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Greece
Tax

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This country-specific Q&A provides an overview of tax laws and regulations applicable in Greece.

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Greece: Tax

1. How often is tax law amended and what is the process?

In Greece, tax law is subject to frequent amendment, often on an annual basis, reflecting the dynamic nature of the political and economic environment. Changes in government, fiscal priorities, and policy objectives frequently result in modifications to tax rates, deductions, exemptions, and compliance obligations.

Imposition of taxes and determination of their essential elements—including taxable events, rates, exemptions, and deductions—can only be established by Law, in accordance with the Greek Constitution. Legislative authority over taxation rests solely with Parliament, ensuring that the creation, modification, or abolition of tax obligations is grounded in democratic legitimacy. Consistent with constitutional safeguards, Greek tax legislation generally applies prospectively. Retroactive application is strictly limited and, where permitted, may extend only up to one financial year prior to the enactment of the law.

The process of amending tax law is governed by the standard legislative procedure set out in the Constitution and parliamentary rules. Typically, amendments are introduced through draft bills submitted by the Ministry of Finance to the Hellenic Parliament. These bills are examined in relevant parliamentary committees, such as the Committee on Economic Affairs, and are subsequently debated in plenary sessions. The legislative process allows for proposals, committee scrutiny, and potential modifications before the bill is voted on. Once a bill is approved by the Parliament and signed into law by the President of the Hellenic Republic, it is published in the Government Gazette and enters into force on the date specified therein.

In addition to Finance Laws, tax law may be amended through supplementary instruments, including Presidential Decrees, Ministerial Decisions, and circulars issued by the Independent Authority for Public Revenue (AADE), which provide technical guidance and clarification for the implementation of statutory provisions. International obligations, such as EU directives or agreements under the OECD Common Reporting Standard, may also necessitate amendments to domestic tax law. Given the frequency of amendments, practitioners, taxpayers, and advisors are expected to monitor the Government Gazette, AADE circulars, and official announcements to remain current with applicable legal obligations. While fundamental tax principles remain stable, specific rates, exemptions, and compliance obligations are subject to regular modification, making ongoing monitoring essential for legal compliance and planning.

Independent Authority for Public Revenue (AADE) plays a central role in the interpretation and administration of tax law, issuing three principal types of administrative acts: Decisions, Circulars and Guidelines. Decisions provide technical guidance and clarification for the implementation of statutory provisions. Circulars are widely used for the interpretation of the tax legislation – they are binding on the tax administration until they are expressly revoked or until the legislation they interpret is amended. However, they are not binding on taxpayers, who may rely directly on the law or contest the administration's interpretation before the competent judicial authorities.

2. What are the principal administrative obligations of a taxpayer, i.e. regarding the filing of tax returns and the maintenance of records?

Different categories of taxpayers are subject to varying reporting and compliance requirements. Employees and pensioners are generally subject to limited reporting obligations and are primarily required to submit an annual income tax return, which in most cases is pre-filled by the tax authorities. These individuals are usually subject to audit only in cases where an unjustified increase in their assets is detected, which is often identified through audits of bank accounts.

In addition to submitting their annual income tax return, taxpayers have to submit a Real Estate Property Statement (commonly known as “E9 form”), which includes detailed information on the taxpayer's real estate holdings, including location, size, type of property, and any changes in ownership or construction. This information is used primarily for the assessment of property taxes.

Businesses, whether operated by individuals or legal entities, are subject to more extensive reporting obligations. They are required to maintain accounting

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books in accordance with either the simplified or double-entry accounting system. Despite efforts to reduce the administrative burden, Greek tax reporting requirements remain complex and intensive. Businesses are also subject to various forms of tax review, including full audits, partial audits (focusing on specific tax issues), and audits related to value-added tax (VAT) refunds.

Over the past year, Greek tax authorities have been developing the digital platform myDATA, which is intended to allow businesses to maintain electronic books and record invoice and tax receipt data electronically.

3. Who are the key tax authorities? How do they engage with taxpayers and how are tax issues resolved?

The principal tax authority in Greece is the Independent Authority for Public Revenue (AADE), established to centralize and administer the country's tax system. AADE is charged with the assessment, collection, and enforcement of taxes, the supervision of taxpayer compliance, and the provision of guidance on the interpretation of tax legislation. While operating under the supervision of the Ministry of Finance, AADE enjoys administrative and operational independence to ensure impartiality in the administration of taxes.

AADE engages with taxpayers primarily through electronic platforms, including the online taxpayer portal, which permits individuals and legal entities to submit tax returns, file forms, make payments, and access pre-filled information.

The competent tax office for each taxpayer is generally determined by the registered seat of a legal entity or the residence of an individual. Since 2021, AADE has undertaken a reorganization and modernization of its internal structure, establishing specialized operational centres, including the Centres for the Collection of Tax Debts (KEVEIS), Property Taxation Centres (KEFOK), and Tax Procedures and Service Provision Centres (KEFODE), which are intended to gradually replace existing local tax offices. This restructuring seeks to centralize functions, enhance efficiency, improve taxpayer services, and maintain effective oversight and enforcement.

For high-value taxpayers and large enterprises, AADE has established the Audit Centre for Taxpayers of Great Wealth (KEMEF), which conducts targeted audits and reviews. Additional audit authority is delegated to designated audit centres in Athens and Thessaloniki (ELKE).

