GREECE

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0- SYNOPTIC TABLE: TAXATION OF RESIDENTS AND NON-RESIDENTS

	RESIDENTS NON-RESIDENTS
CORPORATE INCOME TAX	Joint stock company, limited liability company, limited partnership and general partnership: 22% Banks: 29%
TAXES ON CAPITAL GAINS	Taxed as ordinary income
WITHHOLDING TAXES Dividends Interest Royalties	 0 – 5% 0 – 15% 0 – 20%
PERSONAL INCOME TAX	Progressive rates from 9% to 44%
OTHER TAXES Land tax Stamp duty Consumption tax	 2 – 16.20 Euro/m2 2.4% - 3.6% Varying according to the kind goods
VAT	24%, 13%, 6%
LOSSES Carried forward Carried back	 5 years Not allowed
DEPRECIATION Fixed assets Intangible assets	 Buildings: 4% yearly Tools and machinery: 10% yearly 10% yearly

1- AN OUTLINE OF COMPANY LAW

BUSINESS ENTITY	MAIN TRAITS	FORMATION	GOVERNANCE
Corporations (SA)	An SA is a legal entity in which the liability of each shareholder is limited to the amount they contributed to the share capital. SAs can be publicly or privately held and may be incorporated by one or more shareholders. The minimum share capital required for the incorporation of an SA is €25,000, which must be fully paid in cash. A company may have registered shares with a nominal value ranging between €0.04 and €100.	A newly formed SA in Greece must file its articles of association (which generally need to be signed before a notary public) and register with the general electronic commercial registry (GEMI), and publish a summary of its articles of association in the government gazette. Through registration with GEMI, an SA will receive a unique serial GEMI number.	The administration of an SA is carried out by the shareholders at a general assembly and by the board of directors. The General Assembly of shareholders is the supreme governing body of an SA with the exclusive authority to make decisions on important issues affecting the company, specified by law. The management of the company is carried out by the board of directors, or, alternatively, by a single-member administrative body who must be a natural person. This alternative is not applicable to medium or large sized companies, or to companies listed on a regulated market.
Limited liability companies (EPE)	It is the most convenient legal entity for small and medium sized businesses. It may be incorporated either by one partner or a number of partners that are either individuals or legal entities. The liability of each partner is limited to the amount of capital they contribute. There is no minimum capital requirement for a limited liability company. Capital is divided into equal parts of no less than €1 each.	A newly formed EPE in Greece must file its articles of association (which generally need to be signed before a notary public) and register with the general electronic commercial registry (GEMI), and publish a summary of its articles of association in the government gazette. Through registration with GEMI, an EPE will receive a unique serial GEMI number.	Decision-making requires both the majority of partners and of capital. The general meeting of the partners is the supreme governing body with the exclusive authority to make decisions on important issues affecting the company, specified by law.
General partnerships (OE)	The general partnership (OE) is a legal entity in which all partners are jointly and severally liable to its creditors. There is no minimum capital requirement. Partners may contribute capital in cash, in kind or in the form of personal services. Incorporation requires at least 2 founding partners, either individuals or legal entities. for a general partnership.	A newly formed OE in Greece must file its articles of association and register with the general electronic commercial registry (GEMI), and publish a summary of its articles of association in the government gazette. Through registration with GEMI, an OE will receive a unique serial GEMI number	One or more administrators appointed by the articles of association carry out the administration and representation of a general partnership. If no administrators are appointed, each partner carries out administration and representation.
Limited partnerships (EE)	A limited partnership is a legal entity similar to a general partnership with at least one general partner and at least one limited partner: the general partners have unlimited liability for the debts and obligations of the partnership and the limited partners have liability limited to the amount of their capital contribution. Partners may contribute capital in cash, in kind or in the form of personal services.	The registration requirements are the same as those of a general partnership.	
Private capital companies (IKE)	A private capital company (IKE) can be established by a minimum of one natural person (Greek or foreign). There is no minimum capital requirement and the capital can be zero. The liability of members is limited to the amount of their capital contribution. An IKE can exist for a maximum period of 12 years, and the chosen duration must be stated in the articles of incorporation. The articles of incorporation and company minutes, etc, can be written in any of the official languages of the EU and the seat can be transferred to any member state of the EEA.	A newly formed IKE must file its articles of association and register with the general electronic commercial registry (GEMI). Through registration, an OE will receive a unique serial GEMI number	Through registration, an OE will receive a unique serial GEMI number Tax registration also takes place electronically.

