses will be recognized as per the valuation.

N. Wealth Tax

Is there an applicable wealth tax?

Except for the real estate property taxes described under *Section 5* above, there is no other wealth tax in force.

O. Withholding Taxes

What are the rates of withholding tax on dividends?

Subject to EU legislation and the application of Double Taxation Conventions, a 5% withholding tax applies on profit distributions effected as of 01.01.2020.

Profit distributions performed by domestic corporations (AEs, EPEs, IKEs, general and limited partnerships) to their EU parent companies are exempt from any withholding, pro-

vided that the Parent-Subsidiary Directive (Council Directive 2011/96/EU) is applicable, i.e. the foreign company is subject to corporate tax in the EU, has one of the forms listed in the annex to the Directive and has a minimum 10% shareholding participation in the subsidiary for at least two years. The requirements of the Directive have to be met at the time the decision for the distribution of the profits is adopted by the ordinary general shareholders' meeting. However, it is possible to apply a withholding exemption before the lapse of the minimum-required holding period of two years, upon providing a (bank) guarantee equal to the amount of the tax exemption.

Subject to certain conditions (*i.e.* two years minimum holding period and 10% minimum shareholding participation) inbound dividends received by Greek corporations from their foreign subsidiaries are also exempt from the income tax pursuant to intercompany dividends participation exemption regime (please refer to *Chapter XII, Section B*).

What are the rates of withholding tax on royalties?

- i. Withholding tax on royalties paid to private individuals and foreign corporate entities with no permanent establishment in Greece is calculated at a flat rate of 20%. Said tax exhausts any further Greek tax liability for the royalty recipient in this respect;
- ii. Royalty payments made between Greek corporations and other legal bodies are in principle not subject to withholding tax;
- iii. The EU Interest and Royalties Directive, was introduced into Greek legislation as of 1 July 2005. Consequently, royalty payments made

by a domestic AE or by a permanent establishment of a company of a Member State situated in Greece to an associated company of a different Member State are exempt from any taxes imposed on those payments. In accordance with the abovementioned Directive, a company is an “associated” company of a second company if at least (a) the first company has a direct minimum holding of 25% in the capital of the second company; or (b) the second company has a direct minimum holding of 25% in the capital of the first company; or (c) a third company has a direct minimum holding of 25% both in the capital of the first company and in the capital of the second company. Further, holdings should only involve companies resident in Community territory. Companies should also take one of the forms provided in the Directive’s Annex and be subject to tax (a list of taxes per country is also provided in the Directive) without being exempt. Aforementioned conditions should have been maintained for an uninterrupted period of at least two years. However, it is possible, as in the case of dividends aforementioned, to apply withholding exemption before the lapse of the minimum-required holding peri-

od of two years, upon providing a (bank) guarantee, equal to the amount of the tax exemption.

What are the rates of withholding tax on interest?

The withholding tax rate on interest is 15%.

Interest on Greek bonds or treasury bills is exempt. Also, as of 01.01.2020, interest payments towards non-Greek tax resident entities which do not maintain a Greek permanent establishment are exempt from withholding tax, insofar as they are related to corporate bonds listed within the EU or on a regulated stock market outside the EU, as well as to bonds issued by credit cooperatives operating as credit institutions.

As regards the application of the Interest and Royalties Directive, see in the previous paragraph under point (iii).

What are the rates of withholding tax on profits realized by a foreign corporation?

Profits of foreign corporations maintaining in Greece a permanent establishment are subject to corporate income tax at the standard corporate income tax rate applicable to Greek corporations, *i.e.* 24% on net profits as of fiscal year 2019.



XIII. Tax on Individuals

A. Allowances

What are the major allowances?

With respect to employment income earned as from 01.01.2014 the major tax allowances for taxpayers acquiring employment income (salaries and pensions) have as follows:

- i. (i) One-off tax deduction of Euro Seven Hundred Seventy Seven (777) for taxpayers with no dependant children, Euro Eight Hundred Ten (810) for taxpayers with one dependant child, Euro Nine Hundred (900) for taxpayers with two dependant children and Euro One Thousand One Hundred Twenty (1,120) for taxpayers with three dependant children and Euro One Thousand Three Hundred Fourty (1,340) for taxpayers with four dependant children. For any other dependant children, the tax deduction is increased by Euro Two Hundred Twenty (220). All the above deductions apply provided that the taxable income does not exceed Euro Twelve Thousand (12,000). In case of income exceeding Euro Twelve Thousand (12,000), the aforementioned tax deductions are reduced by Euro Twenty (20) per Euro One Thousand (1,000) of income;
- ii. An extra allowance of Euro Two Hundred may be provided for a taxpayer and any dependent family members with certain disabilities;
- iii. Another allowance, which applies to taxpayers earning employment income, refers to a tax deduction equal to 20% of the value of monetary donations over Euro One Hun-

dred (100) made to certain public, educational, medical or religious institutions as well as to charities. The total amount of donations cannot exceed 5% of the taxpayer's total taxable income.

With respect to income from rentals, the provisions of the Greek Income Tax Code provide for a deduction of 5% from the rentals earned by individuals for renovation, repairs and maintenance expenses. The taxpayer qualifies for the above deduction automatically upon the electronic filing of his/her income tax return, irrespective of the actual expenses made during the tax year and the invoices, receipts issued in this respect.

Angel investors may apply for a deduction equal to 50% of the amount injected to start-ups under certain conditions. The deduction shall not apply with respect to contributions of capital to the extent that such contributions exceed a total of Euro Three Hundred Thousand (300,000) per year and an amount of Euro One Hundred Thousand (100,000) per star-up per year.

Finally, Greek law allows tax credit for taxes paid in foreign countries in relation to income generated therein. Such tax credit may not, however, exceed the amount of the Greek tax corresponding to such income.

B. Calculation of Taxes

How is the taxable base determined?

Greek tax resident Individuals are subject to income tax on their worldwide annual income. An individual's tax residence is to be determined based

on the place of residence or habitual abode or vital interests in Greece or the number of days spent in Greece. In this context, an individual spending more than 183 days in Greece shall, with certain exemptions, be presumed to be a Greek tax resident. Individuals not resident in Greece are taxed only on their income derived from a source therein (e.g. rental of premises in Greece).

Greek law classifies income derived from different sources into four categories: employment income from salaries and pensions (subject to progressive tax rates from 9% to 44%), business income (subject to progressive tax rates from 9% to 44%), income from capital (rentals: 15%-45%, interest: 15%, dividends: 5% and royalties: 20%) and income from transfer of specific capital assets, *i.e.* real estate and securities (15%). Nevertheless, the application of the relevant provision as regards capital gains from real estate property has been suspended until 31.12.2022. Income tax is computed on the aggregate income

from each source and loss from one source is not in principle offset against profit from another.