Tax disputes are generally resolved through a combination of administrative procedures and judicial review. AADE may conduct audits, issue additional assessments, or propose settlements in cases of dispute. Taxpayers have the right to challenge administrative decisions, assessments, and penalties before the internal Dispute Resolution Directorate (DRD) and, ultimately, before the administrative courts. Matters involving alleged criminal tax offenses are referred to the judicial authorities. Alternative dispute resolution mechanisms, including Advance TP Rulings and the Mutual Agreement Procedure, are also available to provide clarity and facilitate resolution.

For a limited period, the operation of the Committee for Extrajudicial Resolution of Pending Tax Disputes has been provided for, with the objective of: (i) expeditiously resolving pending disputes, (ii) alleviating the burden on the administrative judiciary, and (iii) enhancing tax revenues.

4. Are tax disputes heard by a court, tribunal or body independent of the tax authority? How long do such proceedings generally take?

Tax disputes are adjudicated exclusively before the administrative courts and constitute the principal remedy against any act or omission of the tax administration, including but not limited to the assessment of taxes, the imposition of fines, or the refusal to grant a refund. The right of recourse belongs to any taxpayer whose legitimate interests are adversely affected by the contested act or omission, on any legal or factual grounds and without the imposition of any financial threshold. In addition, individuals or entities held jointly and severally liable for the tax obligations of a legal entity may also pursue such recourse independently. Conversely, the tax administration itself is not entitled to initiate proceedings before the Courts.

The Code of Tax Procedure provides that recourse to the administrative courts is admissible only following the mandatory filing of an administrative appeal before the Dispute Resolution Directorate (DRD). The administrative appeal must be lodged within 30 days from the notification of the final corrective assessment act or any other contested act, or within 60 days in the case of taxpayers residing abroad. DRD is obliged to issue its decision within 120 days of the filing of the appeal; failure to do so results in a tacit rejection of the appeal.

Upon rejection, either express or tacit, the taxpayer may seek judicial review before the competent administrative court within 30 days of notification of the DRD decision

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or, in the case of tacit rejection, within 30 days from the lapse of the 120–day period. Judicial relief is limited to the annulment or modification of the contested act, including an obligation on the tax authority to refund any amounts unduly paid together with statutory interest. Where the dispute concerns an omission by the tax authority, the taxpayer may request the court to determine the amount of the claim.

Administrative jurisdiction is structured in two tiers: the Administrative Court of First Instance and the Administrative Court of Appeals. Disputes up to €40,000, as well as disputes arising from enforcement measures such as seizures, fall under the competency of the single-member Administrative Court of First Instance. Disputes from €40,000 up to €250,000, as well as non-monetary tax disputes, are heard by the three-member Administrative Court of First Instance. Tax disputes exceeding €250,000 fall within the exclusive jurisdiction of the three-member Administrative Court of Appeal, which acts as both first and final instance. Decisions issued by the Administrative Courts of First Instance for disputes exceeding €5,000 may be appealed by any party.

Decisions of the Administrative Court of Appeals exceeding €40,000 may be challenged by way of a petition for cassation before the Supreme Administrative Court (Conseil d' État – CdE), albeit on limited legal grounds, namely in the absence of established precedent or where the contested decision contradicts prior rulings of the CdE or other irrevocable administrative court judgments.

Greek law further provides for a "pilot trial" procedure, whereby issues of substantial legal importance affecting multiple taxpayers may be referred directly to the CdE, either upon petition of an interested party or by preliminary referral from an administrative court. The decision issued in such a pilot trial is binding upon the referring court and the parties to the proceedings and acquires the force of authoritative jurisprudence.

In practice, tax litigation in Greece is not swift. While the Code of Tax Procedure sets procedural deadlines for administrative appeals (for example, DRD must decide within 120 days), the judicial stage is considerably longer.

At the level of the Administrative Court of First Instance, proceedings from the time of filing to the issuance of a judgment typically take one to three years, depending on the complexity of the case and the caseload of the specific court. Appeals before the Administrative Court of Appeals may add another one to two years. If a cassation petition is filed before the Supreme Administrative Court (Conseil d' État), the process may require an additional two to three years until a final decision is rendered.

Accordingly, from the initiation of a dispute until its irrevocable resolution, the total duration of proceedings may extend to five to seven years in practice.

5. What are the typical deadlines for the payment of taxes? Do special rules apply to disputed amounts of tax?

Tax liabilities become enforceable and payable upon notification of the relevant assessment act, unless the applicable legislation expressly provides for payment in installments. In particular, liabilities relating to income tax, corporate income tax, and value added tax (VAT) are generally payable in monthly or bimonthly installments following either the filing of the tax return or the issuance of the tax assessment, in accordance with the statutory deadlines prescribed for each type of tax.

As a rule, the filing of an administrative appeal before the Dispute Resolution Directorate ("DRD") or the initiation of judicial proceedings does not suspend the enforceability of the assessed tax liability. Accordingly, the taxpayer remains obliged to discharge the disputed amount notwithstanding the pendency of the appeal, unless a suspension of collection has been specifically granted, either administratively or judicially.

However, pursuant to the provisions of the Code of Tax Procedure, the lodging of an administrative appeal (or subsequently, a judicial appeal) gives rise to an automatic suspension of fifty percent (50%) of the disputed tax, provided that the remaining fifty percent (50%) is duly paid. The suspended portion becomes fully enforceable and payable in the event the appeal is dismissed at first instance.