BUSINESS ENTITY	MAIN TRAITS	FORMATION	GOVERNANCE
Joint venture	A joint venture is not a legal entity itself, but rather the cooperation of individuals or legal entities for the purpose of a specific project. It is subject to income tax in its own name at the same rate as SAs, limited liability companies, banks and branches.		
Branches	A foreign company may establish a branch by registering with GEMI. The share capital of the foreign company establishing the branch cannot be lower than the minimum capital requirements applicable to a Greek SA or EPE.	The procedures for establishment of branches are similar to those for establishing a company in Greece. However, the foreign company must also obtain approval from the Greek Directorate of Commerce of the competent prefecture.	An individual legal representative appointed by the foreign company carries out the administration of a branch.

2- WHEN GREEK COMPANIES CAN BE CONSIDERED RESIDENT OR NON-RESIDENT?

A company or legal entity is tax resident in Greece if it:

- is incorporated or established in accordance with Greek law
- has its registered seat in Greece, or
- has its place of effective management (daily administration of the entity takes place, strategic decisions are made, the annual general meeting of shareholders or members takes place, books and other records are kept, board and other executive meetings take place, and members of the Board or any other executive management reside) in Greece at any time during the tax year.

Resident businesses have unlimited Greek tax liability on their worldwide income. In general, tax is imposed on total net income accrued during the tax period.

3- BUSINESS AND NON-BUSINESS ACTIVITIES (ADMINISTRATIVE OFFICES, LIAISON OFFICES, PURCHASING OFFICES, ETC.)

A foreign company may establish an administration office in Greece with a special tax treatment. Administration offices must have the sole purpose of providing administrative services concerning consulting, central accounting support, internal and quality control, drafting of contracts, studies and plans, marketing and advertising, data processing, gathering and provision of information, and research and development services.

Administration offices are taxed on the basis of the cost-plus method.

Representative offices of foreign corporations are not subject to Greek income tax.

However, a special annual contribution is imposed on representative offices and branches of foreign shipping companies.

4- WHICH FOREIGN LOCAL UNITS CAN BE OPENED IN GREECE: SECONDARY ESTABLISHMENTS, BRANCHES, SUBSIDIARIES OR PERMANENT ESTABLISHMENTS?

Tax treaties concluded by Greece provide that a foreign enterprise is taxed in Greece for those business profits which are attributed to a PE in Greece. The applicable tax treaty will provide a definition of a PE. The taxation of the PE of a foreign company is similar in broad terms to the tax regime applied to resident companies.

Additionally, Greek tax legislation has adopted the EU Parent Subsidiary Directive which also applies for PEs of companies of different member states.

In Greece, a permanent establishment is defined as a company or organization that:

- keeps one or more branches, agencies, offices, warehouses, factories or workshops, and sites designed to exploit natural resources
- processes raw materials or agricultural products by using its own facilities or those of a party that is acting upon the instructions, or on behalf of, the company or organization
- conducts work or provides services through a representative, which is authorized and can negotiate and conclude contracts on behalf of the legal person; this includes the work carried out or services provided without an agent where they relate to training or studies or projects either in general or investigative work, generally of a technical or scientific nature
- maintains a stock of merchandise from which it carries out orders, or
- participates in a partnership or limited liability company based in Greece.

Branches of foreign companies are considered Greek legal entities from a tax perspective, while from a legal perspective they do not constitute legal persons. The taxable income of a Greek branch or PE of a foreign company is computed under the rules that govern the computation of the taxable income of resident companies.

A branch that transfers its profits to the foreign entity abroad may be subject to Greek withholding tax at a rate of 5%.

Profits of a foreign corporation or other foreign legal entity, including a partnership, are taxed at a rate of 22%. Branches may follow the financial year of the parent company. A branch must file an annual income tax return by 30 June following financial year end.

