



Taxation of international executives: Greece

January 2023



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Overview and Introduction

1 Overview and Introduction

Greek residents are liable to income tax on their worldwide income. Whether remitted to Greece or not. Where tax has already been paid outside Greece on non-Greek source income, it may be deducted up to the amount of tax payable in Greece on the same income. Non-Greek residents are taxed only on their Greek-source income.

The legal provisions designed to prevent tax evasion specify that individuals filing a tax return in Greece are taxed on the higher of their declared income or imputed income. Income is imputed on the basis of living expenditure or acquisition of certain assets. The main factors considered in imputing income from living expenses or acquisitions are:

- Imputed income on the basis of living expenditure: The engine size of owned motor vehicles
 - The deemed rental payments for a secondary residence or more than one secondary residencies, as well as primary residence (by reference to the residence's surface)
 - The maintenance, and use of a swimming pool (outdoor/indoor by reference to the pool's surface)
 - Other factors, such as the annual expense of the tuition fees or housekeeping staff (terms apply).
 - Payments to insurance investment contracts (only for the portion which is considered as investment product).
- Imputed income on the basis of acquisition of certain assets:
 - The repayment of loans
 - The purchase of real estate
 - The construction, acquisition, or leasing of buildings,
 - Acquisition or leasing of other assets, such as motor cars or pleasure boats
 - The construction, maintenance, and use of a swimming pool (outdoor/indoor by reference to the pool's surface)
 - Amounts donated to individuals including monetary parental donations
 - Purchase of market shares and other tiles, contributions made for the purchase of business or contributions for capital increase etc.

In case of non-Greek tax residents, the imputed income on the basis of living expenditure does not apply, However the imputed income on the basis of acquisition of certain assets applies on the condition that the individual earns actual Greek source income, regardless of whether it is taxed (i.e. subject to tax scale, at source etc.) or is tax exempt.

Under certain circumstances, taxpayers have the right to contest imputed income assessed on the basis of their lifestyle by providing evidence that the difference between the imputed income and the declared income is covered by borrowing or savings that have been taxed or exempted from tax in the past, or gifts, which have been subject to or exempt from gift tax, or income taxed abroad (or exempted), and imported to Greece etc. The same obligation arises for civil unions/ partnerships (for both opposite sex and same sex couples).

Married persons are subject to tax separately on their own income but are required to file a joint tax return unless a declaration is filed by 28 February of the year following the tax year for which tax return is to be filed requesting separate filing (e.g. by 28 February 2023 for the 2022 Greek tax filing). If such Declaration is not filed by both or one of the spouses joint filing will take place and no further amendment is possible for the tax year filing in question. Civil unions/ partnerships (for both opposite sex and same sex couples) may as well file joint declaration by notifying the Registry Department of their competent tax office.

The official Greece currency is the Euro (EUR).

Herein, the host country/jurisdiction refers to the country/jurisdiction where the expatriate is going to on assignment. The home country/jurisdiction refers to the country/jurisdiction where the expatriate lives when they are not on assignment.

02

Income tax

2 Income Tax

2.1 Tax returns and compliance

When are tax returns due? That is, what is the tax return due date?

As of 1 January 2016, personal income tax returns must be filed up to 30 June of the year following the year of income. The tax year for individuals is the calendar year (ends on 31 December each year). The above dates are subject to various extraordinary extensions to be determined based on the country situation in the specific tax year (i.e. covid, natural disasters etc.).

By exception, individuals who submit an application for the transfer of their tax residence to non- Greek tax residents and have timely provided the required documents (please refer to the relevant section below) should submit their personal income tax return no later than the end of the tax year following the year related to their transfer request (i.e. no later than 31 December).

What is the tax year-end?

The tax year for income tax purposes is the calendar year (1 January - 31 December).

What are the compliance requirements for tax returns in Greece?

Residents

Greek residents file tax return with their local tax office (in the area of the taxpayer's residence or principal place of business or location of permanent establishment). Tax returns are submitted via the internet by using a unique username and password.

Administrative penalties

Where the taxpayer or any other person fails to file timely or does not file a tax return in relation to income and/or withholding tax or does not respond to the Tax Administration's request for information, does not cooperate during the tax audit, does not proceed with registration with the tax authorities as a taxpayer and/or upon appointment as a tax representative, registers more than one time with the Greek tax authorities, fails to comply with any obligation regarding the maintenance of books and records or to file notifications with the tax authorities, the following administrative penalties are imposed:

- EUR 2,500 where any taxpayer fails to register or registers more than one time with the Greek tax authorities.
- EUR 100 in case of non-filing, or late filing or filing an inaccurate tax return (in case of salaried employees or pensioners who are not registered as free-lancers).

Based on the new Law 4916/2022, in case of overdue amended tax return, the penalty of EUR 100 will not be enforced in case the additional amount of tax due that arises in relation to the original tax return is up to EUR 100.

If the same omission occurs within a period of 5 years, the penalty is doubled while in case of any subsequent occurrence of the same type of omission, the penalty is quadrupled.

In case of filing of an inaccurate tax return the following penalties are imposed

- 10 percent of the additional tax not reported if such additional tax is equal to or higher than 5 percent but less than 20 percent of the tax due based on the tax return.

- 25 percent of additional tax not reported, if such additional tax is higher than 20 percent but less than 50 percent of the tax due based on the tax return.
- 50 percent of the additional tax required for payment, if such additional tax is higher than 50 percent of the tax due based on the tax return

Additional penalties

In case of non-filing of a tax return the penalty imposed is 50 percent of the tax that would apply in case of timely filing. The penalty for non-payment of withholding taxes is 50 percent of the amount of taxes that were not paid.

Moreover, in the case of late settlement of the tax due, interest will be charged for each month of delay calculated at the rate of 8.76 percent annually, i.e. 0.73 percent for each month of delay.

Under the Greek tax law, employers are under the obligation to withhold Greek payroll tax from the remuneration paid to the employees in Greece, on a monthly basis (in Greece salary is payable 14 times per year with 15 payroll runs consisting of monthly payments for January through December, Easter bonus, Summer vacation bonus and Christmas bonus). The tax withheld is determined on the basis of a table setting forth personal tax withholding rates.

Income reporting and withholding obligations

The employer is obliged to report via the Independent Authority for Public Revenue the taxable employment income (i.e. gross employment income minus the applicable social security contributions and any group pension fund contributions) on a monthly basis by indicating separately the regular salary and the benefits in kind, as well as the amounts of income tax and solidarity contribution which were withheld. Specifically, benefits in kind are not subject to payroll withholdings whilst they are subject to payroll reporting. As of 1 January 2019, monthly payroll shall be uploaded electronically on Taxisnet on a monthly basis (in a platform set by the Ministry of Finance). Payroll items which are not subject to payroll withholdings are equally subject to electronic payroll reporting. Respective amounts appear automatically in the electronic form of the employee's annual personal income tax return (Form E-1). Furthermore, the employer is also obliged to issue and provide to the employee an annual salary letter (either in hard copy or electronically) including the regular salary and any benefit paid to the employee during the tax year as well as the applicable payroll withholding within the defined deadline each year as issued by the respective Independent Authority for Public Revenues' decisions.

Grant of Free shares – Vested RSUs

Based on the new Greek tax legislation, a favorable tax treatment is introduced on the distribution of company's free shares to its employees within the framework of a share plan, which requires the achievement of specific performance goals or the occurrence of a certain event. In particular, the income arising from the sale of shares, which were acquired via such free share plans, is treated as capital gain and is taxed with a flat tax rate of 15% with no limitation to the retention period. The above provisions are applicable to income earned in tax years commencing as of 1 January 2020 (e.g. shares vested as of 2020 onwards).

At the level of the employer, it is the employer's obligation to electronically report any free shares given to the employee (as of tax year 2020 for informational purposes) as well as with the regular annual taxable employment income via the Independent Authority for Public Revenue (IAPR) in order for respective income to be pre-populated in the individual's / employee's annual personal income tax return (E1 Form). Such amount should be uploaded via the monthly payroll return of withholdings (ΦΜΥ) without any tax withholding or remittance in the month of vest. The electronic file uploaded by the employer, feeds into the individual's personal income tax return for informational purposes.

Separate hard copy salary statement: For the needs of electronic cross-checking and monitoring of such income until their taxation on a case-by-case basis, in order for the Independent Authority for Public Revenues to ensure the correct application of the provisions, companies are required whether they are issuers of securities or not (in case the rights relate to securities of another Greek or foreign company), during the tax year in which the free shares are available, to issue to employees / partners / shareholders a separate hard copy salary certificate/ letter, with the number of shares issued and the value of the shares at the time of free their disposal.

At the level of the individual, although at the year of vest the value of the vested shares would be reported on the annual tax return for informational purposes by the employer, at the year of sale (taxable event) it is the individual who should report the taxable amount on the annual tax return for taxation as capital gain income at 15%. The respective tax and solidarity contribution will however be calculated upon assessment of the individual's annual tax return upon sale of such shares by the employee.

Stock Options

Employer's reporting obligations: For electronic verification and monitoring purposes of the income until its taxation (as the case might be) as well as in an effort for the Tax Administration to ensure correct application of the provisions, the companies granting stock options, regardless if they are the issuers of the titles or not (e.g. in case of stock options which relate to titles of another affiliated Greek or foreign company), should provide the employees / partners / shareholders with a hard copy distinct salary letter relating to the tax year that the stock options were exercised, which will indicate the amount of the income as per the related provisions as well as clearly state the grant date of the stock options. At the same time, the companies should include respective income to the monthly electronic payroll withholding return without proceeding with the withholding of the applicable income tax and special solidarity contribution. The amount will be pre-populated in the personal income tax return of the beneficiaries / individuals of the relevant tax year, however only for informational purposes since the date and the way of taxation is conditional.

The holding period of the shares acquired upon exercise of the stock options in order for the income to be taxed as employment income has been defined. Specifically, in case the shares are transferred before the completion of 24 months from the "grant date of stock options" or before the completion of 36 months under certain conditions applicable to small or very small enterprises then the income arising will be taxed as employment income. It is now explicitly defined that the time of acquisition of the stock options is deemed to be the time they are granted by the company based on the relevant distribution program, a point of time internationally known as "grant". It is clarified that the market value of the benefit is determined on the "exercise date of stock options", a point of time known as "exercise", regardless of whether the beneficiary's employment relationship exists at that time or not.

Specifically, the income is determined as the difference between the closing price of the share on the stock exchange at exercise and the price of the stock option at grant (preferential acquisition price). The taxable event is now clearly defined and is "time of transfer of shares", which were acquired upon exercise, provided that they are transferred prior to the completion of 24, or 36 months depending on the case, from the grant date of the stock options. In case the shares, which were acquired upon exercise of stock options, are transferred after the completion of 24 months since grant, regardless of whether an employment relationship exists or not, at the time of sale capital gain arises which is taxed at a rate of 15%, plus special solidarity contribution. In case of listed shares, the capital gain is defined as the difference between the closing price of the share on the stock exchange on the exercise date and the exercise price.