In addition, the taxpayer retains the right to submit a request before the DRD or the competent administrative court for suspension of collection with respect to the remaining amount. Such requests, however, are granted only under narrowly defined circumstances, notably where the taxpayer demonstrates that immediate enforcement would cause irreparable harm.

6. Are tax authorities subject to a duty of confidentiality in respect of taxpayer data?

Under Greek law, tax authorities are subject to a strict and comprehensive duty of confidentiality in relation to all taxpayer information, as codified in Article 21 of Tax Procedure Code. Said provision imposes an unequivocal

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obligation on all employees of the Independent Authority for Public Revenue (AADE) and other bodies exercising tax functions to maintain secrecy with respect to any information obtained in the performance of their official duties. This duty encompasses all types of taxpayer data, including personal, financial, and corporate information, as well as any data collected in the course of audits, investigations, or administrative proceedings. The confidentiality obligations extend not only to employees of the tax administration but also to any external advisors, contractors, or professionals who may have access to taxpayer data in the course of providing services to the tax authorities.

The law establishes that unauthorized disclosure of taxpayer information constitutes a serious infringement and may trigger both civil and criminal liability. Sanctions for breaches of confidentiality include administrative penalties, disciplinary action, and in certain cases, criminal prosecution under the applicable provisions of the Penal Code.

Notwithstanding this general duty, Tax Procedure Code sets forth specific exceptions permitting disclosure of taxpayer information. Tax authorities are authorized to share data with other entities explicitly enumerated therein, provided such disclosure is strictly necessary for the fulfillment of their statutory functions. Additionally, the law contemplates circumstances in which disclosure is warranted to protect the public interest, such as in cases of substantial outstanding tax obligations, where taxpayers with debts exceeding €150,000 may have their identity published without prior consent.

The law also ensures that disclosure for international tax cooperation, including exchanges under the OECD Common Reporting Standard and relevant EU directives, is conducted in strict compliance with confidentiality obligations, safeguarding taxpayer rights while enabling the authorities to fulfill their international reporting obligations.

7. Is this jurisdiction a signatory (or does it propose to become a signatory) to the Common Reporting Standard? Does it maintain (or intend to maintain) a public register of beneficial ownership?

Greece is a contracting jurisdiction to the OECD Common Reporting Standard ("CRS") and has fully implemented the CRS framework pursuant to Council Directive 2014/107/EU (the EU Directive on Administrative Cooperation in the Field of Taxation, commonly referred to as "DAC2") and through domestic legislation (including L. 4428/2016 and L. 4378/2016). In accordance therewith, financial institutions established in Greece are statutorily obliged to identify account holders' tax residency, collect relevant information, and report such information for automatic exchange to the competent authorities of other participating jurisdictions.

With respect to beneficial ownership, Greece has established a central register pursuant to L. 4557/2018 (the "UBO Register"), which obliges legal entities to identify and declare their ultimate beneficial owners to the Ministry of Finance through the electronic Taxisnet system. The register was implemented in conformity with the obligations imposed under the EU Anti-Money Laundering Directives.

Initially, limited information contained in the UBO Register was made available to the public, while competent authorities retained unrestricted access and other persons could access information upon demonstration of a legitimate interest. Following the judgment of the Court of Justice of the European Union (C 649/19) delivered on 22 November 2022, which held that unconditional public access to beneficial ownership registers contravened Articles 7 and 8 of the Charter of Fundamental Rights of the European Union, Greece suspended general public access to the UBO Register with effect from December 2022.

As of the present date, the UBO Register remains operational and is maintained by the Ministry of Finance. Access is restricted to competent authorities and to other persons able to demonstrate a legitimate interest in accordance with applicable law. No general public access is permitted.

8. What are the tests for determining residence of business entities (including transparent entities)?

Under Greek income tax law, the residence of legal entities is determined primarily by statutory criteria set out in the Income Tax Code (L. 4172/2013, as in force). The determination of tax residence governs the scope of taxation, i.e., whether a business entity is subject to tax in Greece on its worldwide income (resident) or only on its Greek-source income (non-resident).

A legal person or entity is considered tax resident in Greece if it has been incorporated or established under Greek law. This applies irrespective of the location of its actual management or operations. An entity is also deemed resident in Greece if it has its registered office in

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Greece, even if its place of incorporation is elsewhere.

Where neither incorporation nor registered office in Greece is established, an entity may nevertheless be deemed Greek tax resident if its place of effective management is located in Greece at any time during a given tax year.

The “place of effective management” is interpreted in accordance with both domestic provisions and OECD principles, taking into account factual and substantive elements, such as:

- The place where day-to-day management is conducted,
- The place where strategic decisions are made,
- The place of the entity's annual general meetings of shareholders or partners,
- The place where books and records are maintained,
- The place of board of directors or other executive management meetings,
- The residence of members of the board of directors or other executive management bodies.

In conjunction with the above, the residence of the majority of shareholders or partners may also be considered. No single factor is conclusive; instead, the totality of facts and circumstances is assessed.

Where dual residence arises (i.e., residence claimed both in Greece and another jurisdiction), the issue is resolved by reference to the applicable Double Tax Treaty (DTT), which typically employs the “place of effective management” as the decisive tie-breaker criterion, unless otherwise specified.