At the time of the income tax assessment, luxury tax may be imposed for the holding of swimming pools, yachts and luxury cars.

Also, as of 2011, a special solidarity contribution is imposed on the actual and imputed reported income of individuals. It is to be noted that, according to recent announcements made by the Greek government, imposition of special solidarity contribution upon employment income arising in FY 2021 shall be suspended. As per the relevant announcements, the special solidarity contribution will not be imposed with respect to income from capital with respect to FY 2020. However, the suspension is not yet crystallized in law and so at the time of writing, it may not be considered as applicable. The relevant contribution is imposed on the net salary pursuant to the contribution scale.

Amount of income (EUR)	Tax rate
Up to 12,000	0%
12,001 - 20,000	2.2%
20,001 - 30,000	5%
30,001 - 40,000	6.5%
40,001 - 65,000	7.5%
65,001 - 220,000	9%
220,001 and above	10%

To be noted that a special tax regime has been introduced in late 2019 with respect to high net worth individuals who transfer their tax residence in Greece and invest on Greek assets of significant value. The special tax regime aims to create an attractive tax environment for HNWI investors in a similar way to the Italian Substitute Tax regime. In this respect, Greek tax liability on foreign-sourced income is exhausted upon payment of an annual one-off tax of Euro 100,000 (and an annual one-off tax of Euro 20,000 per close relative that is intended to be covered by this regime). Assets located outside Greece are exempt from Greek inheritance/gift tax and any funds imported in Greece are not required to be justified. The maximum duration of the regime reaches 15 tax years.

In order to qualify, a person needs to have had his/her tax residence outside Greece for 7 out of the last 8 years and also needs to make an investment of a minimum value of Euro 500,000 in Greek real estate property, securities and companies. Non-EU citizens with a residence-by-investment visa are excluded from the investment obligation. An application procedure must be initiated by the interested person; filing of the application must be performed by 31 March of the relevant tax year.

Retirees re-domiciling into Greece may also qualify for a special tax regime introduced within 2020. Qualifying individuals should be earning non-Greek sourced pension amounts and having held their tax residence outside Greece for 5 out of the last 6 years, at a country holding an administrative cooperation agreement with Greece. The tax incentives entail a 7% flat tax applying on foreign sourced pensions and any other foreign sourced income,

along with an exemption from special solidarity contribution. The effective tax rate is subject to application of Double Tax Treaties (DTTs) between Greece and relevant source states. The maximum duration of the regime reaches 15 tax years. An application procedure must be initiated by the interested person; filing of the application must be performed by 31 March of the relevant tax year.

C. Capital Gains Tax

Are capital gains taxable?

- i. Transfer of securities (Please also refer to *Chapter XII, Section C*).

Transfers of non-listed shares, listed shares (if the seller holds at least 0.5% in the share capital of the company whose shares are being transferred and the shares have been acquired on or after 01.01.2009), holdings in partnerships, bonds (public or private), treasury bills, and derivatives performed by non-business performing individuals are subject to 15% income tax on capital gain. Such tax exhausts the tax liability of the individual taxpayer for the capital gain generated from such transfer. The capital gain is equal either to the actual sale price or the price determined in the Income Tax Code reduced by the acquisition cost as such cost is determined in the Income Tax Code, e.g. with respect to transfers of non-listed shares the sales price is the higher value between the transfer price and the amount of equity corresponding to the shares transferred, while the shares acquisition price is the lower value between the acquisition cost and the amount of equity corresponding to the shares transferred. If the taxpayer cannot provide proof of the acquisition price then it is considered as zero.

Capital losses from security transactions are carried forward for five years and set off against future capital gains deriving from similar transactions only.

Foreign tax residents who are residents in countries that have concluded a DTC with Greece are exempt from Greek capital gains provided that they file with the local tax authorities a tax resident certificate to prove their tax residency.

ii. Real estate capital gains tax

As of 01.01.2014, any gain from the transfer of real estate property as well as from the transfer of shares in companies which derive more than 50% of their value, either directly or indirectly from real estate by individuals who are not engaged in business activities (to be referred to as non-business performing individuals) is subject to capital gains tax at 15%. Nevertheless, the relevant provision has been under suspension since January 1st 2015 and the relevant suspension has already been extended until December 31st 2022. In view of such suspension there have been very few guidelines regarding how the new rules will be implemented while the various grey areas in the law have not been clarified yet.

Based on the applicable framework which, as stated above, is under suspension until December 31st 2022, transfers of real estate property performed by (non-business performing) individuals are subject to 15% withholding tax imposed on capital gain (difference between acquisition cost and actual sales price). Capital gain is gradually de-inflated depending on property holding period; maximum de-inflation rate is 0.60 for holding period exceeding twenty six (26) years. Payment of said tax exhausts

the relevant income tax liability of the seller who is a private individual. An exemption from the above tax is granted for properties acquired before January 1 1995 and for capital gains of up to Euro Twenty Five Thousand (25,000) generated from the transfer of a single property that has been held for at least five (5) years. The tax is withheld by the notary public upon the execution of the transfer deed.

Capital losses from real estate transactions are not set off against future capital gains. The tax treatment of foreign tax residents who are residents in countries that have concluded a DTC with Greece with respect to the capital gain from the transfer of real estate or shares of companies deriving more than 50% of their value directly or indirectly from Greek real estate is to be reviewed based on the terms of the applicable treaty signed with Greece.

Any three similar transactions occurring within a period of six months or within period of two years (in the case of transfer of real estate property) are deemed as business activity, subject to the progressive tax rates from 9% to 44% (instead of 15%). The latter does not apply to transactions on assets listed on a regulated market such as listed shares, corporate or state bonds etc.

D. Filing and Payment Requirements

When must the individual file a tax return, if any?

When must the individual pay his/her taxes?

Income tax returns for private individuals are filed up to 30th June of the following year. In principle, the income tax return is filed electroni-

cally. Income tax must be paid in three equal bi-monthly installments, the first of which is due by the last day of July. The second and third installments must be paid by the last day of September and November respectively. Especially with respect to income tax of fiscal year 2019, as part of the Greek government's response to the pandemic, the amount assessed may be paid off in eight monthly installments, and a 2% discount is granted in the case of one-off payment.

E. Inheritance and Gift Tax

Does the individuals' presence in the country subject him/her to inheritance or gift tax?

Both movable and immovable property situated in Greece is subject to Greek inheritance tax. Should the estate belong to an individual who was a Greek tax resident or a Greek national at the time of his death, his movable and immovable property situated in Greece and movable property located outside Greece are subject to Greek inheritance tax. However, an estate which belongs to a Greek national who was a non-resident of Greece for the ten (10) years prior to his death is subject to inheritance tax only if it is situated in Greece. It should be noted that real estate property outside Greece is not subject to Greek inheritance tax.