At the level of the individual, although at the year of exercise the value of the exercised stock options would be reported on the annual tax return for informational purposes by the employer, at the year of sale (taxable event) it is the individual who should report the taxable amount on the annual tax return for

taxation as capital gain income at 15% or as regular employment income with marginal rate 44%. The respective tax and solidarity contribution will however be calculated upon assessment of the individual's annual tax return upon sale of such shares by the employee.

The special solidarity contribution was abolished to all types of income earned as of 1 January 2023.

Furthermore, the individuals have additional reporting requirements in their annual income tax return in case they generate extra capital gain upon sale of shares (e.g. the difference between the sale price of the shares and the acquisition price (at exercise or vest)).

The tax assessment note is usually issued immediately upon electronic submission of the tax return. However, if Foreign Tax Credit (FTC) is claimed via the annual Greek income tax return, the Greek tax authorities may commence an audit enquiry requesting specific documentation supporting the FTC and upon its completion, the tax assessment note is issued. The tax assessment note is not usually issued immediately when an income tax return or an amended/ supplementary income tax return has been submitted in hard copy.

Non-residents

Non-Greek tax residents should appoint a tax representative and file tax returns with the Non- Greek Resident Tax Office (provided that their tax representative's tax office is in Athens) on condition that they earn actual Greek source income.

2.2 Tax rates

What are the current income tax rates for residents and non-residents in Greece?

Residents

Employment income tax table for 2023

Taxable income bracket		Cumulative tax	Tax rate on income for 2022 in bracket	Tax rate on income for 2023 in bracket
From EUR	To EUR	EUR	Percent	Percent
0	10, 000	900	9	9
10,001	20,000	2,200	22	22
20,001	30,000	2,800	28	28
30,001	40,000	3,600	36	36
40,001	No limit		44	44

The tax rates changes are applicable as of 1 January 2020

Special scales apply in case of (a) severance payments and (b) annuity payment in the framework of group pension plans.

Specifically, severance payments are taxed at source which extinguishes any further tax liability for the individual, based on the following progressive tax scale:

Taxable income bracket		Cumulative tax	Tax rate on income in bracket
From EUR	To EUR	EUR	Percent
0	60,000	0	0
60,000.01	100,000	4,000	10
100,000.01	150,000.01	10,000	20
150,000.01	No limit		30

Furthermore, amounts payable to beneficiaries that correspond to insurance premiums paid by a company for group pension plans for their employees are taxed at source as follows:

- 10 percent for the first EUR 40,000 and 20 percent for the part exceeding
- EUR 40,000. 15 percent for every periodically paid benefit.

The above rates are increased by 50 percent in case of early redemption. The tax is withheld by the life insurance company. As of 1 January 2020, company group pension payouts distributed to employees due to their participation in voluntary employment termination programs is no longer considered as early redemption and thus not subject to the increased tax rate by 50 percent.

Special taxation of athletes & Coaches

As of 1 January 2020, the special taxation of athletes and coaches under certain conditions was introduced. Specifically, it is stipulated that income earned by professional athletes from sports corporations, departments of remunerated athletes or recognized sports clubs, is taxed at a flat tax rate of 22 percent exhausting any further tax liability provided that the amounts received in one lump sum or in instalments for a transfer contract or the renewal or termination of their contract, exceed EUR 40,000 within the respective tax year. Otherwise, the regular employment income tax scale applies.

Additionally, for income earned as of 1 January 2016, a special solidarity contribution applies based on the following progressive tax scale:

Taxable income bracket		Tax rate on income in bracket for 2022	Tax rate on income in bracket for 2023_Abolished
From EUR	To EUR	Percent	Percent
0	12,000.99	0	0
12,001	20,000.99	2.2	0
20,001.0	30,000.99	5.00	0
30,001.00	40,000.99	6.50	0
40,001.00	65,000.99	7.50	0
65,001.00	220,000	9.00	0
220,000.00	Over	10.00	0

Kindly note that the special solidarity contribution is imposed on the total overall declared or deemed income, taxable and non-taxable.

In an effort to relieve the taxpayers from consequences of the negative economic environment in Greece caused by the ongoing pandemic of COVID 19, the gradual abolition of the special solidarity contribution was introduced.

For tax years 2021 and 2022 all types of income earned by an individual, except from income earned by public sector and pensions, are exempt from solidarity contribution (e.g. employment income in private sector, dividends, interest, capital gains etc.). If income is assessed based on the alternative method calculation as per deemed income articles, exemption applies only if such type of alternative calculation method did not apply for the previous two years.

By analogy to income tax exemption provisions, all categories of taxpayers having 80%, disability or more, are exempt from solidarity contribution.

As of tax year 2023 the special solidarity contribution has been abolished to all types of income earned as of 1 January 2023.

Non-residents

Above tax rates apply to non-Greek tax residents as well. Double Taxation Treaties should be examined for possible exemption for Greek source income. Moreover, some categories of income may be exempted from special solidarity contribution.

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Greece?

Greek law states that Greek-source income is taxable in Greece, whereas individuals who are Greek tax residents are subject to tax in Greece on their worldwide income. According to Greek tax legislation the residence of an individual for tax purposes is Greece if the respective individual has their permanent or main residence or habitual abode or center of vital interest in Greece.

Furthermore, an individual is considered as a Greek tax resident as of the first day of their residence in Greece if they reside in Greece for a period exceeding 183 days, cumulatively during any 12-month period including short term stay outside Greece.

However, respective provision is not applicable in case of individuals who are present in Greece only for tourism, medical, medicinal or equivalent personal purposes on condition that their presence does not exceed the 365 days threshold.

Non-Greek tax residents are not allowed any deductions from their income, unless they are tax residents of the EU or the EEA and they earn more than 90 percent of their global income in Greece or they can prove that their taxable income is that low that they should be entitled to deductions.

Non-Greek tax residents, who report and are taxed in Greece only on their Greek source income, are no longer required to provide the Greek tax authorities with documentation supporting their non- Greek tax residence status, however, are obliged to provide such documentation on demand by the competent tax authorities.

Is there, a minimum number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

The 183 days rule applies in Greece, cumulatively during any 12-month period. Respective provision is subject to wide interpretation and we are currently pending further clarifications and guidance to be issued by the Hellenic Ministry of Finance.

What if the assignee enters the country/jurisdiction before their assignment begins?

The mere presence of the individual in Greece prior to the commencement of their assignment could have an impact in case the individual is eligible for treaty protection as the days of their physical presence might exceed the days in Greece permitted by the respective double tax treaty (if there is one).

2.4 Termination of residence

Are there any tax compliance requirements when leaving Greece?

Yes. Taxpayers, who permanently relocate outside Greece and qualify to apply for the change of their tax residence status to non-Greek tax residents, should submit the relevant application and appoint a Greek individual as their tax representative.

The relevant application should be submitted (indicatively) no later than the last working day of the first 10 days of March of the tax year following the tax year of their departure, to the taxpayer's competent tax office.

The supporting documents providing proof that the centre of the taxpayer's vital interests is in the other country/jurisdiction (e.g. a tax residence certificate, or a copy of the foreign income tax assessment note issued in the other country/jurisdiction or, in the absence of such assessment note, a copy of the relevant foreign income tax return etc.) should be submitted (indicatively) no later than the last working day of the first 10 days of September of the tax year following the tax year of departure, however, in any case not later than 31 December of the tax year following the tax year of departure. There is however also the possibility of retroactive applications.

Furthermore, assignees who received income for services rendered in Greece have the obligation to submit an income tax return for this income and pay corresponding tax and solidarity contribution thereon (if applicable), however, the Double Tax Treaty examination for specific income and circumstances should be taken into account.

What if the assignee comes back for a trip after residency has terminated?

Please refer to our comments above.

Communication between immigration and taxation authorities

Do the immigration authorities in Greece provide information to the local taxation authorities regarding when a person enters or leaves Greece?

There is no specific protocol for the exchange of information between the tax authorities and the immigration authorities in Greece. However, both authorities in the course of their procedures and/ or audits will seek confirmation of proper registration and may seek to cross reference any information received.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

It depends on whether the assignee continues to receive income for services rendered in Greece (i.e. including the trailing income) or they have other reasons to have filing obligation, that is, the purchase/ownership of a house in Greece, assets, etc.

Specifically, foreign tax residents are obliged to submit a Greek income tax return only if they earn actual Greek source income, regardless of whether it is taxed (i.e. subject to tax scale, at source etc.) or is tax exempt.

2.5 Economic employer approach

Do the taxation authorities in Greece adopt the economic employer approach¹ to interpreting Article 15 of the Organisation for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Greece considering the adoption of this interpretation of economic employer in the future?

Greek tax law does not specifically provide interpretation for the economic employer approach. However, the Greek tax authorities may adopt such approach on a case-by-case basis depending on the actual circumstances surrounding each case.

De minimum number of days

Are there any minimum number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the minimum number of days?

There are no de minimus number of days before the Greek tax authorities will apply the economic employer approach. Physical presence in Greece is the basis for applying the 183- days rule.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

The overriding assumption is that remuneration for services provided in Greece (Greek source employment income) is taxed in Greece. Furthermore, the market value of any benefit in kind received by an individual or their relatives is added to their taxable income, provided that the total amount of these benefits exceeds EUR 300 per tax year. The excess amount of EUR 300 (which now serves as a tax-free limit) is considered as benefit in kind.

Benefits, which are deemed to be employment income and are specifically stipulated by Greek legislation, include amongst others the following (the list is not exhaustive):

- Company cars: The calculation of the taxable benefit in kind relating to the use of company cars is amended as of tax year 2020 onwards. In particular, the value of the use of company car is calculated as a percentage of the car's Pre-Tax Retail Price (PTRP) based on the below progressive scale and on the bases of its age as follows:

PTRP in EUR	Rate %
0 – 14,000	4%
14,001 – 17,000	20%
17,001 – 20,000	33%
20,001 – 25,000	35%
25,001 – 30,000	37%

30,001 and higher	20%
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Age of Car	Discount Rate %
0-2	0%
3-5	10%
6-9	25%
10 years and higher	50%

Furthermore, the tax-exempt ceiling, applicable only to tool cars, is being increased from EUR12,000 to EUR 17,000.