9. Do tax authorities in this jurisdiction target cross border transactions within an international group? If so, how?

Greek tax authorities actively monitor cross-border transactions between related parties within multinational groups. This oversight is grounded in both domestic legislation and international standards, primarily to ensure that the arm's length principle is respected, and that income is not artificially shifted to low-tax jurisdictions.

Greek authorities particularly scrutinize transactions that present a high risk of profit shifting or base erosion, such as intra-group financing arrangements, intangible property transactions including royalties and licensing fees, management and service fees charged within the group, and cost-sharing agreements. In addition, authorities may apply recharacterization, substance-over-form principles, or general anti-avoidance rules where transactions lack economic substance and are primarily designed to reduce Greek tax liability. Enforcement tools include tax audits targeting controlled transactions and intra-group arrangements, advance pricing agreements allowing pre-approval of transfer pricing methodologies, and the exchange of information with foreign tax authorities under EU mutual assistance directives and OECD common reporting standards.

Greek entities engaged in cross-border related-party transactions are required to maintain comprehensive transfer pricing documentation consistent with OECD BEPS Action 13, including a master file that provides an overview of the multinational group and its global transfer pricing policies, and a local file documenting specific controlled transactions of the Greek entity, including contractual terms, financial data, and comparability analyses. Such documentation must be available upon request by tax authorities. In addition, entities that are part of a multinational group exceeding specified thresholds are required to submit Country-by-Country (CbC) reports, which provide aggregated information on revenues, profits, taxes paid, and economic activity in each jurisdiction.

Failure to apply arm's length pricing allows Greek tax authorities to adjust taxable income, recharacterize transactions, or allocate profits to the Greek entity, which may include upward transfer pricing adjustments, denial of deductions, and the imposition of interest and penalties under the provisions of the Code of Tax Procedure.

10. Is there a controlled foreign corporation (CFC) regime or equivalent?

Greece has implemented a Controlled Foreign Corporation (CFC) regime under its domestic tax law, in particular Article 66 of L. 4172/2013, as amended, in alignment with the EU Anti-Tax Avoidance Directive (Directive 2016/1164/EU).

A foreign entity is considered a CFC for Greek tax purposes if all of the following conditions are satisfied:

- Control Test: A Greek taxpayer (whether an individual or a legal entity) holds, directly or indirectly, more than fifty percent (50%) of the voting rights, capital, or rights to profits in the foreign entity.
- Low Taxation Test: The foreign entity is subject to an effective tax rate lower than fifty percent (50%) of the Greek corporate income tax rate applicable to the

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same type of income.
- Income Test: More than thirty percent (30%) of the net pre-tax income of the foreign entity derives from passive income, including, inter alia, dividends, interest, royalties, and certain capital gains, in accordance with the definitions provided under ATAD.

If a foreign entity qualifies as a CFC, the Greek controlling shareholder(s) must include in their Greek taxable income their proportionate share of the CFC's undistributed income, irrespective of whether such income has been distributed. Any foreign tax paid by the CFC is creditable against the Greek tax liability of the shareholder(s), to the extent permitted under the domestic rules.

Certain exemptions from the CFC regime apply, notably where the CFC is resident in another EU Member State and engages in substantive economic activity which is supported by adequate personnel, equipment, assets, and premises.

11. Is there a transfer pricing regime? Is there a "thin capitalization" regime? Is there a "safe harbour" or is it possible to obtain an advance pricing agreement?

Greece has a transfer pricing (TP) regime, which requires that transactions between related parties be conducted at arm's length, meaning the terms and conditions should reflect those that would have been agreed upon by independent entities under comparable circumstances.

Greece also maintains a thin capitalization regime, which limits the deductibility of interest on related-party loans where the debt-to-equity ratio exceeds a statutory threshold. Under Article 49 of the Income Tax Code, net interest expenses are deductible up to the higher of €3 million or 30% of the taxpayer's taxable EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization). This limitation applies to interest expenses incurred on loans from related parties. However, any interest expenses exceeding the deductible limit can be carried forward indefinitely to offset future taxable income, subject to the same 30% EBITDA cap.

The thin capitalization rules do not apply to (i) financial institutions, such as banks and insurance companies, due to their intrinsic reliance on debt financing, and (ii) publicly traded companies that are subject to consolidated group taxation under Greek tax law.

In addition, interest on loans from third parties, other than bank loans, inter-bank loans, and bonds issued by companies, is not deductible to the extent that the interest rate exceeds the benchmark rate on open account loans to non-financial businesses, as published in the Bank of Greece's Bulletin of Conjunctural Indicators for the period immediately preceding the borrowing date.

Greece does not provide general safe harbour rules for transfer pricing. However, taxpayers may apply for Advance Pricing Agreements (APAs) under Article 41 of the Income Tax Code, which allow pre-approval of transfer pricing methodologies for specific controlled transactions. APAs may be unilateral or bilateral, the latter coordinated with foreign tax authorities under applicable Double Tax Treaties or the OECD Mutual Agreement Procedure. APAs provide taxpayers with certainty regarding the arm's length treatment of their transactions and reduce the risk of future tax adjustments or disputes.

12. Is there a general anti-avoidance rule (GAAR) and, if so, how is it enforced by tax authorities (e.g. in negotiations, litigation)?