Greek Gift tax is due upon donation of any movable or immovable property situated in Greece. Donations of movable assets that are located abroad and have not been acquired in Greece during the last 12 years, are exempt from Greek donation tax, insofar as the donor is essentially a Greek citizen residing abroad for at least ten

(10) years prior to the donation; upon relocation to Greece, the donation is exempt insofar as the donor has not been Greek resident for the last 5 years.

What kinds of assets are subject to tax?

Inheritance and gift tax are imposed on every type of assets, *i.e.* immovable property located in Greece, movable property, money, intangible assets, etc. irrespective of whether they are held in or outside Greece.

What are the tax rates?

The applicable tax rates for both inheritance and gift taxation are determined by reference to the degree of kinship between the decedent/donor and the heir/donee. Kinship is classified into the following categories:

- i. **Category A:** spouse, parents, children and grandchildren, including children recognized by the father either voluntarily or judicially;
- ii. **Category B:** other descendants and ascendants, siblings (including step siblings), other relatives of third degree (nephews/nieces and uncles/aunts), foster parents, children from previous marriage of the spouse, sons or daughters-in-law and ascendants-in-law;
- iii. **Category C:** all others.

Transfers of real estate property or any other assets by reason of inheritance or gift are taxed according to the applicable tax scales. More specifically, the applicable tax scales are as follows:

	Bracket of inheritance/ gift	Tax rate of bracket (%)	Tax on bracket	Total value of inheritance/gift	Total tax
Category A	150,000	0	0	150,000	0
	150,000	1	1,500	300,000	1,500
	300,000	5	15,000	600,000	16,500
	Excess	10			
Category B	150,000	0	0	150,000	0
	150,000	1	1,500	300,000	1,500
	300,000	5	15,000	600,000	16,500
	Excess	10			
Category C	6,000	0	0	6,000	0
	66,000	20	13,200	72,000	13,200
	195,000	30	58,500	267,000	71,700
	Excess	40			

With regard to the transfer of cash by reason of gift, a 10% flat tax is applicable to transfers to relatives of Category A, a 20% flat tax is applicable to transfers to relatives of category B and a 40% flat tax is applicable with respect to transfers to third parties.

Are allowances available?

While inheritance tax is imposed on the assets of an estate, there are allowances for the debts of the estate.

Moreover, Greek law provides for certain inheritance tax allowances appli-

cable to 1) the spouse or children of a deceased person for the purpose of acquiring their first-ever principal private residence (the allowance is granted for the value of the property up to the amount of Euro Two Hundred Thousand (200.000) or Euro Two Hundred Thousand Fifty 250.000 for heirs with child custody, readjusted for every child that they may have) and 2) spouses and underage children of the deceased (the allowance applies for the value of the assets up to the amount of Euro Four Hundred Thousand (400,000), per beneficiary).

What are the payment and filing requirements?

Both inheritance tax and gift tax should be paid by the heir or the donee respectively, in twelve, equal bi-monthly installments. An exemption applies for gift of cash, where the corresponding gift tax should be paid within three (3) days from the date of the filing of the respective gift declaration. With regard to the filing requirements, an inheritance tax return should be filed within the period of six (6) months from the death of the deceased, provided that he/she demised in Greece and within the period of one year from the death of the deceased provided that he/she demised outside Greece or the heir resides abroad. Moreover, in case that the donation is executed by means of a notarial deed, the gift tax return should be filed before the execution of the relevant transfer deed, otherwise the gift tax return should be filed within six (6) months from the delivery of the gifted asset.

F. Miscellaneous Taxes Due

What are the miscellaneous taxes to which the individual may be subject?

What are the filing and payment requirements?

Individuals are subject to a variety of taxes such as on car sales or imports, vehicles circulation taxes, taxes on mobile telecommunications; consumption taxes on alcohol and beer, etc.

The taxes applying to sales or imports of cars as well as alcohol and beer are paid per transaction, whereas the circulation taxes on vehicles are paid in lump sum annually; the taxes on mobile telecommunications are paid

monthly as part of the respective cell phone bill.

G. Real Estate/Habitation Tax

Is the individual subject to real estate or habitation tax?

For real estate taxes please refer to *Chapter XII, Section E*.

Please note that there is no habitation tax in Greece.

H. Sales Tax

Does the individual pay sales tax?

Since VAT is ultimately borne by the consumer, the individual pays VAT where he/she is in position of final consumer.

I. Social Security and Welfare System Contributions

Contributions to social security funds are compulsory for both employees and professionals (*i.e.* self-employed persons).

In the event the individual is an employee, the social security rates are in general calculated at a 39.66% rate on the gross salary, 15.33% of which is borne by the employee and the remaining 24.33% by the employer. The above rates apply on a monthly income up to Euro 6,500.00. If the social security contributions reach the cap, no further social security contributions arise. The amount of social security contributions owed to the Social Security Fund (“EFKA”) depends on the particular status of the employee (current amount of salary, the specialty/profession of the employee etc.).



If the individual is a professional (i.e. self-employed), he/she bears, on his/her own the cost, social security contributions to the Social Security fund. According to the social security law, the self-employed will be able to choose annually between six (6) social security categories for primary pension and health insurance, according to which he/she will be insured for the upcoming year. The minimum annual contribution is approximately Euro 2.760 and the maximum is approximately Euro 7.032. For the self-employed who have not completed more than 5 years of professional activity, the minimum annual contribution may be reduced further.

Part of the social security contributions described above is intended by the Greek State for payment of the lump sum in the nature of compensation due upon retirement and pensions of the currently working population; another part thereof is destined to cover needs of the working population in the area of medical care.

Every month, employers are under the obligation to send electronically a detailed list of all their employees and the amount of the social security contribution owed to each respective employee, to the competent Social Security Fund. The list is called "Analytical Periodical Declaration". The amount of social security contributions owed by employers must be paid in full by the last day of the month following that for which they are due. The part of social security contributions which is a burden to the employee (i.e. 15.33% of the entire amount) is withheld from the monthly salary.

Professionals (i.e. self-employed) pay social security contributions to the Social Security fund in monthly instalments.

J. Stock Option, Profit Sharing and Savings Plans

Is there taxation of stock option plans?

According to a new law, employees will be taxed only at a 15% income tax rate on their capital gains from the sale of shares, provided that the employee does not transfer the shares within at least two (2) years from their acquisition. Taxable capital gain is defined as follows:

- i. With respect to the listed shares, the difference between the market price of the shares upon sale and the offering price;
- ii. With respect to the non-listed shares, the difference between the acquisition price and the sale price.