- **Loan:** the law provides a method to determine the value derived from loans to an employee or a partner or a shareholder by an individual, company or legal entity where a written loan agreement exists as well as in the absence of a written loan agreement. Moreover, as of 1 January 2020, benefit in kind in the form of loan is redefined. It sets the difference between the interest paid by the employee and the average market interest rate, as the amount of benefit regardless of whether as written agreement exists or not.
- **Stock option rights:** the time at which the option is exercised or transferred is defined as the time at which the benefit is taxed. The tax base is determined using the closing price of the stock reduced by the cost of the option. A new stock options tax framework is introduced as of 1 January 2020, where if the shares that are acquired upon exercise, are retained for a period exceeding 24 months, or 36 months under certain conditions, are taxed as capital gains at a flat tax rate of 15 percent, or 5 percent for shares of newly established companies and if certain conditions are cumulatively met. The holding period of the shares acquired upon exercise of the stock options in order for the income to be taxed as employment income has been defined. Specifically, in case the shares are transferred before the completion of 24 months from the "grant date of stock options" or before the completion of 36 months under certain conditions applicable to small or very small enterprises then the income arising will be taxed as employment income. It is now explicitly defined that the time of acquisition of the stock options is deemed to be the time they are granted by the company based on the relevant distribution program, a point of time internationally known as "grant". It is clarified that the market value of the benefit is determined on the "exercise date of stock options", a point of time known as "exercise", regardless of whether the beneficiary's employment relationship exists at that time or not. Specifically, the income is determined as the difference between the closing price of the share on the stock exchange at exercise and the price of the stock option at grant (preferential acquisition price). The taxable event is now clearly defined and is "time of transfer of shares", which were acquired upon exercise, provided that they are transferred prior to the completion of 24, or 36 months depending on the case, from the grant date of the stock options.
- In case the shares, which were acquired upon exercise of stock options, are transferred after the completion of 24 months since grant, regardless of whether an employment relationship exists or not, at the time of sale capital gain arises which is taxed at a rate of 15%, plus special solidarity contribution. In case of listed shares, the capital gain is defined as the difference between the closing price of the share on the stock exchange on the exercise date and the exercise price. At the level of the individual, although at the year of exercise the value of the exercised stock options would be reported on the annual tax return for informational purposes by the employer, at the year of sale (taxable event) it is the individual who should report the taxable amount on the annual tax return for taxation as capital gain income at 15% or as regular employment income with marginal rate 44%. The respective tax and solidarity contribution will however be calculated upon assessment of the individual's annual tax return upon sale of such shares by the employee. Furthermore, the individuals have additional reporting requirements in their annual income tax return in case they generate extra

capital gain upon sale of shares (e.g. the difference between the sale price of the shares and the acquisition price (at exercise or vest)).

- Free shares: Grant of Free shares – Vested RSUs : based on the new Greek tax legislation, a favourable tax treatment is introduced on the distribution of company's free shares to its employees within the framework of a share plan, which requires the achievement of specific performance goals or the occurrence of a certain event. In particular, the income arising from the sale of shares, which were acquired via such free share plans, is treated as capital gain and is taxed with a flat tax rate of 15% with no limitation to the retention period. The above provisions are applicable to income earned in tax years commencing as of 1 January 2020 (e.g. shares vested as of 2020 onwards). At the level of the individual, although at the year of vest the value of the vested shares would be reported on the annual tax return for informational purposes by the employer, at the year of sale (taxable event) it is the individual who should report the taxable amount on the annual tax return for taxation as capital gain income at 15%. The respective tax and solidarity contribution will however be calculated upon assessment of the individual's annual tax return upon sale of such shares by the employee. Furthermore, the individuals have additional reporting requirements in their annual income tax return in case they generate extra capital gain upon sale of shares (e.g. the difference between the sale price of the shares and the acquisition price (at exercise or vest)).
- Housing allowance: rent paid by the employer, or in case of an owned house, the amount of 3 percent of the objective tax value of the property is added to taxable income of the Individual

For the above-mentioned benefits in kind (company cars, loan, stock option rights and housing allowance), no tax-free threshold of EUR300 is available.

- Cash bonuses: However, the reimbursement of accommodation, food and travel expenses incurred by the employee for the purposes of carrying out assigned employment duties should not be deemed to be employment income, on condition that proper receipts and expense report has been duly submitted.

Typical elements of an expatriate's compensation package that are taxable include the following:

- Income from employment includes all amounts paid or benefits-in-kind received in a year, on the understanding that the market value of the benefit exceeds EUR 300 per tax year. (certain exceptions apply).
- Reimbursements of foreign and/or home-country/jurisdiction taxes form part of an individual's compensation package are taxable if they relate to services provided in Greece.
- A cost-of-living allowance normally forms part of an individual's taxable income.
- Whether or not expatriation premiums would form part of an individual's taxable income in Greece depends primarily on the date these premiums are paid as well as the tax residence status of the employee at the date of payment and whether respective premiums relate to services provided in Greece. Payment of such premiums before the commencement of the Greek employment by an employer or division of the employer's business located outside Greece and not ultimately borne by the Greek employer would not constitute taxable income in Greece. However, an allowance paid upon or after commencement of the individual's assignment (employment) in Greece would principle be attributed to Greek employment and would thus constitute taxable income in Greece. Subject of Double Taxation Treaty review.
- Cars owned by the employer and provided to the employee for both business and personal use give rise to income as analyzed earlier. An exemption applies in case of tool cars used by specific salesmen, technicians etc., test drive cars, minibuses used for the employee's transportation, cars used for the transportation of guests or clients etc. and service cars
- Deferred compensation schemes, whereby an expatriate receives part of the compensation in the form of a lump-sum paid abroad on departure from Greece is taxable to the extent it relates to services provided in Greece (Greek-source income).

- Stock option plans, whereby benefits arising from the exercise of stock options of a value lower than the stock exchange value at the time they are exercised considered as employment income and are subject to Greek income tax. However, please see above information about the new stock options tax framework as of 1 January 2020.

After adding up the various taxable elements of compensation, the employee is taxable on the net amount, which is defined as the total amount less the employee's share of social security contributions and any employee's group pension plan contributions. Please note that for Greek and expatriate employees registered on the Greek payroll, the Greek tax authorities should be provided with electronic information regarding the compensation data as well as the total taxes paid and withheld by the Greek employer as a result of the Greek employment. However, for Greek and expatriate employees who are not registered with the Greek payroll, the Greek tax authorities should be provided with a salary statement issued by their foreign employer reporting compensation received as well as taxes paid abroad.

Typical elements of an expatriate's compensation package that are non-taxable (tax-exempt) include the following:

- insurance premiums paid by the employee or the employer on behalf of an employee within the framework of group pension plans, however amounts payable to beneficiaries that correspond to insurance premiums paid by a company for group pension plans for their employees are taxed upon distribution separately at a special scale.
- insurance premiums paid by the employer in order to cover medical and hospital care or death or incapacity of its staff within the framework of insurance plans, up to the annual amount of EUR1,500 per employee.
- the compensation for travel expenses paid by the employer for official reasons, including compensation for the cost of electricity for charging an individual or company vehicle of zero or low pollutants up to 50 gr. CO₂ / km
- the market value of the concession of a vehicle of zero or low pollutants up to 50 gr. CO₂ / km and up to EUR 40,000, to an employee, for any period of time within the tax year,

Electronic receipts collection measure

As of 1 January 2020, employees, pensioners, freelancers and other independent earners should incur expenses by using electronic means of payment within E.U. or E.E.A. equal to 30 percent of their actual income, with a maximum expenses ceiling of EUR20,000. A penalty of 22 percent on the difference between the required versus the amount spent, will incur. While calculating the actual income alimony payments are not considered. Special provisions for certain categories of taxpayers apply. The expense receipt measure does not apply to Greek tax residents who are residing or working abroad as well as to non-Greek tax residents who are subject to annual income tax return filing obligation in Greece.

It is worth mentioning that the above provisions regarding expense receipts equally apply to rental income as of 1 January 2020.

Intra-group statutory directors

Will a non-resident of Greece who, as part of their employment within a group company, is also appointed as a statutory director (i.e. member of the Board of Directors in a group company situated in Greece trigger a personal tax liability in Greece, even though no separate director's fee/remuneration is paid for their duties as a board member?

No, on condition that no separate director's fee/remuneration is paid for their duties as a board member for the Greek entity.

Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Greece?

See our comment above.

Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Greece (i.e. as a general management fee where the duties rendered as a board member is included)?

Yes, such appointment as a statutory director (i.e. member of the Board of Directors in a group company situated in Greece) will trigger a personal tax liability in Greece and reporting obligations for the company situated in Greece.

In the case that a tax liability is triggered, how will the taxable income be determined?

It will be determined as employment income with applicable income taxation and special solidarity contribution progressive rates. Such income is subject to Double Taxation Treaties review.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Greece? If so, please provide a general definition of these areas.

The categories of income, which are exempt from tax, are the following:

- Interest income derived from senior dept. or treasury bills of the Greek Government in case the beneficiary is an individual.
- Interest income derived from bonds of the EFSF.
- Capital gain arising from the transfer of listed securities acquired prior to 1 January 2009.
- In case of listed securities acquired after 1 January 2009, an exemption from capital gains tax applies only if the participation in the company's share capital is less than 0.5 percent.
- Capital gain arising from the transfer of Greek and EU/ EEA corporate bonds Profits from the transfer of titles for the individuals who are tax residents of a country/jurisdiction with which Greece has signed a Double Tax Treaty for the avoidance of double taxation, on condition that they provide a tax residence certificate.
- Certain allowances paid and expenses reimbursement by the employer to the employee are tax-free on the understanding that respective expenses were incurred exclusively in the frame of the business activity of the employer.
 - As of 1 January 2020, the reimbursement of the Public Means of Transport monthly or yearly card purchase.
 - As of 1 January 2020, the purchase price of granted company cars with zero or low emissions (up to 50 CO2/km) and with Retail Price Before Taxes up to EUR40,000, during any time of the tax year.
- Moreover, specific categories of employment income and pensions are "exempted" for income tax purposes by the new Income Tax Code (indicatively, income from performance of duties by a foreign diplomatic or consular representative etc., alimony received by the beneficiary, pensions received due to disability by war victims or their families etc., allowance, salaries or pensions to disabled persons with disability of at least 80 percent, allowance due to unemployment paid by OAED under conditions, EKAS allowance, payments to recognized political refugees etc.).
- Capital gains arising from the sale of EU/ EEA based UCITS is tax exempt.
- Profit from disposal of produced electricity to DEH Company or another supplier after joining the "Special development program of photovoltaic systems up to ten (10) KW".

2.8 Expatriate concessions

Are there any concessions made for expatriates in Greece?

Expatriates who are non-Greek residents are only subject to tax on income from Greek sources. Non-residents could have dual contracts and not be subject to tax on income earned for services provided outside Greece. In practice, most foreign nationals who are on expatriate assignments in Greece are considered non-Greek residents (assuming they have kept their tax residency in the home location) and may exclude employment income from working outside Greece on condition that such employment income does not relate to services provided in Greece.