Greece has implemented a General Anti-Avoidance Rule (GAAR) under Article 39 of the Tax Procedure Code. This provision empowers the Greek tax authorities to disregard or recharacterize transactions or series of transactions that are deemed artificial or non-genuine, where the main purpose or one of the main purposes of the arrangement is to obtain a tax advantage that defeats the object or purpose of the applicable tax laws.

The GAAR applies when a transaction or arrangement lacks economic substance and is not carried out for valid commercial reasons reflecting economic reality, and when it results in a tax benefit contrary to the intent and purpose of the relevant provisions.

In such cases, Greek tax authorities are authorized to recharacterize or disregard the transaction for tax purposes and to adjust the taxable income to reflect the true economic substance.

Taxpayers may challenge the application of the GAAR before the Administrative Courts. The Courts have the authority to review whether the tax authorities' application of the GAAR was correct and consistent with both the statutory language and the principles of economic substance.

13. Is there a digital services tax? If so, is there an intention to withdraw or amend it once a multilateral solution is in place?

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Greece does not currently impose a national Digital Services Tax (DST). Nonetheless, the country has been actively engaged in European Union discussions on the adoption of a common DST, which would target revenues generated from digital activities, including online advertising and digital intermediation services.

In parallel, Greece participates in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). The BEPS 2.0 initiative seeks to address the tax challenges arising from the digitalization of the economy, including the reallocation of taxing rights to market jurisdictions and the establishment of a global minimum tax. The implementation of these multilateral measures is expected to reduce the need for unilateral digital services taxes. However, the rollout of BEPS 2.0, particularly Pillar One, has been slower than initially anticipated, creating some uncertainty regarding the timing and scope of a coordinated international solution.

14. Have any of the OECD BEPS recommendations, including the BEPS 2.0 two-pillar approach been implemented or are any planned to be implemented?

In April 2024, Greece transposed the EU Minimum Tax Directive (EU Directive 2022/2523) into national law through L. 5100/2024. This legislation aligns with the OECD's Global Anti-Base Erosion (GloBE) rules under Pillar Two, establishing a global minimum tax rate of 15% for multinational enterprises (MNEs) with consolidated annual revenues exceeding €750 million.

Key provisions of Law 5100/2024 include:

- Income Inclusion Rule (IIR): Greek parent entities must pay top-up tax on low-taxed income earned by foreign subsidiaries.
- Qualified Domestic Minimum Top-up Tax (QDMTT): A domestic top-up tax applied to ensure a minimum effective tax rate of 15% on income earned within Greece.
- Undertaxed Profits Rule (UTPR): A backstop mechanism activated if the IIR is not applied, leading to top-up tax on entities located in Greece and other UTPR jurisdictions.
- Safe Harbours: Transitional safe harbours for Country-by-Country Reporting (CbCR) and UTPR, as well as a permanent QDMTT safe harbour.

These measures are effective for fiscal years starting on or after 31 December 2023, with the UTPR applying from fiscal years starting on or after 31 December 2024.

Pillar One, which reallocates taxing rights to market jurisdictions, has not yet been implemented in Greece. The OECD had set a deadline of 30 June 2024 for the implementation of Pillar One; however, due to complexities in reaching consensus among participating countries, the deadline was not met. Consequently, Greece, along with other EU member states, has missed the transposition deadline for Pillar One.

15. How has the OECD BEPS program impacted tax policies?

Greece has fully embraced the BEPS project. Through domestic legislation, EU directives, and the MLI, it has modernised its international tax framework, tightened anti-avoidance measures, and ensured greater alignment with global standards, while awaiting final consensus on digital economy taxation under Pillar One.

More specifically, Greece has:

- transposed ATAD I and ATAD II, introducing rules that neutralise the effects of hybrid mismatch arrangements, thereby preventing double deductions or deduction/non-inclusion outcomes.
- introduced a controlled foreign corporation regime, aligned with ATAD. Where a Greek taxpayer controls a low-taxed foreign entity deriving passive income, the undistributed income of that entity is attributed to the Greek controlling shareholder.
- enforced thin capitalization rules. Net interest expenses are deductible only up to the higher of €3 million or 30% of taxable EBITDA, with the excess carried forward indefinitely.
- participated in peer review processes under the OECD Forum on Harmful Tax Practices and the EU Code of Conduct Group in order to amend preferential regimes and ensure compliance with the “nexus approach."
- ratified the MLI, which introduces the Principal Purpose Test (PPT) into its treaty network, broadens the definition of permanent establishment and reduces the scope for artificial avoidance through commissionaire or fragmentation strategies.
- overhauled its transfer pricing regime in line with OECD guidelines (Transfer Pricing Documentation and CbC Reporting).
- strengthened mutual agreement procedures (MAP) through both the MLI and the transposition of EU Directive 2017/1852 on tax dispute resolution. These mechanisms enhance legal certainty for taxpayers engaged in cross-border disputes.

Finally, by ratifying the MLI, Greece has simultaneously amended a large number of its bilateral treaties,

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introducing anti-abuse provisions, modernising permanent establishment standards, and improving dispute resolution frameworks without the need to renegotiate each treaty individually.

16. Does the tax system broadly follow the OECD Model i.e. does it have taxation of: a) business profits, b) employment income and pensions, c) VAT (or other indirect tax), d) savings income and royalties, e) income from land, f) capital gains, g) stamp and/or capital duties? If so, what are the current rates and how are they applied?