5- CALCULATING TAXABLE INCOME

A Greek corporation (SA), limited liability company or branch must present its net accounting result (profit or loss) in its financial statements, before any distribution of dividends, directors' fees, etc, is the basis for the computation of taxable income and corporate income tax.

For the determination of a company's taxable income, non-taxable income and income that has been already taxed, dividends and profits from participations in other domestic companies and tax losses carried forward are deducted.

The Greek Income Tax Code categorises income on the basis of its source. The categories of income are defined as income from:

• employment and pensions
• business
• capital (including dividends, interest, royalties and income from real estate), and
• capital gains.

All proceeds acquired by legal entities subject to corporate income tax as revenue from business activity, and therefore taxable, are subject to any allowable deductions.

Expenditure for business purposes is generally deductible unless of a kind specified in law as not deductible.

The following items are deductible:

- depreciation
- royalties and service fees, but only if they satisfy certain conditions.

Non-deductible items include:

- any interest on loans from third parties (other than bank loans) in excess of the rate of the Central Bank of Greece
- any amount exceeding €500 not transacted through a bank payment system
- unpaid insurance liabilities
- bad debt provisions in excess of certain limits (see below)
- fines and penalties, including surcharges
- the provision or receipt of payments in cash or in kind for illegal purposes

- tax, including VAT on non-deductible expenditure
- the imputed rental value of property owned and used by the business if in excess of its market rental value
- catering and accommodation costs relating to running celebratory events which exceed certain amounts
- all expenditure paid to residents of countries classified as having “favourable” or “non-cooperative” tax regimes, different from tax evasion
- interest costs in excess of the “thin capitalisation” limits

6- TREATMENT OF LOSSES

Greek companies and Greek branches of foreign companies may carry forward tax losses for offset against taxable income for the 5 years following the tax year in which they were incurred. The tax losses must be expressly stated in the annual income tax return filed for the aforementioned tax year. Losses cannot be carried back.

When the ownership of a company changes due to transfer of shares, capital parts, etc, the tax losses can generally be carried forward. However, in cases of change of ownership due to absorption, mergers, etc, tax losses may be lost.

For tax periods beginning on or after 1 January 2014, where the direct or indirect ownership of the share capital or voting rights of the company changes by more than 33%, any losses brought forward from the past 5 years will be lost.

7- IS INTEREST DEDUCTIBLE?

Loan or credit interest paid to a non-related party is a tax deductible expense for Greek tax purposes, provided it is accrued, final and clear. It is deductible in the year in which it arises.

Greek tax law expressly states that interest on loans, other than bank loans, is not deductible insofar as the interest exceeds the interest that would have been payable on revolving lines of credit to non-financial businesses as determined by the Bank of Greece for the relevant period.

8- IS DEPRECIATION DEDUCTIBILITY ACKNOWLEDGED?

Depreciation is mandatory in Greece, and is computed on an asset’s acquisition value increased by all additions and improvements and decreased in certain cases by incentive grants.

Depreciation on fixed assets is tax deductible only if calculated in compliance with the annual depreciation rates provided for by tax legislation.

For tax periods ending on or after 1 January 2014, the maximum deductible depreciation and amortisation rates are as follows:

Asset type	***Annual depreciation %***
Buildings	4
Land to be used in mining and quarrying	5
Machinery and equipment (not computer hw)	10
Public transportation vehicles, aircraft and vessels	5
Means of individual transport	16
Means of transport of goods	12
Intangible assets (including royalties)	10
Computer equipment and software	20
Equipment and instruments for scientific and technological research	40
Other capital equipment	10

The standard method of depreciation is the straight-line method.

The depreciation of fixed assets with acquisition costs less than or equal to €1,500 and depreciation of computer hardware and software may be completed in one year, namely the year the asset is acquired or actually used.
In the 3 consecutive financial years after the financial year in which they started their productive operation, newly founded companies may either not make deductions for depreciation, or make deductions at 50% of the standard rate. The selected treatment cannot be changed from year to year.