2.9 Special Tax Regimes

High Net Worth Individual (HNWI) Regime

In an effort to attract high net worth individuals, an alternative taxation on foreign source income earned by individuals (and/or their relatives) who transfer their tax residence to Greece is introduced, if the following conditions are cumulatively met (a) the individual was not a Greek tax resident for the 7 out of 8 years preceding the transfer of their tax residence to Greece and (b) can prove that they or their relatives or a legal entity in which they hold the majority of the shares, invests in real estate or moveable assets or shares of legal entities based in Greece. The amount of the investment should not be lower than EUR 500,000 and must be completed within a period of 3 years. Condition (b) is not required in case of an individual who has obtained a residence permit due to investment activity in Greece.

In particular, individuals who will utilize the alternative taxation method, should pay a lump sum tax of EUR 100,000 on an annual basis, regardless of the level of their foreign source income. In case where a relative utilizes respective provisions, they should pay a lump sum tax of EUR 20,000 on an annual basis. Utilization of these provisions cannot exceed a period of 15 tax years.

The Greek source income of the individuals subject to the alternative taxation method should be reported in the annual income tax return and taxed according to its classification, whilst their foreign source income is not subject to reporting and is taxed based on the lump sum tax.

It is worth mentioning that settlement of the annual lump sum tax exhausts any further tax liability for the individual on their foreign source income, whilst any tax paid abroad is not offset against any Greek tax liabilities. Furthermore, this individual is exempt from inheritance and donations tax on any foreign assets.

The required categories of investments, their retention period in Greece, the application process as well as any other details required for the implementation of respective provisions are determined amongst other by ministerial decisions.

Based on the new law **5000/2022**, the application for the change of tax residence status for the purpose of qualifying under the alternative taxation of income arising abroad as per article 5A of the income Tax Code (ITC) must now be accompanied by proof of the transfer of the minimum amount of the investment (which is a pre-condition for coming under this alternative taxation regime) to an account opened at a financial institution established in Greece. Respective condition applies in case of individuals subject to the regime of article 5A ITC as of tax year 2022 onwards.

The Tax Administration examines the application and issues a decision approving or rejecting it until the last working day of June (and not of September, as was previously the case) of the year in which the application is submitted.

A new provision is added based on which, if it is evidenced after the expiry of the three-year period within which the investment should have been completed, that the individual has not completed the investment, then the application of the provisions of article 5A ITC is waived as of the first year the individual was

subjected to the regime so that the individual will be taxed since then for his/her worldwide income according to the general provisions of the ITC.

Respective provision applies for tax years 2021 onwards. In such case, the tax payable on foreign source income cannot be less than EUR 100 000. Furthermore, the tax payable on foreign source income may be reduced by the amount of the lump sum tax paid. However, such income tax reduction cannot exceed the tax payable on foreign source income.

The possibility to change the investment once within the three-year period can be provided by virtue of a joint decision of the Ministers of Finance and Development & Investment.

Especially for individuals, who have been subject to the regime of article 5A ITC during tax years 2020 and 2021, the pre-condition for performing an investment in Greece is considered to be fulfilled if it is evidenced that the intended investment was completed within the stipulated period of three (3) years from the submission of the application.

Foreign Pensioners Regime

In an effort to attract foreign pensioners, the alternative taxation regime on foreign source income earned by individuals who transfer their tax residence to Greece is expanded. In particular, the new provisions provide the option to foreign pensioners to benefit from the alternative taxation of their total foreign source income.

Individuals who will utilize the alternative taxation method should cumulatively meet the below conditions:

- the individual was not a Greek tax resident for the five (5) out of the last six (6) years preceding the transfer of his tax residence to Greece and
- the individual transfers his tax residence to Greece from a country with which Greece has in force an agreement for administrative cooperation in tax matters.

Under the alternative taxation regime, individuals will be subject to an annual flat tax rate of 7% on their total foreign source income. The tax is paid in lump sum for each tax year until the last business day of July and it does not offset against any other tax liabilities or credit balances of the individual. The settlement of this tax exhausts any further tax liability for the individual on such income.

The said alternative tax regime is in force for the tax year which the application is filed and for fifteen (15) tax years in total. The individuals should report in their annual tax return both their Greek and foreign source income (e.g. worldwide reporting requirement). Any foreign tax paid abroad on the foreign source income, may be claimed as a foreign tax credit (FTC) against the tax due in Greece, however up to the amount of Greek tax due on such foreign source income. Furthermore, the said provisions do not affect the application of the international agreements for the avoidance of double taxation ratified by Greece. Furthermore, this individual is not exempt from inheritance and donations tax on any foreign assets.

Attracting the foreign individuals to work in Greece

In an effort to attract tax residents in Greece and further to the special tax regimes which have already been introduced (e.g. High Net Worth Individuals and Foreign Pensioners), a new regime of alternative taxation for individuals who transfer their tax residence in Greece is introduced as of tax year 2021.

The conditions which must be cumulatively met in order to qualify for the special regime:

- the individual was not Greek tax residents for the five (5) out of the last six (6) years preceding the transfer of their tax residence to Greece,
- they transfer their tax residence from a member country of the E.U. or the E.E.A. or from a country with which Greece has an agreement in force for administrative cooperation in tax matters,

- they provide services in Greece on the basis of an employment contract with a Greek legal entity or a foreign legal entity with permanent establishment in Greece,
- they declare their intention to stay in Greece for at least two (2) years. The above conditions equally apply in case of business activity in Greece.

It should be highlighted that the newly introduced special tax regime applies only in case of “new job offerings/positions”. The special regime applies on both employment income, as well as for business activity rendered in Greece. Specifically, the individual who will transfer their tax residency to Greece and qualify for the special taxation regime will be eligible to income tax exemption on 50% of their employment income earned in Greece during any tax year.

The above exemption equally applies to individuals who will transfer their tax residency in Greece in order to operate business in Greece as entrepreneurs. Namely, 50% of their business activity income derived in Greece is income tax exempt on any given tax year.

Individuals who will qualify for the said special taxation may only enjoy this beneficial regime for seven (7) consecutive tax years. Following the seven years period, the special tax regime is no longer valid. Although administrative guidance is yet to be issued, worldwide reporting is expected for respective individuals, although eligible to claim foreign tax credit. It is worth mentioning that individuals who will be subject to the special tax regime are exempt from imputed income criteria arising from the use of a residency and private car.

Individuals who wish to utilize the special tax regime and commenced employment by 2nd July they should file an application to the Tax Authority within the year they commenced their employment services (or commencement of business activity). If application is being filed the following year it will be examined for that following year. Individuals commencing employment after the 2nd of July their application may be filed by the end of the following year and will be examined for that following year.

Based on the newly issued administrative guidance, an employment relationship exists when a natural person provides services as a director or board member of a company or any other legal entity or legal entity. On this basis, the remuneration of partners and managers of LTD and IKE as well as the remuneration of representatives and partners of OE and EU for the services they provide based on this capacity to the companies in question, are equated with the remuneration of directors or board members of a company and are classified as employment income.

2.10 Salary earned from working abroad

Is salary earned from working abroad taxed in Greece? If so, how?

Greek tax legislation does not provide any relief to Greek residents who earn a salary outside Greece, except for certain classes of Greek civil servants who are required to fill a vacancy abroad.

Any other income of the taxpayer is normally added to employment income in order to arrive at taxable income.

2.11 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Greece? If so, how?

Income from dividends is classified as capital income. According to Greek legislation, dividends are subject to tax at the rate of 5 percent as of 1 January 2020. The aforementioned taxation exhausts the tax liability in case the beneficiary is an individual.

Income from interest is subject to tax at the rate of 15 percent that exhausts the tax liability in case the beneficiary is an individual.

As of 1 January 2020, Individuals who are non-Greek tax residents are tax exempt on interest income earned:

- by corporate bonds issued by companies which are listed in the E.U. or in an organized financial market outside E.U. that is regulated by the International Organization of Securities Commission (IOSCO), as well as
- by bonds issued by cooperative banks that operate as credit institutions.

Furthermore, the above-mentioned individuals are exempt from solidarity contribution on interest income earned on Greek Government Treasury Bills as well as listed corporate bonds as described above.

Furthermore, it is stipulated that the said individuals are not subject to annual tax return obligations if their income is solely derived from interest earned from Greek Government T-Bills and corporate bonds as aforementioned.

Royalties are subject to tax at the rate of 20 percent that exhausts the tax liability in case the beneficiary is an individual.

Rental income is taxed at the rate of 15 percent for income up to EUR12,000, 35 percent for income from EUR12,001 up to 35,000 and 45 percent for income exceeding EUR35,000.

A new tax credit is being introduced as a percentage of the expenses made for aesthetic, functional and energy upgrade of buildings (which are not or will not be subject to the buildings' upgrade program), on condition that such expenses are made via electronic means of payment or via a payments service provider. Respective expenses are considered as tax credit in 4 equal instalments at 40 percent of their value, with a total maximum value of expenses of EUR16,000. The above provisions are applicable to expenses incurred in tax years after 1 January 2020 and until 31 December 2023.

Capital gains arising from the transfer of listed securities and derivatives is taxable at the rate of 15 percent as of January 2014 and on condition that it is not considered business profit and on condition that the following are cumulatively met:

- the individual-shareholder seller holds at least 0.5 percent of the share capital of the listed entity, and
- in case of listed securities, they have been acquired after 1 January 2009.

Furthermore, a 0.2 percent tax is imposed on the sale of shares listed in the Athens stock exchanges or in foreign exchanges.

Stock option rights: the market value of the benefit is determined on the "exercise date of stock options", whilst the taxable event occurs upon the "sale" of the shares acquired upon exercise. A new stock options tax framework is introduced as of 1 January 2020, where if the shares that are acquired upon exercise, are retained for a period exceeding 24 months, or 36 months under certain conditions, are taxed as capital gains at a flat tax rate of 15 percent, or 5 percent for shares of newly established companies and if certain conditions are cumulatively met.

The holding period of the shares acquired upon exercise of the stock options in order for the income to be taxed as employment income has been defined. Specifically, in case the shares are transferred before the completion of 24 months from the "grant date of stock options" or before the completion of 36 months under certain conditions applicable to small or very small enterprises then the income arising will be taxed as employment income. It is now explicitly defined that the time of acquisition of the stock options is

deemed to be the time they are granted by the company based on the relevant distribution program, a point of time internationally known as "grant". It is clarified that the market value of the benefit is determined on the "exercise date of stock options", a point of time known as "exercise", regardless of whether the beneficiary's employment relationship exists at that time or not. Specifically, the income is determined as the difference between the closing price of the share on the stock exchange at exercise and the price of the stock option at grant (preferential acquisition price). The taxable event is now clearly defined and is "time of transfer of shares", which were acquired upon exercise, provided that they are transferred prior to the completion of 24, or 36 months depending on the case, from the grant date of the stock options. In case the shares, which were acquired upon exercise of stock options, are transferred after the completion of 24 months since grant, regardless of whether an employment relationship exists or not, at the time of sale capital gain arises which is taxed at a rate of 15%, plus special solidarity contribution. In case of listed shares, the capital gain is defined as the difference between the closing price of the share on the stock exchange on the exercise date and the exercise price.