The Greek tax system broadly follows the structure of the OECD Model and imposes taxation across the major categories of income and transactions typically found in developed jurisdictions.

Business profits are subject to corporate income tax at a standard rate of 22% on worldwide income for Greek tax residents (entities incorporated or effectively managed in Greece). Non-resident entities are subject to tax on Greek-source income, as long as they are attributable to a permanent establishment.

Employment income and pensions are taxed progressively. Employment income is subject to individual income tax rates ranging from 9% to 44%, depending on income brackets. Pension income is taxed under the same progressive scale as employment income, with limited exemptions and allowances.

Indirect taxation is primarily levied through Value Added Tax (VAT), which is harmonised with EU law. The standard VAT rate is 24%, with reduced rates of 13% (e.g., food, energy, transport) and 6% (e.g., medicines, books, theatre tickets). Certain exemptions apply in line with EU directives. Excise duties also apply to specific goods such as alcohol, tobacco, and energy products.

Savings income and royalties are subject to withholding taxation. Dividends are taxed at a withholding rate of 5%, interest at 15%, and royalties at 20%, unless reduced by an applicable Double Tax Treaty or EU directive (e.g., the Parent-Subsidiary Directive or the Interest and Royalties Directive). For individual taxpayers, the withholding exhausts the final tax liability. This means that no further taxation is imposed on the income, and the taxpayer's obligation is fully discharged at the withholding stage. For legal entities, however, the withholding operates merely as an advance payment of tax. The income is included in the entity's taxable base and subject to corporate income tax at the end of the fiscal year, with the tax withheld offset against the final liability.

Income from land is taxable either as rental income or imputed income in cases of personal use. Rental income is subject to progressive rates ranging from 15% to 45%, depending on the amount of annual rental income, with deductions available for certain expenses. In addition, property is subject to the annual property tax (ENFIA), which applies to both individuals and legal entities owning real estate in Greece.

Capital gains are taxed depending on the type of asset. Gains from the disposal of real estate by individuals are currently exempt until the end of 2026. Gains from the disposal of shares not listed on a regulated market are generally taxed at 15% for individuals.

Stamp duties are also present in the Greek system. A Digital Transactions Fee is imposed on certain transactions and documents not subject to VAT, at rates generally ranging between 1.2% and 3.6%, depending on the nature of the transaction. Capital concentration tax, levied at a rate of 0.2%, applies on capital contributions to Greek companies, except where exemptions apply.

17. Is business tax levied on, broadly, the revenue profits of a business computed in accordance with accounting principles?

Yes, business taxation is imposed on the net profits from business activities, determined based on accounting results prepared under Greek Accounting Standards, subject to the necessary tax adjustments provided under the Income Tax Code (L. 4172/2013).

Business profit is defined, in accordance with Article 21 of L. 4172/2013 (Income Tax Code), as the total income derived from business transactions, after deducting allowable business expenses, tax-deductible depreciation, and provisions for bad debts.

Subsequently, tax adjustments are applied, including the disallowance of non-deductible expenses, limitations on interest deductibility under the thin capitalization rules, transfer pricing adjustments to ensure compliance with the arm's length principle and specific rules for depreciation and loss carryforwards.

The resulting taxable income is subject to corporate income tax at the standard rate of 22%. Tax losses may generally be carried forward for up to five years to offset future profits, subject to statutory limitations.

In addition, Greek corporate taxpayers are required to

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make advance payments of corporate income tax for the following fiscal year. These prepayments are calculated as a percentage of the current year's tax liability (typically 80%) and are credited against the final tax due for the next fiscal year.

18. Are common business vehicles such as companies, partnerships and trusts recognised as taxable entities or are they tax transparent?

A legal entity, as defined in Article 2 of L. 4172/2013 (Income Tax Code), covers any organisational structure—corporate or non-corporate, for-profit or non-profit—that is not classified as a natural or legal person. This includes cooperatives, offshore or foreign companies, investment funds, trusts (including all forms of estates, fideicommissa, and similar structures), civil law partnerships, joint ventures, asset management companies, foundations, societies, and partnerships of various forms (e.g., silent partnerships, general partnerships under civil law).

Despite not being a legal person, a legal entity is also taxable as a separate entity. The Greek tax system treats such entities as independent taxpayers, meaning they calculate their own taxable income and pay corporate or entity tax, regardless of whether the income is ultimately distributed to members, beneficiaries, or partners.

19. Is liability to business taxation based on tax residence or registration? If so, what are the tests?

Liability to business taxation is determined primarily by **tax residence**. A legal entity is considered a Greek tax resident if it is either incorporated in Greece or has its place of effective management in Greece.

The “place of effective management” is interpreted in accordance with both domestic provisions and OECD principles, taking into account factual and substantive elements, such as:

- The place where day-to-day management is conducted,
- The place where strategic decisions are made,
- The place of the entity's annual general meetings of shareholders or partners,
- The place where books and records are maintained,
- The place of board of directors or other executive management meetings,
- The residence of members of the board of directors or other executive management bodies.

In conjunction with the above, the residence of the majority of shareholders or partners may also be considered. No single factor is conclusive; instead, the totality of facts and circumstances is assessed.