A special provision is included in case of stock options granted by non-listed start-ups qualifying as small or very small companies. In such case, the employee is subject to 5% capital gains tax upon the sale of the shares provided that the following conditions are cumulatively met:

- i. The stock options are acquired within five years from the establishment of the company;
- ii. The company has not been established through a merger and no profit distributions have taken place;
- iii. The employee holds the shares for at least three (3) years prior to disposal.

The above provisions apply to stock options exercised as of 01.01.2020, irrespective of when they have been granted.

Is there taxation of profit sharing plans?

Given the broad definition of dividends as per the Greek Income Tax Code, any remuneration paid to the BoD members, managers and employees out of the company profits shall be considered as dividends' payment, taxable at 5% with exhaustion of beneficiary's income tax liability. Stamp tax may be also due upon payment of such amounts to BoD members.

Is there taxation of savings plans?

Lump sum payments in the context of pension plans are taxed at a 10% rate [20% for amounts exceeding Euro Forty Thousand (40,000)]. Annuities are subject to 15% withholding tax. The above tax rates are increased by 50% in case of early repayments.

K. Taxation of Benefits in Kind

What is the rate of taxation on benefits in kind (e.g. automobile, housing and utilities, education, etc.)?

In principle benefits in kind are treated as salary income and are therefore subject to Salary Tax and Social Security Contributions. However, the Income Tax Code provides for an exemption from income tax for benefits in kind not exceeding the amount of Euro 300 per employee on an annual basis, as well as for specific benefits in kind, such as food vouchers of Euro 6 per employee per working day, payment of health insurance premiums up to Euro 1,500 per employee per year, payment of premiums in the context of collective pension plans.

L. Taxes on Dividends

Are dividends taxable regardless of their form?

A 5% withholding tax is imposed on dividends regardless of their form. The 5% tax exhausts the respective income tax liability of the recipient of the profits and is withheld by the distributing entity upon payment or credit of the profits under distribution. Similarly, inbound dividends received by Greek resident individuals are also taxed at a 5% withholding tax rate regardless of their form, with exhaustion of the recipient's respective income tax liability. Relevant withholding tax rate used to be 10%.

M. Tax on Income

What are the federal or national tax rates on income for residents?

Individuals are taxed either at a flat tax rate or on the basis of a progressive tax scale depending on the source of income they acquire (*Chapter XIII, Section 2*). More specifically, the progressive tax scale applicable to employment income (salaries and pensions) and business income (since applicable tax rates in both categories are equalized) has as follows:

Income bracket	Tax rate
0-10,000	9%
10,001-20,000	22%
20,001-30,000	28%
30,001-40,000	36%
40,001-	44%

With regard to income from capital, please see the table below depicting the tax rates applicable in each case:

Income bracket	Tax rate
Rental income	15% up to Euro Twelve Thousand (12,000) 35% for income of Euro Twelve Thousand One (12,001) to Euro Thirty Five Thousand (35,000) 45% for income exceeding Euro Thirty Five Thousand One (35,001)
Dividends	5% withholding tax (with respect to income received as from 01.01.2020)
Interest	15% withholding tax
Royalties	20% withholding tax

What are the federal or national tax rates on income for non-residents?

Foreign tax residents who acquire income in Greece are taxed on the basis of the abovementioned tax rates; however, they receive no tax allowances with regard to employment income, with the exception of (non-Greek) individual tax residents in EU/EEA Member States who acquire at least 90% of their worldwide income in Greece.

What are the municipal or local tax rates on income for residents?

One of the sources of revenue for municipalities is the cleaning and lighting duties payable by the owners or users of buildings, for the collection of litter and waste and the lighting of streets; the amount is based on the size of the building and is included in the electricity bill.

What are the municipal or local tax rates on income for non-residents?

As regards municipal taxes, there is no different treatment between resident and non-resident individuals (please refer to the answer just above).

N. Tax Treaties

Please refer to *Chapter XII, Section K*.

O. Territoriality Rules

The individual is in principle subject to tax at the place of his/her residence. If he/she qualifies as a Greek tax resident, tax liability in Greece is calculated on the basis of his/her worldwide income. An individual's tax residence is to be determined based on the place of residence or habitual abode or vital interests in Greece or the number of

days spent in Greece. In this context, an individual spending more than one hundred and eighty three (183) days in Greece shall, with certain exemptions, be presumed to be a Greek tax resident. Moreover, Greek tax liability of foreign tax residents arises only with regard to their Greek-source income.

A limited number of executives working for "strategic" investments as per law 4608/2019 may maintain their tax residence outside Greece, as analysed above under *Chapter III, Section C*.

P. Wealth Tax

Except for the Unified Real Estate Tax ("ENFIA") which burdens individuals and legal entities holding Greek real estate property rights (see *Chapter XII, Section E*), there is no other wealth tax applicable to individuals. As regards the supplementary ENFIA tax rates for individuals, the marginal tax rate is 1,15% and there is an exempt threshold of Euro Fifty Thousand.

Q. Withholding Tax

Is salary subject to a withholding tax at the source?

Salary is subject to a withholding tax at source and is calculated separately for each employee on the basis of certain parameters (*i.e.* years of employment, current amount of salary, family members etc.).

What is the treatment of residents as compared to non-residents?

Strictly for Payroll Tax purposes, there is no different treatment between resident and non-resident individuals (provided the latter are employed by an employer being a Greek tax resident).

XIV. Tax on Other Legal Bodies

A. Allowances

What are the major allowances (e.g. capital cost depreciation)?

As of 01.01.2014, Greek tax law, in principle, has equalized the tax treatment of other legal bodies with that applicable to corporations. Therefore, please refer to our relevant answers in *Chapter XII*, corresponding sections. Pertaining to allowances regime, please refer to *Chapter XII*, *Section A*.

What are the major deductible items?

Please refer to *Chapter XII*, *Section A*.

What are the major expenses that are excluded from deductibility?

Please refer to *Chapter XII*, *Section A*.

B. Calculation of Taxes

How is the taxable base determined?

As of 01.01.2014, Greek tax law, in principle, has equalized the tax treatment of other legal bodies with that applicable in corporations. Therefore, please refer to *Chapter XII*, *Section B*.

C. Capital Gains

Please refer to *Chapter XII*, *Section C*.

D. Filing and Payment Requirements

Please refer to *Chapter XII*, *Section D*.

Legal bodies file their tax return within June of the following year.

The tax prepayment assessed in cases

of legal bodies is 100%, as of year 2015 onwards.

E. Miscellaneous Taxes

Please refer to *Chapter XII*, *Section E*.

F. Registration Duties

Are there registration duties or fees due upon the setting up of the legal body?

Please refer to *Chapter XII*, *Section E*.

Are there registration duties due upon a transfer of assets?