9- WHAT TAX TREATMENT IS APPLIED TO RESIDENT COMPANIES?

Resident businesses have unlimited Greek tax liability on their worldwide income. In general, tax is imposed on total net income accrued during the tax period.
Profits derived during accounting years beginning in 2023 by all Greek resident corporations (SAs), limited liability companies (EPEs), joint ventures and branches of foreign companies are taxed at a rate of 22%. Additionally, in the case of retained profits, a withholding tax of 5% applies when such profits are distributed.
The rate for credit institutions is 29%.
From 2016, the profits of Greek resident partnerships (general and limited partnerships) have been taxed at the same rates as companies (see above).

10- ARE GROUP COMPANIES CONSIDERED SINGLE COMPANIES FOR FISCAL PURPOSES?

Under Greek law, the parent company of a large group is generally required to prepare consolidated financial statements. A group is large if the parent company and its subsidiaries satisfy two or more of the following criteria for two consecutive years:

- total assets of €20m
- annual net turnover of €40m
- average of 250 employees.

The consolidated financial statements must include financial data for the parent company and all its subsidiaries, regardless of the domicile of the subsidiaries.
A parent company is exempt from preparing consolidated financial statements if it forms part of a small or medium-sized group, unless any of the entities in the group are a public interest entity.
Losses from a foreign subsidiary are deductible for Greek tax purposes if the subsidiary is resident in an EU/EEA country, and profits of the subsidiary are not exempt from tax by virtue of a tax treaty.

11- WHAT TAX TREATMENT IS APPLIED TO FOREIGN LOCAL UNITS AND NON-RESIDENT COMPANIES?

Non-residents (ie companies that are not established in Greece) are subject to Greek taxation only on their income derived from sources located in Greece and profits derived from a local permanent establishment (PE).
Branches of foreign companies are considered Greek legal entities from a tax perspective, while from a legal perspective they do not constitute legal persons. The taxable income of a Greek branch or PE of a foreign company is computed under the rules that govern the computation of the taxable income of resident companies.
A branch that transfers its profits to the foreign entity abroad may be subject to Greek withholding tax at a rate of 5%.
Profits of a foreign corporation or other foreign legal entity, including a partnership, are taxed at a rate of 22%. Branches may follow the financial year of the parent company. A branch must file an annual income tax return by 30 June following financial year end.

The tax liability of a foreign resident is regulated by the provisions of the applicable tax treaty, if such a treaty is in force. If no treaty is in force, the issue is regulated by domestic tax law.

12- ARE CAPITAL GAINS TAXED?

Gains on the sale of capital assets by companies are treated as ordinary income and taxed at corporate income tax rates.

The transfer of real estate is subject to property transfer tax payable by the buyer.

Capital gains from the sale of securities by individuals are taxed at a capital gains tax rate of 15%, temporarily suspended until 31 December 2024.

13- WHAT TAX TREATMENT IS APPLIED IN CASE OF COMPANY LIQUIDATION?

Amounts received by shareholders or partners from the liquidation of a corporation (SA) or limited liability company are subject to Greek income tax at the level of the SA or limited liability company if these amounts exceed the actual paid-in share capital and the profits already subject to corporate income tax. Accordingly, tax-free reserves or specially taxed reserves distributed on liquidation are subject to corporate income tax on liquidation, and a tax credit is granted for the tax already paid.

14- TRANSFER OR REPURCHASE OF SHARES: HOW ARE THEY TAXED?

The general assembly of shareholders of a Greek corporation (SA) must agree to any share capital reduction, and the Greek Companies' Registry must approve any such reduction.

Share capital can be reduced by: reducing the nominal value of the shares, reducing the number of shares, or a company acquiring its own shares.

A Greek SA may acquire its own shares only after the approval of the general assembly, which sets the terms and conditions of anticipated acquisitions, the maximum number of shares that can be acquired, and, in case of acquisitions against consideration, the minimum and maximum of the acquisition value.

15- WHAT OTHER TAXES ARE APPLIED IN GREECE?

VAT

VAT was introduced in Greece in 1987. The standard rate is 24%, but some reduced rates are applied.