Entities that qualify as Greek tax residents are liable for corporate income tax on their worldwide profits, including profits generated outside Greece. Conversely, entities that are not tax residents in Greece are taxed only on income arising from Greek sources, as long as such profits are attributable to a Greek permanent establishment.

20. Are there any favourable taxation regimes for particular areas (e.g. enterprise zones) or sectors (e.g. financial services)?

Greece provides targeted tax incentives for businesses operating in specific sectors or regions, designed to encourage investment, employment, and strategic economic activity. These incentives are codified in the Income Tax Code (L. 4172/2013) and related legislation, including provisions added by recent investment laws. Indicatively:

- **Article 71D** establishes incentives aimed at **enhancing employment**. Eligible companies can benefit from tax relief linked to the creation of new jobs, with deductions or exemptions granted based on the number of positions created and the type of employment.
- **Article 71E** provides incentives for businesses involved in the **production of audiovisual works**, including film, television, and other media productions. These incentives can include tax credits and deductions for qualifying production costs, aiming to stimulate the audiovisual sector and attract international investment.
- **Article 71ST** offers incentives for the **implementation of electronic invoicing**. Companies that adopt digital invoicing systems in accordance with Greek e-invoicing regulations may benefit from tax deductions, reflecting the government's policy of promoting digitalisation and transparency in business transactions.
- **Article 71Z** introduces targeted incentives for companies engaged in the **production of electric vehicles or goods and components related to electric vehicles**, specifically in the **Region of Western Macedonia and the regional unit of Arcadia in the Peloponnese**. These incentives are designed to support green technology, regional development, and the transition to sustainable mobility. They may include enhanced depreciation allowances, investment cost deductions, and other preferential tax

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treatment linked to qualifying investment expenditures.
- Finally, **Article 22E** introduces a framework for granting **enhanced deductions for expenses related to the green economy, energy, and digitalisation**. Under this provision, companies making qualifying investments or incurring expenses in renewable energy, energy efficiency, environmental technologies, or digital transformation may claim an increased deduction from their taxable income. This measure is designed to incentivise environmentally sustainable investments and the digitalisation of business processes, complementing other sectoral and regional incentives.

Collectively, these measures create a legal framework that encourages investment in strategic sectors, promotes employment, and supports economic development in less-developed regions of Greece, while aligning with broader EU policy objectives on sustainability and digitalisation.

21. Are there any special tax regimes for intellectual property, such as patent box?

Greece does not currently operate a traditional patent box regime. However, there are certain intangible asset regimes, which link tax benefits to research and development (R&D) activities carried out by the taxpayer.

Specifically, Greek tax law allows enhanced deductions for qualifying R&D expenditures (Article 22A L. 4172/2013), which can indirectly reduce the effective tax rate on income derived from intellectual property. Only income directly attributable to R&D activities performed by the taxpayer may benefit from such preferential treatment, in order to ensure that tax benefits are granted only to the extent that the taxpayer has materially contributed to the creation or enhancement of the intangible asset.

What is more, a taxpayer may benefit from an exemption or partial inclusion of income derived from qualifying intangible assets, including patents, trademarks, copyrights, and certain other intellectual property, to the extent that the income is attributable to R&D activities performed by the taxpayer (Article 71A L. 4172/2013). The measure does not create a reduced corporate tax rate per se. Instead, it allows a portion of income from qualifying IP to be excluded from the taxable base, thereby lowering the effective tax burden.

22. Is fiscal consolidation permitted? Are groups of companies recognised for tax purposes and, if so, are there any jurisdictional limitations on what can constitute a tax group? Is there a group contribution system or can losses otherwise be relieved across group companies?

Greece does not have a general fiscal consolidation regime for corporate groups similar to those available in some other jurisdictions. Each company is generally taxed on a standalone basis, and there is no automatic system for aggregating profits and losses across multiple group entities.

23. Are there any withholding taxes?

Greece maintains an excessive withholding tax (WHT) framework on various types of domestic and cross-border payments to ensure the effective collection of income tax at source. The main categories of withholding taxes are employment income and pensions, dividends, interest, royalties, and certain service payments, with rates and application rules governed by the Income Tax Code (L. 4172/2013), relevant EU directives, and applicable double taxation treaties.

Employment income and pensions are subject to withholding tax based on the progressive scale set out in the Income Tax Code. For this purpose, monthly income is annualised to determine the applicable tax rate, and the resulting tax is withheld at source by the employer or pension provider.

Dividends distributed by Greek companies are generally subject to a 5% withholding tax. For individuals, this typically exhausts the final tax liability, while for legal entities, the withholding operates as an advance payment credited against year-end corporate income tax. Treaty provisions or EU directives, such as the Parent-Subsidiary Directive, may reduce or exempt this withholding.

Interest payments are generally subject to a 15% withholding tax, while royalties are subject to a 20% withholding tax, unless a lower rate applies under an applicable double taxation treaty or EU law, such as the Interest and Royalties Directive.

Certain service payments, including fees for technical services, consulting, or management services with a Greek-source connection, are also subject to withholding tax.

In all cases, the payer is responsible for withholding and

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remitting the tax to the Greek tax authorities within the prescribed deadlines. Failure to withhold or remit may result in joint liability for the tax, including interest and fines.

