

# GREECE

As per 1 January 2018

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## EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

<b>Personal Income Tax Rates – Employment Income</b>	<p>Progressive personal income tax rates from 22% – 45% (employment income)</p> <p>Progressive special solidarity tax rates from 12001-20000EUR-2.2%, 20001-30000EUR-5%, 30001-40000EUR-6.5%, 40001-65000EUR-7.5%, 65001-220000EUR-9% &gt;220001EUR-10%</p> <p>Progressive real estate income tax rate from &lt;12000 EUR-15% ,12001-35000EUR-35% ,&gt;35001 EUR-45%;</p> <p>Flat tax rate for dividend income:10%;</p> <p>Flat tax rate for interests income: 15%;</p> <p>Flat tax rate for royalties income: 20%.</p>
<b>Tax period</b>	Calendar year
<b>Tax residency / Domicile according to domestic law</b>	<p>Tax residency criteria is laid down in the law and principally outlines the following requirements:</p> <ul style="list-style-type: none"> <li>• Domicile in Greece</li> <li>• Habitual place of residence in Greece</li> <li>• Centre of vital interests in Greece</li> <li>• Continual presence in Greece for more than 183 days during any consecutive 12-months period.</li> </ul>
<b>Tax registration</b>	<p>A foreign resident who earns real income derived from business activities in Greece has to be registered in the Tax Office for Foreigners and will be taxed in Greece only for the specific income(s).</p>
<b>Employment income definition</b>	<p>Any remuneration received by an employee for services rendered per year under an employment agreement (benefits in cash or in kind are also included e.g. the private usage of a company car, the cost of living allowance, etc.)</p>
<b>Examples of tax exemption</b>	<p>Certain payments are tax exempted for individuals, e.g. reimbursement of travel costs/allowances, severance payment for dismissal and retirement (under certain conditions in the limited amount).</p>
<b>Specific expatriate concession</b>	<p>Taxed on worldwide income starting with the 1st of January of the following calendar year after the tax residency conditions are met.</p>
<b>Income of board members</b>	<p>Generally, it is taxed as employment income.</p>
<b>Tax returns</b>	<p>Local employment agreement: the employer is liable for the monthly tax compliance.            Foreign employment agreement: the employer is liable for the monthly tax compliance.            For both individuals (Greeks and foreigners) the same deadline is applied for PIT.</p>
<b>Tax payments</b>	<p>Local employment agreement : by the end of the second subsequent month of the relative payment (payroll, fee etc.). the employer must pay all tax arising. The income tax for individual income is paid in three bi-monthly remits. Persons who are self-employed, freelancers, etc. are responsible for paying their own taxes and social insurance. Foreign employment agreement: by the end of the second subsequent month of the relative payment (payroll, fee etc.). the employer must pay all tax arising.</p>

## TAX TREATIES

Employment income / income from board members

Art. 15/16 Model OECD Tax Convention

## INTERNATIONAL SOCIAL SECURITY

Cross border employments

EU Regulation No 883/2004 and EU regulation No. 1408 / 71 and several social security treaties

Exception under Art 16 of Reg. 883/2004

Generally applicable.

and Art 17 of Reg. 1408/71

Social Security Cost as % from gross salary and absolute amounts

The majority of the Greek employees are covered by Social Insurance Institution "EFKA". The social security contributions are calculated on the actual salary of the employee. The same percentages apply, i.e. 24.81% is the employer's contribution and 15.75% is the employee's contribution (which is withheld from the salary). The "EFKA" provides benefits in the case of unemployment, sickness, disability, retirement and death. There is a salary "ceiling" of EUR 6,500, above which the insurance contributions are calculated on that amount and do not go higher.

## IMMIGRATION

Work permit

Swiss, EU and EEA nationals do not need a work permit to work in Greece. Nationals of another countries need a work permit in order to perform (employment) activities in Greece.

Visa

EU and EEA citizens do not need a visa to enter Greece. Non EU and EEA citizens from particular countries (that do not implement the Schengen Agreement) may be obliged to apply for a visa before entering Greece.

Residency permits / registration certificate

EU and EEA citizens need to submit certain documents to the Greek Police if their stay exceeds three months.  
A foreigner can apply for the residence permit for a specified period of time according to the reason for his/her staying in Greece (labour, BoD member etc.).

Driving license

In general the EU directives are applied. (The driving licence issued in other EU countries (provided that the person holding the license is over 18 years old) or in third countries with which Greece retains relative conventions (Switzerland, Norway, Iceland, Lichtenstein) as well as the International Driving Permit are recognized.)

STOCK OPTION PLAN

In general the difference between market and exercise price is taxable. Tax treatment depends upon the conditions of the Stock Option Plan.

## ARTICLE 15 OF THE OECD MODEL

183 days

Number of days on the territory of Greece, including :-

- the weekly rest days
- the vacation days obtained within the activity performed in Greece
- sickness or occupational accident days off
- part days in Greece
- days of departure and arrival
- short stays abroad
- public holidays
- short interruptions (training, strike days,...).

Moreover, all the stays in Greece during the period of 12 months must be added up.

### Notion of employer

In principle, the employer is the person towards who the employee is in a situation of legal subordination and dependence.

In some situations, the characteristics of the employer can be divided into the companies. In order to determine the notion of dependent employment, It is necessary to study further all the criteria set out by Article 12 paragraph 2 of Law 4172/2013. In a nutshell, employment exists not only under typical contracts but in any dependent status where time, place, performance and control set by the other party.

### Existence of a permanent establishment

See the criteria of the tax treaty In countries where no tax treaty was signed with Greece – > see the Greek criteria of permanent establishment in the Article 6 paragraphs 1,2 and 3 of Law. 4172/2013 :

- a. place of administration
  - b. branch
  - c. office
  - d. factory
  - e. laboratory
  - f. mine, oil source or gas, quarry or every other site for extraction of natural resources.
- Dependent agents are also falling into the definition of P.E since they conclude crucial agreements in Greece. Construction sites and similar activities shall be deemed to constitute a permanent establishment only if they last for more than three (3) months. Independent agents acting in their normal course of business do not trigger a PE consideration.



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