Please refer to *Chapter XII*, *Section F*.

G. Sales Tax or other Turnover Tax

Please refer to *Chapter XII*, *Section G*.

Filing and payment requirements

Legal bodies that maintain single entry accounting books, as well as foreign taxable persons that are VAT registered in Greece, must file periodical VAT returns on a quarterly basis, until the last working day of the following month, irrespective of whether such VAT returns are debit, credit or nil.

VAT due can be paid in a lump sum by the time of the filing of the respective VAT return.

Alternatively, to the extent the amount of VAT due exceeds Euro One Hundred (100), it can be paid in two equal instalments. The first one should be paid by the last working day of the month of filing of the VAT return and the second

one by the last working day of the next month.

Legal bodies effecting intra-community supplies or intra-community acquisitions, have the obligation also to file electronically recapitulative statements and Intrastat returns monthly, only however for those periods, where such transactions occur and irrespective of the category of the accounting books maintained.

H. Social Security and Welfare System Contributions

Please refer to our relevant answer with regard to Corporations under *Chapter XII, Section H*.

I. Special Tax Themes

Are there particular tax consequences of doing business in the country under the form of the particular legal body?

Yes, in terms of application of the Interest and Royalties Directive since the former applies with respect to corporations in the form of AE only.

J. Tax on Profits

What are the national income tax rates on profits?

Please refer to *Chapter XII, Section J*.

K. Tax Treaties

Please refer to *Chapter XII, Section K*.

L. Territoriality Rules

Please refer to *Chapter XII, Section L*.

M. Treatment of Tax Losses

How are tax losses treated?

See *Chapter XII, Section M*.

N. Wealth Tax

Is there an applicable wealth tax?

Except for real estate property taxes referred to in *Chapter XII, Section E*, which apply also to other legal bodies, there is no other wealth tax in force.

O. Withholding Taxes

What are the rates of withholding tax on the legal body's activities?

In respect of profit distributions and capitalizations approved as of 01.01.2014, the rate of withholding tax applicable on dividends and profit distributions or capitalizations by Greek corporations is also applicable to distributions by OEs, EEs (partnerships), civil law societies engaged in a business or profession, joint ventures and other entities classified as taxable under the same rules and keeping double entry books *i.e.* 5% (with respect to income received as from 01.01.2020).

As regards withholding taxes on payments of royalties and interests, please refer to *Chapter XII, Section O* which applies also to other legal bodies.

XV. General Tax Considerations

A. Taxes Generally

Is there a generally accepted way of structuring the company or other entity so as to insure the desired tax consequences?

Please refer to *Chapter XII, Section I* regarding the Special Tax Schemes.

Is there an advance tax ruling that can be used to validate or invalidate the chosen form of doing business?

Please refer to *Chapter XII, Section I*, with respect to APAs.

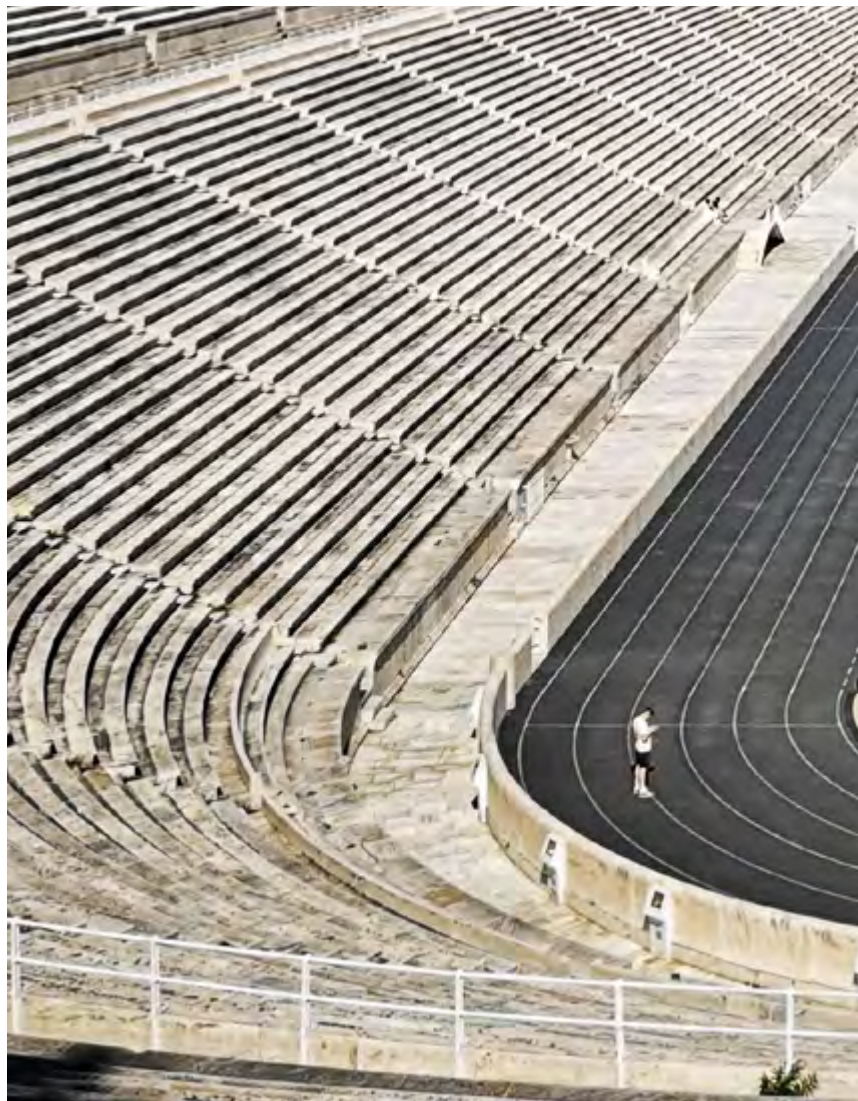
Is there a general anti-tax avoidance system?

A General Anti-Abuse Rule (“GAAR”) has been introduced with effect as of 01.01.2014 (please refer to *Chapter XII, Section K*). There are also various provisions in the Greek legislation that aim to tackle tax-avoidance schemes such as transfer pricing rules, earning-stripping rules, CFC legislation, rules for transactions with entities located in non-cooperative countries and countries of preferential regimes, property taxes on specific real estate holding structures, rules countering hybrid mismatches and rules on intra-group dividend payment of EU qualifying entities.

The Tax Procedures Code also tackles tax evasion. In 2017, the Independent Public Revenue Authority released official guidance on the definition of tax evasion. The guidance clarified that the assessment of corporate income tax of an amount exceeding Euro 100,000, does not constitute tax evasion, to the extent that such assessment results from transfer pric-

ing readjustments. The guidance also refers to fictitious transactions, as an example of an intentional concealment of taxable income that may be treated as tax evasion, within the scope of the Greek Income Tax Code.