24. Are there any environmental taxes payable by businesses?

Businesses operating in Greece may be subject to a variety of environmental taxes and levies, designed to promote sustainable practices, reduce pollution, and encourage the efficient use of natural resources. These measures are imposed under Greek domestic law and, in some cases, in implementation of EU environmental directives. Key levies include:

- Climate Crisis Resilience Fee – Established to raise funds for addressing the impacts of climate change. The fee is imposed on a daily basis per room or apartment in hotels, other tourist accommodations, and short-term rentals, with amounts varying by accommodation category and season.
- "Green" fee on diesel fuel – Applied to diesel (except for heating fuel) in addition to the Special Consumption Tax. Revenues are allocated to projects that reduce pollutant emissions and support climate-related initiatives.
- Environmental levy on plastic bags – Applicable to non-biodegradable and non-compostable plastic bags, aimed at reducing single-use plastics and funding recycling programs.
- Recycling levy on PVC-containing packaging – Imposed on products whose packaging contains polyvinyl chloride (PVC), with revenues dedicated to recycling actions.
- Special contribution for the protection of the environment on plastic and certain single-use paper products – Applies to plastic products used as food and beverage packaging and select paper products, in line with the EU Single Use Plastics Directive.

To be noted that the tax system provides incentives for green investments through provisions such as Article 22E of the Income Tax Code, which allows companies to claim enhanced deductions for expenditures related to the green economy, energy efficiency, and environmentally sustainable activities. These incentives may reduce the effective tax burden for companies making qualifying environmental investments.

25. Is dividend income received from resident and/or non-resident companies taxable?

In the case of corporate recipients, it is first necessary to determine whether the conditions of Article 63(1) of the Income Tax Code, implementing the EU Parent-Subsidiary Directive 2011/96/EU (e.g., minimum shareholding percentage, minimum holding period, etc.), are met. If not, the following distinctions apply:

(a) Greek corporate recipient:

- **Dividends from Greek companies:** Dividends received by Greek legal entities are subject to withholding tax, which does not exhaust the final tax liability. These dividends are treated as business income (Article 47(2) of the Income Tax Code), and the withheld tax is credited against the final corporate income tax. If the withheld tax exceeds the tax due, the excess is refunded (Article 68(3) of the Income Tax Code).
- **Dividends from foreign companies:** If a Greek corporate entity receives dividends from a foreign company, no withholding is applied, but such dividends are taxed as business income together with other income.

(b) Non-resident corporate recipient with a permanent establishment in Greece: Dividends received by foreign companies with a permanent establishment (PE) in Greece are treated similarly to Greek corporate recipients. Withholding is applied, does not exhaust final tax liability, and the income is taxed as business income. Any withholding in excess of the final tax is refunded. Taxes paid abroad may also be credited against Greek corporate tax.

Dividends transferred by the PE to the foreign head office are not subject to withholding, as the branch lacks separate legal personality and is considered part of the head office.

(c) Non-resident corporate recipient without a permanent establishment in Greece: Dividends paid to foreign corporations or legal entities without a PE in Greece are subject to withholding tax, which exhausts the recipient's final tax liability, subject to the provisions of any applicable DTT.

26. What are the advantages and disadvantages offered by your jurisdiction to an international group seeking to relocate activities?

For an international group considering relocating activities, Greece offers a mix of strategic advantages and operational considerations.

On the positive side, Greece provides a relatively

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competitive corporate tax environment, with the current standard corporate income tax rate at 22%, alongside a preferential 5% tax on dividends. Certain sectors may benefit from specialized tax regimes or incentives, including reduced rates or tax exemptions. The Greek tax code provides for accelerated depreciation on qualifying capital investments, allowing companies to deduct investment costs more quickly, which can enhance cash flow. R&D expenditures are encouraged with additional tax deductions, creating opportunities for multinational groups engaged in innovation and technology.

From an international perspective, Greece's participation in the EU Parent-Subsidiary Directive and the Interest and Royalties Directive allows for mitigation of withholding taxes on dividends, interest, and royalties paid across EU borders, promoting efficient internal financing structures. Furthermore, Greece has an extensive network of double taxation treaties (DTTs), which can reduce or eliminate double taxation on foreign-sourced income, interest, dividends, and capital gains, facilitating smoother repatriation of profits.

However, the system has disadvantages. Greece's tax administration is often characterized by bureaucratic complexity and lengthy procedures. Filing requirements can be burdensome, with multiple returns, forms, and documentation requirements for transfer pricing, intercompany transactions, and VAT. Compliance risks are heightened by frequent legislative amendments and occasional retroactive interpretations of tax law. Transfer pricing rules are strict, and multinational groups must maintain thorough documentation to support intercompany pricing, or risk penalties. Employment costs are also high due to mandatory social security contributions, which can reach significant percentages of total payroll. Some tax incentives, particularly for investment projects or regional development, come with specific eligibility criteria and approval processes that may delay the realization of benefits.

Additionally, Greece's VAT system is EU-compliant but has multiple rates (6%, 13%, 24%), which may complicate supply chain and service structuring. Companies dealing with cross-border services or e-commerce need careful planning to ensure compliance and avoid unexpected liabilities.

In summary, from a tax law perspective, Greece can be very attractive for international groups due to competitive corporate rates, EU tax benefits, and investment-related incentives. Yet, the advantages come with the need for careful planning, rigorous compliance, and proactive engagement with Greek tax authorities to navigate bureaucracy, mitigate risk, and fully leverage available incentives.

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