

Replacement of Stamp Duty Burden with a new Digital Transaction Levy: What Businesses Need to Know



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○ Elimination of the Stamp Duty

As of **November 30th**, stamp duty burden, a rather anachronistic piece of transactional tax-imposed back in 1931, will be abolished in many significant transactions, such as gratuitous loans, insurance transactions, capital increases for non-profit entities and statutory interest for loans, cash facilitations, and advances. More than 600 transactions will be exempted from stamp duty, leading to a reduction in the overall tax burden.

○ Introduction of the Digital Transaction Levy

Starting December 1st, the **Digital Transaction Levy** will be imposed on specific types of transactions, replacing the traditional stamp duty. This Levy will apply to **real estate business leases**, **compensation** for statutory interest and default interest (other than bank loans), and **transactions between individuals** who are not engaged in business activities.

Additionally, the Digital Transaction Levy will apply to payments made to individuals or members of a company's administration, as well as to deposits or withdrawals from the funds of legal entities and organizations.

○ Key Points of the Law introducing the Levy

According to the new law recently ratified by the Greek Parliament, the Digital Transaction Levy applies regardless of where the transaction is conducted, as long as at least one party has tax residence or a permanent establishment in Greece. The Levy is restricted to transactions specifically named in the law and does not apply to other indirect taxes.

The assessment and payment of the levy will be done digitally via filling into a new digital platform created by the Independent Authority for Public Revenue (AADE). The declaration must be submitted by the end of the month following the transaction.

○ Exceptions

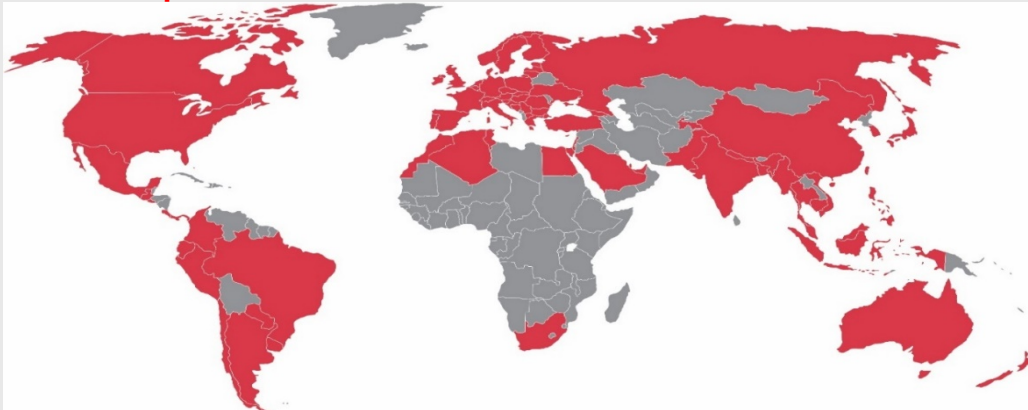
General exceptions include transactions where income tax withholding is required or where transactions are subject to VAT. Bond loans also are exempted from the new Digital Transaction Levy likewise with its precedent

stamp duty levy. Home leases remain exempt from the new levy as they were exempt with its precedent stamp duty.

- **Digital Transaction Levy Rates**

1. **3.60%:** Applied to real estate business leases, compensation for statutory and default interest, and contracts between individuals not engaged in business.
2. **2.40%:** Applies when all parties are engaged in business activities, or at least one is a legal entity like an SA, LLC, or PC.
3. **1.20%:** For payments to individuals or board members, as well as for deposits or withdrawals from the funds of legal entities.
4. **0.30%:** For checks submitted to financial institutions.

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Visit our website to find out more and contact us to see how we can help you invest and do business in Greece - and beyond.

Contact us



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