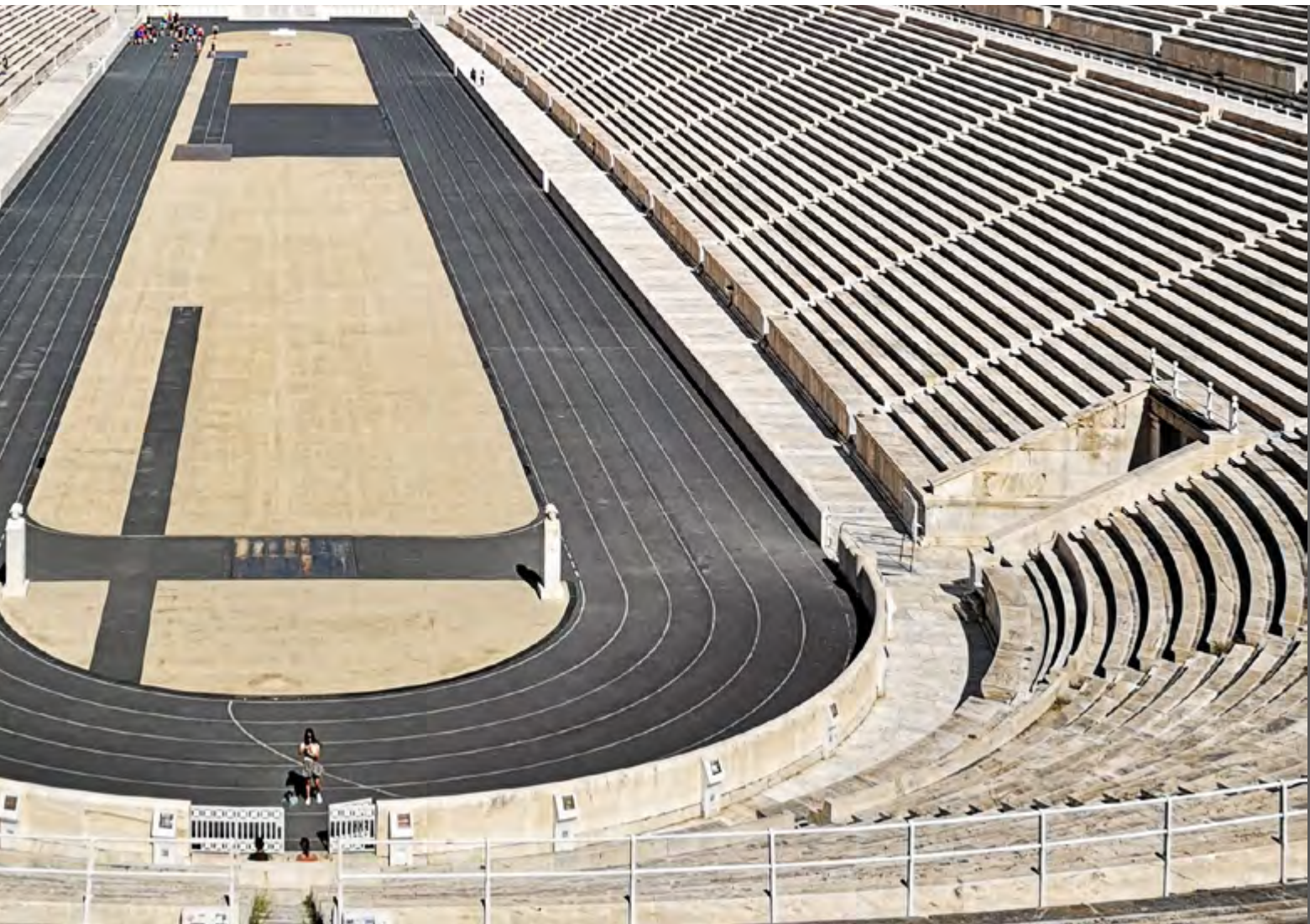
It should be noted that Greece recently transposed Council Directive (EU) 2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC6). In accordance with the new rules, Greek intermediaries and taxpayers must report to the tax authorities, information about certain, broadly defined, potentially aggressive cross-border arrangements. Member States must subsequently automatically exchange



relevant information. Taxes excluded from the scope include VAT and customs duties. The law allows a waiver from filing information to intermediaries who operate within the limits of the Greek laws that define the lawyer profession, where reporting would breach the attorney-client privilege under Greek law. In such cases there is an obligation to notify other intermediaries or relevant persons involved (taxpayers) of their filing obligations. A deferral of the time limits for filing and exchange of information, allowed under Council Directive (EU) 2020/876 adopted on 24.06.2020 is also being introduced. As a result, tax reporting and information exchange dates fall after the beginning of 2021. However, the new rules entered into force on 01.07.2020 and the scope of reporting includes arrangements implemented as of 25.06.2018.

Can the chosen form of business be treated as a deferent form for tax purposes?

Until recently the prevailing principle of Greek administration practice was that form prevails over substance. Nevertheless, as of 01.01.2014, a GAAR has been incorporated in the Tax Procedures Code and thus tax auditors are now entitled to disregard the form of arrangements between taxpayers and reclassify them for tax purposes taking into account their economic substance. The Greek tax authorities have only recently started to apply the GAAR and thus legal precedence is limited in this respect. Greek Income Tax Code treats all the corporations/entities, irrespective of their legal form or legal personality, as separate taxpayers for income tax purposes (opaque entities).



XVI. Immigration Requirements

A. Immigration Controls-Visas

Restrictions exist with respect to the movement of persons originating from outside the EU. Law 4251/2014 “Code of Immigration and Social Integration” replaced law 3386/2005 and updated the legal framework, according to which all third-country nationals who enter Greece must hold a valid travel document which must also bear a visa, if so required by the applicable provisions. A non-EU citizen who is not required to bear a visa can stay in Greece for a period not exceeding 90 days within a 180-day period. However, if foreigners wish to work in Greece either as employees or as investors they must enter Greece with a special (non-tourist) visa issued by the Greek consulate of their place of residence stating that purpose.

In case the foreigner is an executive of a subsidiary or of a branch of a foreign company, the foreigner may obtain such visa and subsequently, after his/her entrance in the country, a residence permit under a special (rather expedited) process.