A reduced VAT rate of 13% applies to basic food and necessities, as well as health products, home care services, pharmaceuticals, table water, natural gas and power supply, hotel accommodation, self-service apartment rentals, camping services, certain catering services, and agricultural supplies.

A VAT rate of 6% applies to medicines, books and e-books, newspapers, theatre and concert tickets, electricity, natural gas, animal feed (excluding dog or cat food), and district heating. From 20 March 2020 to 30 June 2023, the 6% rate also applies to goods essential for dealing with the coronavirus (COVID-19) pandemic, such as protective masks and gloves, soap, antiseptic solutions and wipes, and denatured ethyl alcohol used for the production of antiseptics.

The Dodecanese islands, and some other Aegean islands and border areas, enjoy a 30% reduction on all VAT rates, subject to certain conditions.

Taxes on the transfer of real estate

The transfer of real estate in Greece may be subject to VAT, property transfer tax and property capital gains tax on the sale of real estate by individual.

The property transfer tax rate is 3% on the higher of the acquisition value or the objective value of the property. An additional contribution tax equal to 3% of PTT due is imposed by municipalities and communities, making a total rate of 3.09%.

Taxes on the possession of real estate

The possession of real estate in Greece is subject to the property tax, the special real estate tax and the tax on revaluation of real estate.

A single property tax applies annually on all properties owned by individuals or companies. The basic tax on buildings ranges from €2 to €16.20 per square metre, depending on the zone.

The following types of property are exempt: government buildings, properties used for diplomatic purposes or no-profit or religious organizations.

From 1 January 2022, properties with a value exceeding €400,000 are additionally subject to tax on their value at rates ranging from 0.2% to 1%.

The special real estate tax is applied to all legal entities – apart from some exceptions - having a usufruct interest in real estate property located in Greece at an annual 15% tax, calculated on the objective value of the real estate property owned on 1 January of each year.

The tax on the revaluation of real estate is applied to the revaluation applied every 4 years by enterprises maintaining double-entry accounting records, by applying specific revaluation coefficients, specified by law. The revaluation gives rise to a revaluation surplus, which is taxed at the rate of 2% for land and 8% for buildings.

Stamp duty

Greece imposes stamp duty on the execution of certain documents and transactions (commercial rental of property, private loan agreements, etc.) at a rate ranging from 1.2% to 3.6% on the value of the transaction.

Special consumption tax

Certain imported or locally produced goods, such as alcohol, tobacco, automobiles, and petroleum products, are subject to a special consumption tax at various rates depending on the type of goods.

Motor vehicle duties

Motor vehicles are subject to classification duties and annual circulation duties, which rates depend on the type and engine capacity of the vehicle.

Insurance tax

Greece imposes insurance tax - varying between 4% annd 20% - on premiums and costs charged by insurance companies. Insurance customers are the taxpayers in this situation.

Competition committee duty

Greece imposes a competition committee duty at a rate of 0.1% on the initial or increased share capital of SAs.

Import duties

Greece imposes import duties on imports from non-EU countries on the customs value of the products.

Tax on stock exchange transactions

The disposal of shares of stock listed on the Athens Stock Exchange is subject to a special transaction tax of 0.2% of the sale price.

Contribution of Law 128

An annual levy at the rate of 0.6% is imposed, with a few exemptions, on all loans and credit facilities granted by foreign or Greek banking or financial institutions to Greek residents.

Gambling tax

Most types of gambling are taxed at 35% of gross profits, while net profits are subject to corporate income tax in the normal way. Winnings from gambling are subject to withholding tax at progressive rates from 0% to 7.5%.

Tonnage tax

Tonnage tax applies to ships operating under the Greek flag and to ships operating under foreign flags managed by a Greek or foreign company established in Greece.

16- DIVIDENDS, INTEREST AND ROYALTIES: HOW ARE THEY CONSIDERED AND TAXED?

Dividends

Dividends received by a Greek company from its Greek subsidiary (limited liability company and partnerships (not SAs)) are not subject to income taxation at the level of the beneficiary company. Dividends received by a Greek company from its Greek subsidiary SA are subject to 5% withholding tax on distribution by the SA.