At the level of the individual, although at the year of exercise the value of the exercised stock options would be reported on the annual tax return for informational purposes by the employer, at the year of sale (taxable event) it is the individual who should report the taxable amount on the annual tax return for taxation as capital gain income at 15% or as regular employment income with marginal rate 44%. The respective tax and solidarity contribution will however be calculated upon assessment of the individual's annual tax return upon sale of such shares by the employee. Furthermore, the

individuals have additional reporting requirements in their annual income tax return in case they generate extra capital gain upon sale of shares (e.g. the difference between the sale price of the shares and the acquisition price (at exercise or vest)).

Free shares: Grant of Free shares – Vested RSUs: based on the new Greek tax legislation, a favorable tax treatment is introduced on the distribution of company's free shares to its employees within the framework of a share plan, which requires the achievement of specific performance goals or the occurrence of a certain event. In particular, the income arising from the sale of shares, which were acquired via such free share plans, is treated as capital gain and is taxed with a flat tax rate of 15% with no limitation to the retention period. The above provisions are applicable to income earned in tax years commencing as of 1 January 2020 (e.g. shares vested as of 2020 onwards). At the level of the individual, although at the year of vest the value of the vested shares would be reported on the annual tax return for informational purposes by the employer, at the year of sale (taxable event) it is the individual who should report the taxable amount on the annual tax return for taxation as capital gain income at 15%. The respective tax and solidarity contribution will however be calculated upon assessment of the individual's annual tax return upon sale of such shares by the employee.

Furthermore, the individuals have additional reporting requirements in their annual income tax return in case they generate extra capital gain upon sale of shares (e.g. the difference between the sale price of the shares and the acquisition price (at exercise or vest)).

Benefits arising from the exercise of stock options of a value lower than the stock exchange value at the time they are exercised are considered as employment income and are subject to Greek income tax (be mindful of the special stock options tax regime analyzed above).

The benefit resulting from the exercise of stock options is calculated as the difference between the price paid by the beneficiary and the fair market value at the date of the exercise.

The taxable event has now been moved at the "sale" of shares.

Residency status

Taxable at:

	Grant	Vest	Exercise	Sale
Resident	N	N	N	Y
Non-resident	N	N	N	Y*
Other (if applicable)	N/A	N/A	N/A	N/A

*In case of stock options taxed as employment income on condition that the stock options relate to services rendered in Greece and DTT exemption (if available) does not apply. In case of stock options and free shares of foreign entity which are taxed as capital gain, they are nontaxable as foreign source income.

Foreign exchange gains and losses

Both residents and non-residents may maintain foreign currency accounts with banks in Greece. Such accounts may be credited with any foreign currency which arises from Greece or abroad, including foreign bank notes and foreign exchange which is purchased with Euros. No tax relief is available for foreign exchange losses and foreign exchange gains are not taxable per se (assuming they do not qualify as business income).

Real estate property gains and losses

Capital gains tax arising from the sale of immovable property is being postponed until 31 December 2022.

Personal use items

Please see Overview and Introduction regarding treatment of imputed income on the basis of living expenses or acquisition of certain assets.

Gifts

The donation tax credit is increased to 20 percent as of 1 January 2020 donated to organizations recognized by the Minister of Finance is permitted with the restriction that donations may not exceed 5 percent of the taxable income, while the amount donated within the tax year must exceed the amount of EUR100.

Luxury Tax

Luxury tax of 13 percent is imposed on private yachts/boats exceeding 5 meters, excluding wooden sailing vessels and pleasure ships which are constructed or under construction in Greece in conformance with Greek nautical tradition:

- Luxury tax rate for the private cars from 1 929 cc up to 2 500 cc is 5 percent. As of tax year 2019 onwards, private cars of taxpayers having at least 4 dependent children are exempt from luxury tax.
- As concerns private cars exceeding 2 500 cc, swimming pools, aircraft, helicopters and gliders, the luxury tax rate is 13 percent.
- The above rates are applied on the deemed income arising from each of the above assets.
- The above luxury tax rates apply for income declared in fiscal year 2015 (i.e. for income arising in calendar year 2014) onwards.

2.12 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Greece? If so, please discuss? Not Applicable.

Please refer to our comments below regarding the Real Estate Ownership Taxes and Transfer Taxes.

Are there capital gains tax exceptions in Greece? If so, please discuss?

Please refer to our comments above.

2.13 General deductions from income

What are the general deductions from income allowed in Greece?

Certain personal deduction is available to Greek residents in computing their taxable income. Such deduction is the mandatory employee-portion of social security contributions on employment income. Furthermore, contributions to company group private pension funds are also deductible items, since the annuity paid at the end of the program is taxed separately via a special scale.

2.14 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Greece?

The most common tax reimbursement method used by the employers in Greece is the tax equalization method. However, the concept of hypothetical tax is not recognized for Greek tax purposes.

2.15 Calculation of estimates/prepayments/withholding

How are estimates/prepayments/withholding of tax handled in Greece? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

Pay-as-you-earn (PAYE)

Tax withholding is handled as Pay-As-You-Earn.

Employers are required to withhold income tax from salaries, wages and other remuneration paid to their employees. The amounts withheld are determined in accordance with the scale of ordinary income tax rates applicable to individuals.

Benefits in kind are not subject to payroll income tax withholdings.

Income tax must be withheld and remitted to the tax authorities on a monthly basis by the employer.

The employer is obliged to report via the Independent Authority for Public Revenue the taxable employment income (i.e. gross employment income minus the applicable social security contributions and any group pension fund contributions) on a monthly basis by indicating separately the regular salary and the benefits in kind, as well as the amounts of income tax and solidarity contribution which were withheld. Specifically, benefits in kind are not subject to payroll withholdings whilst they are subject to payroll reporting. As of 1 January 2019, monthly payroll shall be uploaded electronically on tax is net on a monthly basis (in a platform set by the Ministry of Finance). Payroll items which are not subject to payroll withholdings are equally subject to electronic payroll reporting. Respective amounts appear automatically in the electronic form of the employee's annual personal income tax return (Form E-1). Furthermore, the employer is also obliged to issue and provide to the employee an annual salary letter (either in hard copy or electronically) including the regular salary and any benefit paid to the employee during the tax year as well as the applicable payroll withholding. Specific reporting deadlines and extensions are applicable for each tax year based on the issued Independent Authority for Public Revenues' decisions.

2.16 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Greece? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

Income tax paid outside Greece by Greek tax residents on foreign-source income is offset against the tax payable in Greece up to the amount of Greek tax corresponding to such foreign-source income.

The Greek tax attributable to the foreign-source income is determined on the basis of the Greek income tax rates applicable for each type of income.

2.17 General tax credits

What are the general tax credits that may be claimed in your country/jurisdiction? Please list below.

Annual Family Tax Credits on employment/pension income:

The tax credit on employment/pension income up to EUR 12,000 is set as follows:

Conditions	2023
Taxpayers without children	EUR 777
Taxpayers with one child	EUR 810
Taxpayers with two children	EUR 900
Taxpayers with three children	EUR 1,120
Taxpayers with four children	EUR 1,340
Taxpayers with five or more children	EUR 1,340 plus additional EUR220 per each additional dependent child
Income limit for full credit	EUR 12,000
Reduction in credit if income above limit	EUR 20 per EUR 1,000 of income. The provision does not apply to taxpayers with 5 or more dependent children.

Electronic receipts collection measure

As of 1 January 2020, employees, pensioners, freelancers and other independent earners should incur expenses by using electronic means of payment within E.U. or E.E.A. equal to 30 percent of their actual income, with a maximum expenses ceiling of EUR 20,000. A penalty of 22 percent on the difference between the required versus the amount spent, will incur. While calculating the actual income alimony payments are not considered. Special provisions for certain categories of taxpayers apply. The expense receipt measure does not apply to Greek tax residents who are residing or working abroad as well as to non-Greek tax residents who are subject to annual income tax return filing obligation in Greece.

It is worth mentioning that the above provisions regarding expense receipts equally apply to rental income as of 1 January 2020.

As of 1 January 2020, tax reduction of 20 percent of amounts donated to organizations recognized by decision of the Minister of Finance is permitted with the restriction that donations may not exceed 5 percent of taxable income, while the amount donated within the tax year must exceed EUR100.

Certain conditions apply in case of non-Greek tax residents in order to qualify for the tax credits.

2.18 Sample tax calculation

This calculation assumes a married taxpayer coming to Greece with two children whose 3- year assignment begins 1 January 2022 and ends 31 December 2024. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers 3 years.

	2022 USD	2023 USD	2024 USD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Company car	6,000	6,000	6,000
Moving expense reimbursement	20,000	0	20,000
Home leave	0	5,000	0
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,000	6,000

Exchange rate used for calculation: USD1.00 = EUR 0.88 (19 January).

Other assumptions

- All earned income is attributable to local sources.
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year. Interest income is not remitted to Greece.
- The company car is used for business and private purposes and the annual taxable amount for the employee is USD6,000. It is assumed that the car benefit is taxable and is not subject to special provisions for electric/hybrid cars.
- The employee is deemed resident throughout the assignment.
- Tax treaties and totalization agreements are ignored for the purpose of this calculation.
- Interest income is taxed at the rate of 15 percent as well as at the rate of 9 percent for solidarity contribution purposes (i.e. marginal solidarity contribution rate based on the taxpayer's level of income depending on the tax year if special solidarity contribution is assessed for the year and specific type of income).
- Social security contributions have not been considered. We consider all amounts to have been agreed gross.

Calculation of taxable income

Year ended	2023 EUR	2024 EUR	2025 EUR
Days in Greece during year	365	365	365
Earned income subject to income tax			
Salary	92,000	92,000	92,000

Bonus	18,400	18,400	18,400
Cost-of-living allowance	9,200	9,200	9,200
Net housing allowance	11,040	11,040	11,040
Company car	5,520	5,520	5,520
Moving expense reimbursement	18,400	0	18,400
Home leave	0	4,600	0
Education allowance	2,760	2,760	2,760
Total earned income	157,320	143,520	157,320
Other income	5,520	5,520	5,520
Total income	162,840	149,040	162,840
Non-taxable items	0	0	0
Total taxable income	162,840	149,040	162,840

Calculation of tax liability

	2023 EUR	2024 EUR	2025 EUR
Taxable income as above	162,840	149,040	162,840
Greek tax thereon			
Income tax	61,949	55,877	61,949
Solidarity contribution	0	0	0
Domestic tax credits (dependent spouse/ children credit)	0	0	0
Foreign tax credits	0	0	0
Total Greek tax	61,949	55,877	61,949

FOOTNOTES: Exchange rate used for calculation: USD1.00 = EUR 0.92 (19 January).

