

GREECE

As per 1 January 2020

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EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	<p>Progressive personal income tax rates from 9% – 44% (employment income). Progressive special solidarity tax rates from 12001-20000EUR-2.2%, 20001-30000EUR-5%, 30001-40000EUR-6.5%, 40001-65000EUR-7.5%, 65001-220000EUR-9% >220001EUR-10% Progressive real estate income tax rate from <12000 EUR-15%, 12001-35000EUR-35%, >35001 EUR-45%; Flat tax rate for dividend income: 5%; Flat tax rate for interests income: 15%; Flat tax rate for royalties income: 20%.</p>
Tax Rate	
Tax period	Calendar year
Tax residency / Domicile according to domestic law	<p>Tax residency criteria is laid down in the law and principally outlines the following requirements:</p> <ul style="list-style-type: none"> • Domicile in Greece • Habitual place of residence in Greece • Centre of vital interests in Greece • Continual presence in Greece for more than 183 days during any consecutive 12-months period. <p>A new non-dom regime is introduced, providing for an alternative taxation of income derived abroad for individuals transferring their tax residence to Greece, subject to the following conditions:</p> <ul style="list-style-type: none"> • The taxpayers were not Greek tax residents for the previous 7 of the 8 years prior to the transfer of their tax residence to Greece; and • It can be proved that they invest at least 500,000 EUR in real estate or businesses or transferable securities or shares in legal entities based in Greece, either themselves or their relatives (i.e. spouses and those in the ascending or descending line), or through a legal entity in which they hold most of the shares. • Whether they are included in this scheme, and for a maximum of 15 tax years, the individuals will pay a lump-sum tax amounting to 100,000 EUR for each fiscal year, irrespective of the amount of income earned abroad. <p>A special regime is introduced, providing for an alternative taxation of income of individuals, beneficiaries of income from pensions arising abroad, who transfer their tax residence to Greece subject to the following conditions:</p> <ul style="list-style-type: none"> • Was not a tax resident of Greece for the previous five 5 of the 6 years prior to the transfer of his tax residence to Greece; and • Transfers his tax residence from a state with which an agreement on administrative cooperation in the field of taxation with Greece is in force. <p>If the taxpayer's inclusion in an alternative method of taxation for income arising abroad is accepted, the individual pays each tax year independently, a tax, at a rate of 7% for the total of his income obtained abroad.</p> <p>The tax is paid for each tax year in 1 installment until the last working day of July.</p>
Tax registration	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).

Employment income definition	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.)
Examples of tax exemption	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).
Specific expatriate concession	Taxed on worldwide income starting with the 1st of January of the following calendar year after the tax residency conditions are met.
Income of board members	Generally, it is taxed as employment income.
Tax returns	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.
Tax payments	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.
Tax on real estate property	

TAX TREATIES

Employment income / income from board members	Art. 15/16 Model OECD Tax Convention
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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 and Art 17 of Reg. 1408/71	Generally applicable.
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 percentages which apply as of 01/06/2020 onwards are as follows: 24.33% is the employer's contribution and 15.33% is the employee's contribution (which is withheld from the salary) for full time employees and 24.81% is the employer's contribution and 15.75% is the employee's contribution (which is withheld from the salary) for part time employees. The "EFKA" provides benefits in the case of unemployment, sickness, disability, retirement and death. There is a monthly 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.

Tax treatment of stock options as from 01.01.2020:

- The employee is only taxed at 15% on the capital gains arising from the sale of shares acquired by exercising the stock option right, subject to a 2-year minimum holding period of the shares. Corresponding treatment is provided for stock options to shareholders-partners of legal entities.
- Moreover, in case they relate to small start-up entities, they will be taxed at a rate of five per cent (5%) provided that they are held for at least 3 years, under conditions:
 - 1) It is required that the stock option has been granted during the first five years of operation of the start-up and,
 - 2) the company has not resulted from a merger.
- Conversely, if they are not retained for the above-mentioned periods, it is stipulated that they will be taxed as salaried income.

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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