The profits of a limited liability company (EPE) are taxed in Greece only at the company level .

Interest

The payment of loans interest from a resident company to a foreign company without a PE in Greece is subject to a 15% withholding tax, except in the presence of a tax treaty providing reduced or zero rates. Some types of interest, for example on bank deposits or government bonds, are exempt or subject to reduced or zero rates, if a tax treaty or the EU Directive on interest and royalties is applied.

Royalties

Royalties and fees paid by a resident company to a foreign company without a PE in Greece are subject to a withholding tax of 20%, except in the presence of a tax treaty that provides for reduced or zero rates or if the EU Directive on interest and royalties is applied.

17- HOW ARE CALCULATED STOCKS OR INVENTORIES?

Under Greek law, inventory evaluation is based on the lower of the purchase price and current market price. In general, the acknowledged methods for purchase price valuation are: FIFO, LIFO, weighted average, basic stock, standard cost, and individualised cost.

18- HOW ARE RESIDENT INDIVIDUALS TAXED?

Tax liability criteria

Individuals are tax resident in Greece if:

- Greece has been their permanent, habitual or main residence, or focus of personal and financial ties
- they are a Greek citizen living abroad and hold a consular, diplomatic, government or similar position, or
- they are physically present in Greece for a period in excess of 183 days within any 12-month period, continuously or with breaks.

Tax rates

For 2023, the following Greek tax rates apply on employment income for individuals and on income of the self-employed:

Income Euro	***Tax rate %***	***Tax amount Euro***	***Cumulative tax Euro***
0 – 10,000	9	900	900
10,001 – 20,000	22	2,200	3,100
20,001 – 30,000	28	2,800	5,900
30,001 – 40,000	36	3,600	9,500
Da 40,000	44		

The above tax rates also apply to private businesses and freelance contractors if:
• they have written contracts for the provision of services with up to 3 employers, or
• 75% of gross income is earned from one employer.
No deductions are allowed under these circumstances, except for social security contributions.

For young individuals or the self-employed who open a business from 1 January 2013, the tax rate for the first 3 years is reduced by 50% for up to €10,000 of income.

Main deductions and reliefs

A tax credit applies to those with annual income up to €12,000. The tax credit is €777 for those without children, €810 for those with one child, €900 for those with 2 children, €1,120 for those with 3 children and €1,340 for those with 4 children. An additional €220 credit applies in respect of each child after the fourth child. For income exceeding €12,000, the tax credit is reduced by €20 for every €1,000 of income exceeding €12,000.

All individuals over 18 years old must complete income tax returns regardless of whether they are subject to tax or not. They must be filed by 30 June of the financial year (the year following the fiscal year in which the income was earned).

Owners of "luxury" items such as swimming pools and helicopters, are subject to an annual tax of between 5% and 13% on the value of the asset.

Taxpayers may be assessed for undeclared income if the costs incurred in acquiring and maintaining certain assets indicate a "deemed" income in excess of declared income. These assets include certain property and motor cars, as well as items already subject to luxury tax.

Solidarity tax (repealed)

From 2017 to 2022 an additional solidarity tax applied on the income of individuals, except those in the private sector.

19- HOW ARE FOREIGN INDIVIDUALS TAXED? WHEN ARE THEY CONSIDERED RESIDENT?

For non-resident individuals who earn Greek source income, the tax computed on the basis of the above rates is increased by applying a 5% tax rate to the first bracket of income. However, EU residents who derive more than 90% of their total income from Greece are eligible for the tax-free bracket.

20- TERMS FOR TAX PAYMENTS: THE FISCAL YEAR IN GREECE

The fiscal year covers a period of 12 months expiring on June 30 or December 31. Branches and subsidiaries of foreign companies can apply the fiscal year of the parent company.

Income tax is calculated based on the previous year's return. It must be submitted within the last working day of the sixth month of the year following the tax year and is paid in 6 installments.

21- WHAT TAX INSPECTIONS ARE MADE?

The tax base of a company is based on the annual tax return and therefore on self-assessment. For this reason, all companies can be subject to tax audits that can last from a few weeks to a few months.