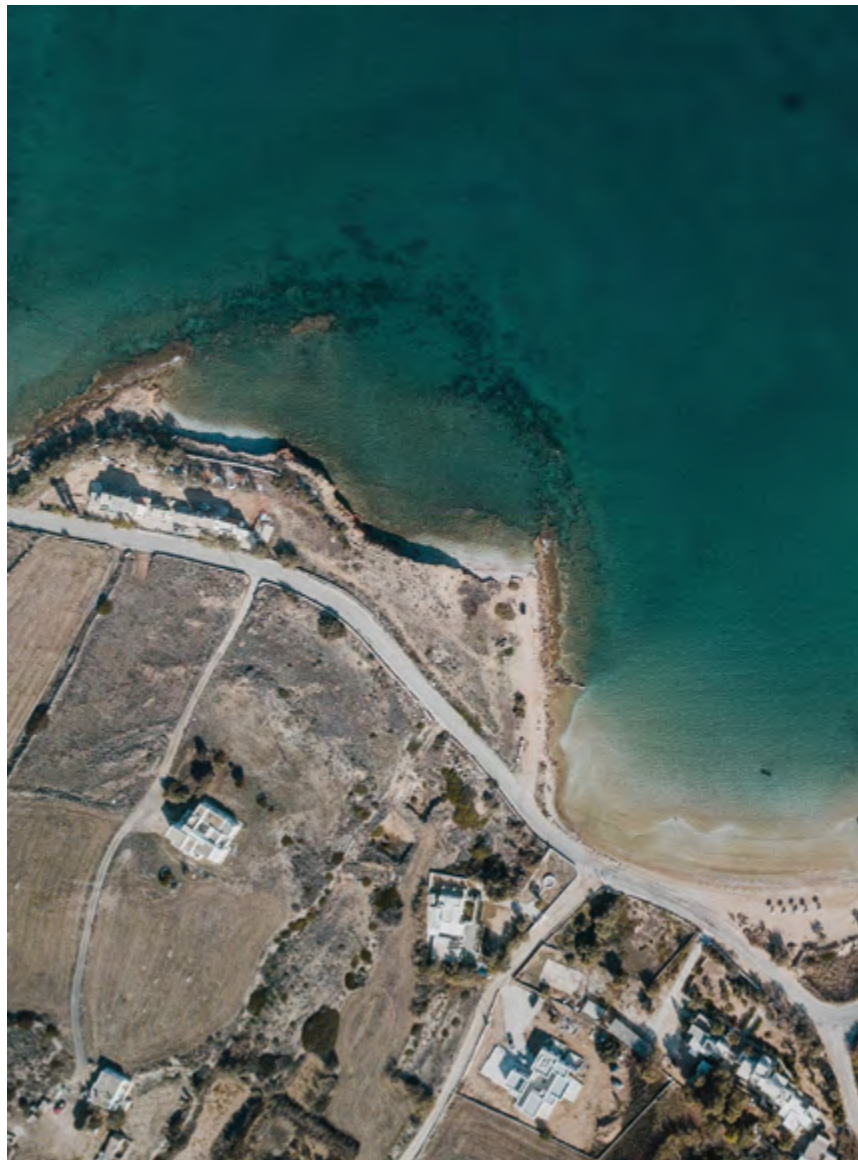
On the contrary, if the foreigner is an employee, the acquisition of a visa is subject to the “invitation procedure” which is much more elaborate and time consuming.

B. Immigration Requirements/Formalities

As far as work and residence permits are concerned, a distinction must be made between EU and non-EU citizens. Citizens of EU Member States and EFTA countries are free to stay

in Greece for a period of 3 months, and for longer periods provided that they 1) are employees or freelancers in Greece, 2) have adequate financial means to support themselves in Greece, or 3) study in Greece. After 3 months, they are obliged to register with the competent police authorities following a rather simple procedure provided in the law.

According to Law 4251/2014 restrictions exist with respect to citizens of non-EU Member States. After entering the country by virtue of a valid visa, third-country nationals who wish to be employed in Greece are required to obtain a residence permit that allows access to the Greek employment



market. The standard process for the issuance of such permit, which is a burdensome and rather time consuming process, is the following:

- Every two years a special Ministerial Decision is issued setting out the maximum permissible number of third-country employees and the position they may hold per geographic area of Greece
- Employers who wish to employ third-country personnel must submit an application to the authorities, in the framework of the above Ministerial Decision, requesting the employment of specific third-country national(s)
- If the application is accepted by the authorities the file is forwarded to the competent Greek Consulate

- The Greek Consulate invites the interested third-country national to appear in person at the Consulate in order to obtain the visa
- Upon entry in Greece the visa-holder must appear before the authorities and submit the required supporting documentation for the issuance of the residence permit.

Another, less burdensome option provided in the law is the issuance of a special-purpose permit for foreign managerial personnel i.e. for individuals that assume corporate offices (e.g. members of the Board of Directors) or managerial roles (e.g. General Managers or managers) in Greek companies.

The validity of the initial residence permit is for two years and the duration of each renewal is three years.

Other types of residence permits include the “EU Blue Card” for highly qualified employees, the residence permit for intra-company transfers (“ICT”) of senior managers, specialists or paid trainees from a non-EU entity to an affiliated entity in Greece and the special permit for seasonal work.

Finally, Law 4251/2014 contains provisions according to which residence permits can be granted to third country nationals (and members of their families), who proceed to the purchase of real estate property in Greece, the value of which exceeds 250,000 Euro under the so-called “golden visa program”.

In addition to the above, foreigners must acquire a tax registration number, following a relatively simple procedure.



XVII. Expatriate Employees

A. Cost of Living and Immigration

How does the cost of living compare to that in the investor's home country?

What is the rate of inflation?

The cost of living in Greece is equivalent to the average cost of living in any western European country. Although the rate of inflation had been declining following the fiscal crisis and last years' recession, as of 2017 the inflation rate has been positive. More specifically, the inflation rate in February 2018 was 0,1%.

B. Drivers' Licenses

All EU and the vast majority of other countries' validly issued driver's license entitle the investor to legally drive in Greece. As a general rule, however, the issuance of a driver's license involves an examination, both practical and written. The cost involves fees for all relevant courses and the final examination.

C. Education

The investor has a choice between Greek state schools, which are free of charge or Greek or international private schools for which tuition fees apply. Without prejudice to rules setting the minimum age for enrollment no other restrictions apply.

Can the investor or company receive a tax benefit?

Tuition fees can by no means be treated as an allowable expense if shown as incurred by a Greek-incorporated company. Expenses in general are eligible for deduction only to the extent that they are certain (*i.e.* provisions and contingencies are not deductible) and in general contribute to the financial results of such taxpayer company ("productive" character of the expenses). In that sense, tuition fees may be deductible only if they constitute part of the salary of the employees of the foreign investor



and only if the corresponding social security contributions have been paid.

An investor/individual is not entitled to any allowance for Greek income tax purposes with regard to tuition fees of an investor's children or tuition fees or expenses that relate to foreign languages courses, private lessons at home and afternoon lessons in private institutes, with the exemption of (non-Greek) individuals tax residents in EU/EEA Member States that derive at least 90% of their worldwide income in Greece.