¹Certain tax authorities adopt an “economic employer” approach to interpreting Article of the OECD model treaty which deals with the Dependent Services Article. In summary, this means that if an employee assigned to work for an entity in the host country/jurisdiction for a period of less than 183 days in the fiscal year (or a calendar year of a 12-month period), the employee remains employed by the home country/jurisdiction employer, but the employee’s salary and costs are recharged to the host entity, then the host country/jurisdiction tax authority will treat the host entity as being the “economic employer” and therefore the employer for the purposes of interpreting Article 15. In this case, article 15 relief would be denied, and the employee would be subject to tax in the host country/jurisdiction.

03

Special considerations for short term assignments

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency Rules

The tax treaties usually indicate that the resident of another country/jurisdiction will not be subject to income tax in Greece on where the following are true cumulatively. The Greek source employment income

- The individual is present in Greece for 183 days or less in any tax year.
- The remuneration is received from an employer who is not a resident of Greece.
- The remuneration is not deducted as an expense of a permanent establishment which the employer has in Greece.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

No, there are no special payroll considerations for short-term assignments.

3.3 Taxable income

What income will be taxed during short-term assignments?

During short-term assignments the income earned in relation to employment services provided in Greece (that is Greece-source income) regardless if it was remitted in Greece or not, is taxable in Greece (unless applicable double tax treaty dictates otherwise).

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Greece?

The social security status of the assignee should be considered.

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Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Greece? If so, what are the rates for employers and employees?

Employer and employee 2023

Type of insurance	Paid by employer	Paid by employee	Total
Social insurance (for full time employment)	22.29%	13.87%	36.16%

According to Greek law, all employees are subject to social security contribution. The employee's social security contribution is withheld on a monthly basis from the salary by the employer whereas employer's social security contributions on the top of the agreed monthly gross salary are also due.

As of 1 January 2022, the minimum gross monthly salary is EUR 663 whereas the maximum monthly gross salary on which social contributions are due is EUR 7,126.94 (and EUR 106,904.1 on an annual basis). It should be noted that not all the categories of the working force are covered by the same social security rates as the salaried employees. Further investigation is required in case the individual performs other kinds of entrepreneurial/business activities.

In certain circumstances, employees subject to the social security systems of EU or non-EU countries (assuming a Totalization Agreement is in place) may be exempt from registering with the Greek social system.

4.2 Gift, wealth, estate, and/or inheritance tax

Is there any gift, wealth, estate, and/or inheritance taxes in Greece?

Inheritance and gift tax are based on the value transferred through inheritance or gift (donation). The tax is based on a graduated scale of rates, which increases with the value of the property transferred (inherited or gifted). There are tax free brackets, which depend on the degree of relationship between the deceased or donor and the recipient of the property. The rates also vary depending on the degree of relationship. Especially for donations effected as from 1 October 2021 between relatives of the first category (i.e. for donations granted to spouses, partners based on a civil partnership agreement, children, parents, grandchildren), there is a tax free bracket applicable for a property value up to EUR 800 000 (in the case of cash donations, the tax free bracket applies on condition that the donated funds are transferred through credit institutions). Inheritance tax applies to all property located in Greece as well as movable property located abroad owned by Greek citizens or foreign nationals domiciled in Greece (except for those residing abroad for more than 10 years).

Donation tax applies to all property located in Greece. It also applies to movable property located abroad and owned by Greek citizens (except for those residing abroad for more than 10 years or not after 5 years from relocation to Greece, if this were the case, and for property that has not been acquired in Greece during the last 12 years). Finally, it also applies to movable property located abroad and owned by foreign citizens provided that the recipient of the donation is a Greek or foreign citizen domiciled in Greece.

The recipient of an inheritance is obliged to file a tax return generally within 9 months from the death of the inherited individual or publication of a testament. In case of donation, respective tax return should be filed before the conclusion of the relevant notary public document or, in the absence of such document, within 6 months from the receipt of the donation. Different filing deadlines may be applicable depending

on certain conditions. Under certain circumstances where a donation is affected, both the recipient (donee) and the donor must file a joint tax return.

Exemptions from inheritance and donation tax may apply under circumstances for social (e.g. tax exemption for the husband/wife and the minor children of the inherited) or for economic reasons (such as tax exemption of joint accounts held in Greek banks).

4.3 Real estate tax

Are there real estate taxes in Greece?

In principle, any person (Greek and foreign individuals and legal entities) owning real estate property in Greece as of 1 January of each year is burdened with the Unified Real Estate Ownership Tax ("UREOT").

For individuals, UREOT consists of the aggregate of the main tax of all buildings and plots of land within and outside city limits, plus the tax assessed on the total value per right in rem to real estate (no supplementary tax is imposed on private individuals).

The main tax on buildings ranges from EUR 2 to EUR 16.20 per square meter, depending on their location/ tax zone, and is multiplied by certain coefficients that vary depending on factors/ elements characterizing each property (i.e., the building's surface, age, use, floor, and number of facades).

For plots of land located within city limits or zoned areas, the taxable basis is the product of certain coefficients that depend on factors such as the starting price of the plot of land, its surface area and its façade(s). The taxable basis is then divided by the surface area of the plot of land and the quotient constitutes the unit value of the plot of land; such unit value determines the rate of the main tax, which ranges from EUR 0.0037 to EUR 9.25 per sq.m.

The main tax for plots of land located outside city limits or zoned areas is EUR 0.001 per square meter, multiplied by certain coefficients that vary depending on their use, their location, their surface area, whether they are irrigated, etc.; the resulting main tax is increased fivefold, if a residence is built on such a plot of land.

In addition, a tax is imposed on the total value of rights in rem to real estate owned by individuals. Pursuant to a special methodology, said tax is calculated gradually, with a tax-free threshold for the first EUR 400 000, with tax rates ranging from 0.20% (for a total real estate value from EUR 400 001 to EUR 500 000) to 1% (for a total real estate value exceeding EUR 2 million). This provision does not apply where the total value of the real estate property does not exceed EUR 300 000, neither in case of rights on plots of land located outside the city limits or settlement plan.

Furthermore, UREOT is increased, if the total value of the real estate exceeds EUR 500 000. The applicable tax rates range from 5% (for real estate property up to EUR 650 000) to 20% (for real estate property exceeding EUR 1 million). The value of rights on plots of land located outside the city limits or zoned areas is not included in the calculation of the total value of the real estate.

For legal entities, UREOT consists of a main tax and a supplementary tax. The main tax on buildings, plots of land located within city limits or zoned areas, and plots of land located outside city limits or zoned areas, is calculated as stated above. The supplementary tax is imposed for the total value of the legal entity's real estate and is calculated at the rate of 0.55% on the corresponding objective tax value ("OTV"). Such rate is reduced to 0.1% for property used in order for a legal entity to carry out its own business activities.

24% VAT is imposed on the transfer of real estate involving new buildings whose construction license was issued or renewed as of 1 January 2006 onwards (provided that construction works have not commenced up to the date of the license's renewal), as long as the underlying building has not been leased, transferred, or otherwise used prior to respective sale. Following this first transfer, every subsequent transfer will be subject to 3.09% Real Estate Transfer Tax. However, the imposition of VAT on the transfer of new buildings can be suspended until 31 December 2024, through the filing of an application by the

constructor with its competent tax office. In such cases, the relevant real estate transfers will be subject to Real Estate Transfer Tax.

In addition, Greek and foreign companies owning or having usufruct or bare ownership rights on (use of) real estate located in Greece are subject to an annual special real estate tax calculated at the rate of 15% on the objective tax value ("OTV") of real estate, unless certain conditions are fulfilled as of 1 January of each year on the basis of specific documentation (including if (a) their ultimate individual shareholders are revealed/ obtain a Greek tax number, or (b) their shareholders constitute certain types of regulated entities, such as listed entities, banks, etc.). The annual special real estate tax is paid in one lump sum with the filing of a special real estate tax return, the filing deadline of which is the 20th of May of the following year. Furthermore, the holding of Greek real estate gives rise to certain municipal property taxes (not normally of significant value), which are collected through electricity bills.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Greece?

A value-added tax (VAT) at the standard rate of 24% applies in Greece; other rates apply as well depending on the nature of goods/ services (i.e. the reduced VAT rate of 13% (applying to hotel accommodation, unprocessed food items, etc.) and the super-reduced VAT rate of 6% (applying to the supply of electricity and natural gas, pharmaceutical products destined for human use)) and/ or geographic location (namely, respective VAT rates are reduced by 30%, when concerning transactions carried out to/ in the islands of Leros, Lesbos, Kos, Samos and Chios (with the exception of certain goods, such as tobacco products, which are in any case subject to the standard VAT rate)).

4.5 Unemployment tax

Are there unemployment taxes in Greece?

No.

4.6 Other taxes

Are there additional taxes in Greece that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Local taxes

There are no churches or local taxes imposed on the income of individuals.

Transfer taxes

Real estate transfer tax is levied on the title transfer of real estate. The tax is computed on the difference between the sale price and the purchase price.

Capital gains arising from the transfer of real estate is taxable at the rate of 15 percent, however capital gains tax arising from the sale of immovable property is being postponed until 31 December 2022 (i.e. taking effect as of 1 January 2023).

Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g. foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

Annual Income Tax Return

In the annual income tax return the following information is being reported:

Any income generated by foreign bank accounts (e.g. interest, dividends etc.).

The amount of investments made in a tax year (e.g. value of shares purchased, etc.). The value of investments sold/liquidated in a tax year.

Even though the financial accounts and securities are not provided per se (but rather the amount reported as a total value), in case of a tax audit the taxpayer shall present all documents (e.g. bank statements etc.) evidencing the amounts reported.

Assets Declaration Return (Pothen Esches)

According to the Greek tax legislation, certain categories of individuals, are obliged to submit a declaration of their, their spouses' and their minor children's assets, Assets Declaration Return (Pothen Esches) including all the assets which the liable individuals (and their spouses, minor children) possess worldwide on 31 December of the previous calendar year. In addition to the Assets Declaration Return, the individuals indicated above should also submit a Declaration of Financial Interests indicating their and their spouse's business activities, participations in companies and other relevant information.

Automatic Exchange of Information (AEOI)

According to the new framework of Automatic Exchange of Information (AEOI) which has already been implemented in Greece, information of Financial Accounts will be mutually disclosed between the Tax Authorities of different States/Jurisdictions, providing details on the accounts, the account holders and the beneficial owners.

In the context of the mutual exchange, Greece has already adopted the global standard for the automatic exchange of information (Common Reporting Standard – CRS, Greek Law 4428/2016), has integrated the European Directive on Administrative Cooperation (DAC, Directive EU 2011/16 & 2014/107) about the mandatory automatic exchange of information in the field of taxation (Greek Law 4170/2013) and has ratified the Intergovernmental Agreement between Greek and the US Government about the mutual automatic exchange of information on financial accounts (Greek Law 4493/2017). Greece has already committed to first exchange in 2017.