22- CAN TAXPAYERS AGREE IN ADVANCE THEIR TAX TREATMENT?

No formal advance ruling procedures exist in Greece, but a taxpayer may address a written query on a tax issue to the competent tax department of the Ministry of Finance.

23- WHAT EXCHANGE CONTROLS ARE CARRIED OUT?

Greece has not applied currency controls on incoming investments since 1997, when the movement of capital was liberalized.

24- WHAT TAX RELIEFS AND INCENTIVES ARE GRANTED BY THE GREEK GOVERNMENT?

Investment incentives available under Law 4399/2016

Each investment project can use an incentive to choose between state subsidies and tax deductions, provided that the investments are made in the sector of primary industries, secondary industries (energy production), in activities related to tourism or the tertiary sector. Investments in steel, synthetic fibers and shipyards cannot use these incentives. To take advantage of state incentives, investment programs must be aimed at creating new units, expanding existing ones, modifying industrial units for the production of new products or modifying the production process of an existing unit.

There are also maximum amounts depending on the size of the company making the investment.

Mergers, conversions and spin offs

Law 2166/1993 and Legislative Decree (ND) 1297/1972 provide for the application of a favourable tax regime in cases of company mergers, conversions and spin-offs.

VAT on imported goods destined for other countries

In order to encourage the development of Greece as an entry point for the import of foreign goods by foreign businesses, the payment of VAT on imported goods may be delayed until the goods reach their ultimate destination, where this lies outside Greece. The following conditions apply: the annual value of imports by the company must be at least €300 million and at least 90% of goods imported by the company into Greece must be destined for locations outside Greece.

Research and development

Expenditure on scientific and technological research and development is tax deductible at the time of incurrence at 200% of cost.

25- HAS GREECE SIGNED BILATERAL TAX AGREEMENTS WITH OTHER COUNTRIES? TABLE OF WITHHOLDING TAXES

	Dividends %	*Interest* %	*Royalties* %
Non-treaty countries	0/5	0/15	0/20
Treaty countries			
Albania	5	0/5	5
Armenia	5	10	5
Austria	0/5	5	5
Azerbaijan	5	0/8	8
Belgium	0/5	0/5	5
Bosnia and Herzegovina	5	10	10
Bulgaria	0/5	5	5
Canada	5	0/10	0/10
China	5	0/10	10
Croatia	5	10	10
Cyprus	0/5	5	0/5
Czech Republic	0/5	0/5	5
Denmark	0/5	5	5
Egypt	5	0/15	15
Estonia	0/5	0/5	5
Finland	0/5	5	0/5
France	0/5	5	5
Georgia	5	8	5
Germany	0/5	5	0
Hungary	0/5	0/5	5
Iceland	5	0/8	10
India	5	15	20
Ireland	0/5	5	5
Israel	5	10	10
Italy	0/5	0/5	0/5
Korea	5	0/8	10

Kuwait	0/5	0/5	15
Latvia	0/5	0/5	5
Lithuania	0/5	0/5	5
Luxembourg	0/5	5	5
Malta	0/5	5	5
Mexico	5	0/10	10
Moldova	5	10	8
Morocco	5	0/10	10
Netherlands	0/5	5	5
Norway	5	0/10	10
Poland	0/5	5	5
Portugal	0/5	5	5
Qatar	5	0/5	5
Romania	0/5	5	5
Russia	5	7	7
San Marino	5	10	5
Saudi Arabia	5	5	10
Serbia	5	10	10
Slovakia	0/5	0/5	5
Slovenia	0/5	5	5
Spain	0/5	0/5	5
South Africa	5	0/8	5/7
Switzerland	0/5	5/7	5
Tunisia	5	15	12
Turkey	5	0/12	10
Ukraine	5	0/10	10
United Arab Emirates	0/5	0/5	10
United Kingdom	5	0	0
United States	5	0/15	0/20
Uzbekistan	5	0/10	8

Greece has signed TIEAs based on the OECD model convention with the following countries: Bermuda, Cayman Islands, Cook Islands, Gibraltar, Guernsey and Samoa.