It should also be noted that the criteria according to which it can be determined whether a certain expatriate qualifies as a Greek tax resident normally boil down to a requirement for one hundred and eighty three (183) days minimum duration of residence in Greece and the existence of vital interests in the country. The existence of a Double Taxation Treaty ("DTC") should also be taken into consideration for tax residence determination purposes.

In light of the above, the actually allowable amount is nil.

D. Housing

A foreign investor may acquire and own property at any time before or after entering the country, with the exception of real estate property situated at border areas.

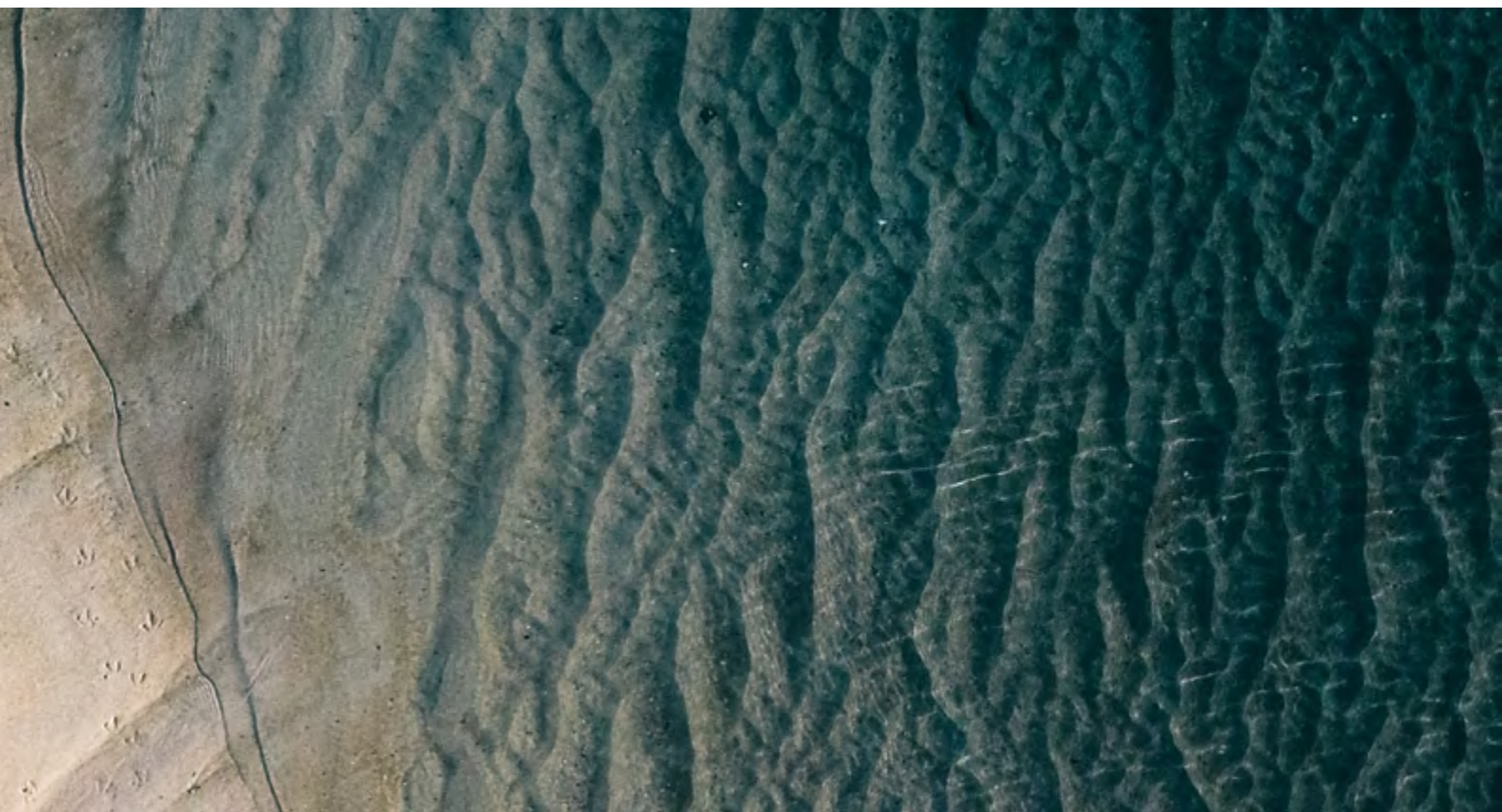
E. Importing Personal Possessions

If the investor has been residing in an EU Member-State before moving into Greece, no import duties are due at the Greek border, as there is free movement within the Customs Union.

Where the investor originates in a third country, personal belongings shall bear customs duties except if s/he furnishes a Certificate of Immigration, issued by the Greek Consulate of his country of residence, to the Greek Customs Authorities.

F. Medical Care

Greece has a national health care system but a person may also chose to obtain additional private medical



care insurance. In most cases the investor will be obligated to obtain medical care insurance or prove that s/he and her/his family members are adequately insured by another state or private health care insurance carrier in order to obtain a visa or a work and residence permit.

G. Moving Costs

No tax allowance is provided by Greek law in relation to moving costs.

H. Tax Liability

Expatriates, being non-Greek tax residents, are taxable in Greece only on their Greek-source income. In principle, they are not entitled to any allowance, normally granted to Greek tax residents for income tax purposes.

Expatriates that become Greek tax residents are subject to tax on their worldwide income in Greece and enjoy full relief entitlement (for more details on the major allowances, please refer to *Chapter XIII, Section A*). For the criteria according to which an expatriate may be treated as a Greek tax resident, please see under *Chapter XIII, Section B*.

A limited number of executives working for “strategic” investments as per law 4608/2019 may maintain their tax residence outside Greece, as analysed above under *Chapter III, Section C*.

Are there any applicable tax treaties?

Tax treaties concluded by Greece in principle contain a provision on Income from Employment, which is scheduled pursuant to Article 15 of the OECD Model. Such provision sets out three criteria pursuant to which employees receiving employment remuneration

in a country other than that of their residence are taxed on the respective revenues only at residence. The aforementioned criteria are as follows:

- i. Employees shall be present in the country of source for less than one hundred and eighty three (183) days;
- ii. The employer that pays the remuneration shall not be resident in the State of source; and
- iii. The remuneration shall not be borne by a permanent establishment which the employer maintains at source.

I. Work Contracts

In the case of expatriate employees, particularly non-EU nationals, a written employment contract may be required for their work permit process.

J. Work Permits

Please see our answers under *Chapter XVI* above.

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Z E P O S Y A N N O P O U L O S

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