05

Immigration

5 Immigration

Following is an overview of the concept of Greece's immigration system for skilled labor.

(E.g. which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft flow chart illustrating the process)

This summary provides basic information regarding business visits to, and work authorization for, Greece. The information is of a general nature and should not be relied upon as legal advice.

Entry and residence into Greece rules depend on the nationality of the skilled personnel as follows:

- EU and EEA nationals and
- third country/jurisdiction nationals.

In accordance with EU rules, EU citizens have the right of freedom of movement, which entails the abolition of any discrimination based on nationality between workers of the Member States and, consequently, their free access to the Greek employment market. In this regard, no visa or residence permit is required for an EU national to enter and work in Greece; In case however their stay/employment in Greece is to exceed 3 months they should be registered with the Greek immigration authorities on the basis of a very simple procedure. Such registration can take place at any time and no penalties are provided for late filing. The same rules apply to EEA and Swiss nationals.

Regarding third country/jurisdiction nationals, a distinction is made between business visitors and nationals to enter/work in Greece.

Business visitors are distinguished between:

- Visa Nationals, who must apply for a Business Schengen visa in order to enter Greece for business purposes (such application is filed with the competent Greek Consulate, i.e. the Consulate in the country/jurisdiction of the business visitor's residence, or in case of more than one Consulates in the same country/jurisdiction, the one being competent for the area where the business visitor resides) and
- Non-Visa Nationals, who can enter Greece without the need to apply for an entry visa (the list of Non-Visa Nationals includes indicatively nationals from USA, UK, Canada, Australia, Brazil, UAE, Israel, South Korea etc.) on the basis of the Schengen rules.

Third country/jurisdiction nationals to enter/work in Greece must obtain an entry permit (national visa type D) to initially enter Greece and, following their entry, they must apply for a residence permit incorporating the right to work. Greek immigration legislation provides for different types of national visas/residence permits depending on different factors (for instance, type of activities to be carried out locally by the third country/jurisdiction nationals, position of the third country/jurisdiction nationals, shareholding structure/business activities of the employer etc.) with the procedure and processing time depending on the type of residence permit to be issued. Similarly to the Schengen visa, national visas are also issued by the competent Greek Consulate (i.e. the Consulate in the country/jurisdiction of the applicant's residence, or in case of more than one Consulates in the same country/jurisdiction, the one being competent for the area where the applicant resides), whereas the local authority to issue the residence permit depends on the type of permit to be issued. For all visas/residence permits, third country/jurisdiction nationals must coordinate with their employer to have all documents (corporate and personal) required prepared. Third country/jurisdiction nationals can only start working in Greece as of the filing of the related residence application and the issuance of a related Certificate evidencing such filing (the so-called "Blue Certificate").

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Greece as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

Non-visa nationals are allowed to stay in Greece as tourists or business visitors on the basis of their valid passports for up to 90 days within any 180-day period.

In Greece, business visitors are generally prohibited from engaging in productive employment activities which qualify as an extension of professional activities. The list of activities they can be engaged in, include indicatively, attending meetings and negotiations, attending internal business meetings or discussions, attending or holding internal seminars or trainings, attending or participating in trade shows and expositions etc.

The following mode of calculation will apply: A traveler is required to count back 179 days from the current day of stay. The current day of stay counts as the 180th day. Within this time frame the days of stay in all Schengen member states must not exceed 90 days. Days of stay spent in the issuing Schengen member state (in this case: Greece) on the basis of a national visa or national residence permit do not count against the 90 days limitation.

The short-stay calculator on the following website can be used for calculating the period of allowed stay under the Schengen rules:

http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/borders-and-visas/border-crossing/index_en.htm

In addition to Greece, the following countries/jurisdictions are considered as Schengen member states: Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland.

Finally, Greek immigration legislation does not make a distinction between short term and long-term assignments (for the treatment of assignments for immigration law purposes, please refer to the section below under Long-Term Assignments).

Describe (a) the regulatory framework for business traveler being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Business travelers who are visa nationals must obtain a Schengen (C) visa to be able to enter Greece for business visitor purposes. The Schengen Visa is normally issued for multiple entries. Although circumstances may vary, a business visitor may receive authorization to visit Greece for up to 90 days within any 180-day period.

Schengen Visas are generally not eligible for in-country/jurisdiction extension, however in exceptional cases an extension could be possible.

The Schengen Visa application (along with the supporting documents) must be filed with the Greek Consulate in the country/jurisdiction of the applicant's residence (or in case of more than one Consulates in the same country/jurisdiction, with the Consulate being competent over the area where the applicant resides).

With regards to the permitted activities and permitted duration of stay please see answers to question 2.

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

- Document gathering (1-2 weeks)
- Book visa appointment at the Greek Consulate (1 day)
- Prepare Visa application (1-2 days)
- File visa application with the Greek Consulate (the exact timeframe depends on the Consulate's workload, but usually ranges from 5-10 business days)
- Obtain visa and travel to Greece (1 day)

GENERAL REQUIREMENTS FOR BUSINESS VISITORS

Documents needs to be provided either in Greek or in English:

- Visa application;
- Valid passport;
- Two recently taken photos (meeting Schengen visa requirements)
- Established purpose for the visit (i.e. Letter of Invitation (LOI) from the Greek company)
- Proof of return or onward travel.
- Proof of accommodation while in Greece;
- Proof of financial means.
- Proof of health insurance coverage while travelling and staying in Greece, valid for all Schengen member states with a minimum coverage of EUR30,000.
- Proof of paid visa fees.

The above are the standard documents requested by the Greek Consulates but, depending on the facts of each case, additional documents can be requested.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

Greek immigration legislation provides for certain professional activities that can be carried out locally in Greece without the need to obtain a residence permit prior to commencing work. The two major exemptions in this regard apply to:

- Employees of EU/EEA companies moving to Greece to provide certain services (including technical support services) within the context of a contractual obligation between the EU/EEA company and the Greek company. In such a case, the visa's duration is equal to the time required for the execution of the above obligation undertaken by the EU/EEA company and cannot exceed 1 year.
- Expert technical personnel of a third country/jurisdiction company which has concluded a supply agreement with a Greek company (including services related exclusively to the installation, testing and maintenance of the supplied goods). In such a case the visa's duration is equal to the time required for the execution of the above obligation undertaken by the third country/jurisdiction company and cannot exceed 6 months.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Greece? In this context outline whether a local employment contract is required for the specific permit type.

ICT residence permit in accordance with ICT Directive (Directive 2014/66/EU) (local employment contract is not required)

The ICT residence permit (Intra-Corporate Transfer) is a temporary residence permit for executives/managers, experts/specialists or trainees employed by a company registered in a third country/jurisdiction (Home Country/Jurisdiction Employer) transferred to a Greek company (Host Country/Jurisdiction Employer) belonging to the same Group of Companies.

The Intra-Corporate transfer to Greece (including any mobility between EU Member States) may only last up to 3 years for executives/managers and experts/specialists and 1 year for trainees.

Holders of an ICT residence permit in Greece are allowed to temporarily work in other companies of the Group located in other EU member states, if the majority of the total stay is in Greece. Should the majority of the stay be in another EU member state, an ICT residence permit needs to be applied for in that state.

The conditions for the issuance of an ICT residence permit in Greece are summarized as follows:

- The applicant must be transferred by a company registered in a third country/jurisdiction (Home Country/Jurisdiction Employer) to a Greek company (Host Country/Jurisdiction Employer) belonging to the same Group of Companies to work as a manager/executive, expert/specialist or trainee.
- The applicant's term of service with the Home Country/Jurisdiction Employer must be 12 consecutive months before the transfer for managers/executives and experts/specialists and 6 consecutive months for trainees.
- The intra-corporate transfer to Greece must exceed 90 days.
- Prior to the entry to Greece, the applicant must have obtained a national entry permit (visa type D) on the same grounds.
- Certain documents must be filed (i.e. Proof of professional qualifications, valid employment contract (with a minimum level of salary which must be at least equal to the one paid to local employees working at similar position) and, if necessary, an assignment letter).
- The applicant must be insured locally unless they can be exempted on the basis of a bilateral social security agreement.

Mobility to Greece from another Member State (local employment contract is not required)

Third country/jurisdiction nationals who are already in possession of a residence permit under the ICT Directive issued by another Member State may enter and stay in Greece and work for a Greek company belonging to the same Group of companies without the need to obtain a local residence permit. The above applies irrespective of the duration of the stay in Greece,

i.e. short-term mobility (for up to 90 days within any 180 days period) or long-term mobility (exceeding 90 days).

Requirements and Procedure

- The Greek company and the company established in the Member State which has issued the ICT residence permit (Host Country/Jurisdiction Employer) belong to the same Group of companies.
- The Host Country/Jurisdiction Employer notifies the Greek Ministry of Immigration of the intention of the assignee to work in Greece. For this purpose, a related notification (together with copies of the ICT residence permit issued, the applicant's valid passport, the employment agreement and assignment letter filed with the Host Country/Jurisdiction Employer's authorities) must be sent to the Greek Ministry of Immigration at the latest 20 days before the applicant moves to Greece. The documents must be filed in Greek and provide for the period of stay in Greece.

- The Greek Ministry of Immigration reviews the documents filed to assess whether the applicable conditions are met (especially regarding the level of salary, the validity of documents, the duration of stay and public order/safety and health reasons).
- The Greek Ministry of Immigration informs the Host Country/Jurisdiction Employer and the Host Country/Jurisdiction Employer's authorities of possible rejection to the mobility within 20 days from the receipt of the Host Country/Jurisdiction Employer's notification. Failure to reply within the above period qualifies as consent to the mobility.
- The Greek Ministry of Immigration notifies the competent department of the Ministry of Employment of the consent or rejection to the mobility.

Executives (Managers and General Managers) of Greek companies/branches of foreign interests (local employment agreement is required)

The residence permit is a viable option for assignments if a Greek employment contract can be given to the assignee. Under certain conditions, a third country/jurisdiction national can apply for the above residence permit if they are employed (by virtue of a local agreement) as a Manager or General Manager by a Greek company/branch established by a foreign entity.

The issuance of visa and residence permit under this scenario involves the filing of various documents with both the Greek Consulate (for the visa) and the Greek Ministry of Immigration (for the residence permit), including indicatively a local employment agreement (for a managerial position and with a minimum salary of EUR1,500 gross), corporate documents of the Greek employer, list of the Greek employer's personnel as filed with the local employment authorities, official proof that the Greek employer is of foreign interests (i.e. established by a foreign entity), proof of insurance in Greece etc.

This residence permit is valid for 2 years subject to renewal.

EU Blue Card for employees of high expertise (a local employment contract is required)

The EU Blue Card can be a viable option for assignments if a Greek employment contract can be given to the assignees. The maximum number of positions to be filled in by third country/jurisdiction nationals is determined by a Ministerial Decision issued during the last quarter of every second year and published in the Official Government Gazette. The number of positions is determined following negotiations between local employers, the District and the Unemployment Office depending on various factors (such as the national economy interest, the availability of Greek personnel to fill in the related positions, unemployment rates etc.).

A third country/jurisdiction national holding a valid passport (with a duration at least equal to the initial duration of the residence permit) can apply for the EU Blue Card if the following conditions are met:

- They have concluded a valid employment agreement for the provision of highly expert services with a duration of at least 1 year with a gross annual salary equal to the lowest salary limit for high expertise employment (calculated as 1.5 of the average gross annual salary in Greece as determined on the basis of the data of the Greek Statistics Authority).
- They prove the high qualifications required (as certified by University degree, or in case permitted by the applicable legislation, by at least 5 years of professional experience of a level equal to the University degree etc.) or in case of regularized profession, they prove that they meet the conditions required.
- They are insured for all risks covered for Greek nationals.
- No risks to the public order/safety and health arise.

The EU Blue Card is valid for 2 years subject to renewal. If the duration of the employment contract is less than 2 years, the duration of the EU Blue Card will be equal to the employment agreement's duration increased by 3 months.

Digital Nomads visa

The “digital nomad” concept was very recently introduced in Greece, defined as the third country national (self-employed, freelancer or employee) working remotely with the use of Information and Communication Technologies for employers or clients outside Greece.

Digital nomads working as above in Greece for a period of up to 12 months fall within the category of third country nationals who can work in Greece on the basis of a national visa with a duration exceeding 90 days. Further, digital nomads can be accompanied in Greece by members of their family to whom, following their application, a separate visa is issued to expire simultaneously with the digital nomad's visa, and which does not entitle them to take up employment or any financial activity in Greece. The documents to be filed with the competent Consulate, which must reply within 10 days to the applicant's request and complete the procedure for the issuance of the visa in “one stop”, include - in addition to the general documents for the issuance of national visas- indicatively, a statutory declaration of the applicant on his intention to reside in Greece on the basis of the national visa for the provision of remote work and on his commitment not to provide services or employment by any means to an employer registered in Greece, employment or project agreement with an employer outside Greece, supporting documents to prove that he has sufficient financial means to live in Greece etc.

As long as the conditions for the issuance of national visa continue to be met and before the latter's expiry, the digital nomad and the members of his family can be provided with a residence permit of two years duration, subject to further renewal every two years provided that the renewal conditions are met. By exception to the general provisions, third country nationals and the members of their family that meet the conditions set and have entered Greece either on the basis of a visa C or released from any visa obligation can apply for a residence permit during the period of validity of the visa C (or the release from the visa obligation). In this case however and in addition to the remaining documents provided, the applicants must file with the competent authorities a lease or purchase of

real estate in Greece agreement. Absences from Greece do not impede the renewal of the residence permit provided that they do not exceed 6 months on an annual basis.

Provide a general process overview to obtain a work and residence permit for long- term assignments (including processing times and maximum validation of the permit).

- Document gathering (the exact timeframe depends on how quickly the required documentation is prepared by the parties involved)
- Book visa appointment with the Greek consulate (1 day)
- Prepare Visa application (1-2 days)
- File Visa application with the Greek consulate (the exact timeframe depends on the Consulate's workload but usually is approximately 10 business days)
- Obtain Visa and travel to Germany (1 day)
- Book appointment with Immigration authorities and file application for residence permit (the exact timeframe depends on the workload of the authorities.
- Visiting the authorities to file the residence permit application (and supporting documentation) and to provide biometric data.
- Issuance of a Certificate evidencing filing of the residence permit application and supporting documentation (Blue Certificate).

The above action plan is based on the assumption that any special conditions for the issuance of the residence permit are met (for instance, in case of EU Blue Card, compliance with the maximum number of positions to be filled in requirement).

The exact timeframe for the issuance of the residence permit itself cannot be estimated in advance as it depends on the workload of the authorities. As of the issuance of the Blue Certificate, the third country/jurisdiction nationals can start working in Greece.

The general processing time highly depends on the permit type, the authorities involved in the process and the place of filing the application. In general, the process can take anywhere from 6 months to over 1 year, from the day of filing of the related application with the immigration authorities.

Depending on the residence permit type, the period of validity ranges from 1 – 2 years subject to renewal.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

In general, the assignee's salary should be at least equal to a comparable Greek local employee of the Greek company to which the assignee is assigned/transferred. There is no explicit guidance by the Greek authorities as to whether the allowances are taken into account for the salary, but given that in accordance with Greek employment law and jurisprudence, allowances could normally be restricted or reduced at the discretion of the paying employer, it is advisable that the salary per se (i.e. excluding any allowances) meets the above minimum requirements to avoid arguments on the part of the Greek authorities.

Certain residence permits types (for local hires) require a specific minimum salary. The monthly gross salary of executives of Greek companies/branches of foreign interest cannot be less than EUR1,500 (payable 14 times per year in accordance with Greek employment legislation as currently in force), whereas the annual gross salary of EU Blue Card applicants should not be less than the lowest salary limit for high expertise employment (calculated as 1.5 of the average gross annual salary in Greece as determined on the basis of the data of the Greek Statistics Authority).

Is there a fast-track process which could expedite the visa/ work permit?

In general, there is no formal fast –track process, but under certain circumstances and based on the authorities' discretion, the procedure could be (unofficially) expedited.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The employee can start working as of the filing of the residence permit application (together with all supporting documents which depend on the type of residence permit to be issued) and the issuance of the Certificate evidencing filing ("Blue Certificate").

Can a short-term permit/ business visa be transferred to a long-term permit in Greece?

Such option is not available in Greece.

Is it possible to renew work and residence permits?

In Greece, the residence and work permit are incorporated in the same document (residence permit incorporating the right to work). Renewal of residence permits is possible provided that the related renewal conditions are met and takes place locally (i.e. no need for the applicant to leave Greece).

Is there a quota or system or a labor market test in place?

For certain residence permits (dependent employment, EU Blue Card), the maximum number of positions (per District and specialization) to be filled in by third country/jurisdiction workers/employees is determined in a Ministerial Decision issued during the last quarter of every second year and published in the Official Government Gazette. The number of positions is determined following negotiations between local employers, the District and the Unemployment Office depending on various factors (such as the national

economy interest, the availability of Greek personnel to fill in the related positions, unemployment rates etc.).

5.3 General Immigration Related Questions

Would it be possible to bring family members to Greece?

Third country/jurisdiction nationals legally residing in Greece for a period of 2 years can request the entry and stay in Greece of their family members. In case of certain residence permits (for instance, residence permits of executives of Greek companies/branches of foreign interests, EU Blue Card, ICT residence permits), the family members can file for a related residence permit together with the main applicant (i.e. no need for prior legal stay of the main applicant for a period of 2 years).

Is it possible to obtain a permanent residence permit?

Generally, one would be eligible to apply for a permanent residence permit as long as the following conditions are met:

- Legal stay (i.e. on the basis of a residence permit) in Greece for an interrupted period of 5 years;
- Proof of sufficient personal financial means for both the applicant and members of their family, if any (not lower than the annual remuneration of personnel collecting the minimum salary as in force from time to time, increased by 10 percent for all family members);
- Full insurance coverage.
- Compliance with the conditions for accession to the Greek society (for instance, sufficient knowledge of Greek language etc.).

What if circumstances change after the Work and Residence application process (e.g. change of employment or personal situation, including job title, job role or salary)?

In accordance with immigration legislation, any circumstances' change during the period of validity of the residence permit must be notified personally by the residence permit holder. Although not required by law, it is advisable that the employer also notifies the authorities in case of termination of the employment agreement with the residence permit holder/applicant.

How long can a permit holder leave Greece without their permit becoming invalid?

Any extended absences from Greece may affect future Long-Term Residency and Citizenship applications. Regarding the remaining types of residence permits, the applicable legislation does not provide the absence of the residence permit holder as a reason of invalidity of the residence permit issued, but periods of absence exceeding 6 months might affect the renewal procedure

Must immigration permissions be cancelled by the end of the assignment/employment?

The immigration authorities should be informed accordingly in case of end of assignment/employment before the expiry of the residence permit issued.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

Employment of third country/jurisdiction nationals illegally residing in Greece is prohibited. Infringement of the above restrictions entails the following (for the company):

- Monetary penalty of EUR5,000 per illegally employed employee (which can be increased in case of repeated infringement);

- Administrative sanctions (such as exclusion of the employer from subsidies or aids for a period up to 5 years, exclusion of the employer from public tenders for a period of up to 5 years, temporary or permanent cessation of business activities);
- Criminal sanctions, i.e.
 - imprisonment of at least 5 months in case of (a) continuous or systematic intentional employment of third country/jurisdiction nationals illegally residing in Greece, (b) intentional simultaneous employment of a significant number of third country/jurisdiction nationals illegally residing in Greece, (c) intentional employment of third country/jurisdiction nationals illegally residing in Greece under significantly abusive terms.
 - imprisonment of at least 6 months in case of employment of minors illegally residing in Greece.

Employment of third country/jurisdiction nationals who have obtained visas/residence permits which do not grant the right to work is also prohibited. Failure of the employer to comply with the above restriction entails a monetary penalty of EUR1,500 per employee. It should be noted that more severe penalties/sanctions are provided in certain cases (such as human trafficking etc.).

Regarding the individuals, non-compliance with immigration legislation could give rise to monetary penalties (for instance, penalties for non-filing/late filing of notifications in case of change of personal circumstances are imposed on the residence permit holders/applicants themselves range from EUR50 to EUR100 per infringement). An illegal worker will initially be deported. Thereafter, it is highly likely that any future application would be rejected.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Greece when it comes to the immigration processes.

- Salary in renewal cases – it is of high importance that the salary indicated in the first application has been paid during the entire period of the assignment.
- The salary must comply with the minimum Greek salary requirements or special requirements provided directly by the applicable legislation for certain types of residence permits
- Degree and other professional qualifications verification Apostille/Legalization/ Verification process
- Translations – certain documents would require a Greek translation
- Inconsistencies in documentation – for example if there is a discrepancy in the name of the applicant as shown on their passport, degree or marriage certificates, the authorities may require further supporting documentation.
- Workload of Greek immigration authorities – such workload in practice delays significantly the issuance of the residence permit (although the applicable legislation provides for a certain timeframe for the issuance of certain types of residence permits, this timeframe is not complied with).
- Limited possibilities to confirm in advance with the authorities involved the processes to be followed.

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4447/2016, 4484/2017, 4490/2017, 4579/2018, 4583/2018, 4571/2018, 4549/2018, 4512/2018, 4646/2019, 4714/2020, 4670/2020, 4756/2020, 4690/2020, 4799/2021, 4825/2021, **4916/2022**, **5000/2022** the website of the Independent Authority for Public Revenues (IAPR) in Greece.



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