



Ecovis Hellas Newsletter

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Summary

The Upcoming legislation on Tax avoidance.

The last couple of months and up to 27th November, there is an open discussion on the **draft legislation of the Ministry of National Economy and Finance**. Some of the measures have been brought into scope from the previous editions of our Newsletter (i.e., the full application of EFT/POS, the MyData interface, the limitation of cash etc. to name a few) and they are ought to **cut-off tax avoidance**. Some further measures that are under preview and are about to be covered in this issue are:

- › An **updated tax system for self-employed individuals based on their deem income** as a function to the minimum yearly salary;
- › The further **optimization of the Real Estate transfers procedure** to minimize bureaucracy, costs, and time expenditure of the current process;

Furthermore, this issue provides updates on the imminent changes in the **capital accumulation tax** among other tax incentives.

Apart from the draft law, there will be a brief guide on the recent obligation of **financial data publication** to the authorities from **foreign branches in Greece**, which are now going to provide 2023 base information as does other Greek incorporated entities.

Some of the measures are:

- An updated tax system for self-employed with the view of becoming fairer
- The further digitalization simplification of the Real Estate transfers
- Further reduce of transactional taxes for investment capital and stock exchange



The Parliament building from the Monument to the Unknown Soldier (© BtE A. Eleftheriou)

A rigorous tax system for self-employed

On the provisions of the Individuals running an Individual Business, the entrepreneurs and the Self-Employed there are some of the main tax changes on debate. Those are:

- › The Annual Business levy (“telos epitidevmatos”/ “Τέλους Επιτηδεύματος”) description is amendment and the fee itself is about to be reduced.
- › The Indirect techniques to determine business income are being expanded, still, it will no longer

entail the transfer of losses from business exertion,

› Other modifications for the deemed income determination under discussion are:

- a. a minimum plausible profit from the exercise of individual business activity to be added on the Income Tax Code computation.
- b. The minimum presumed profit from the exercise of business exertions will be demoted by the quantum of the income

Ecovis Hellas Ltd.

10 Solonos str., Athens 10673, Greece

T: +30 210 3842325 / 3645471

athenstax@ecovis.com | www.ecovis.com/greece

which stem from employment to a third party as a wage salary, or pension, or even income earned as an agricultural business exertion.

- c. The Termination of professional exertion
- d. The taxation on the presumptive minimum profit for natural persons who have ceased their individual business activity and have established a sole proprietorship.



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The Draft law is looking to amend the annual minimum profit definition and reduce it. That is the annual minimum profit as obtained by those Individuals running an Individual Business, the entrepreneurs and the Self-Employed and it is being presumed not to fall beyond the amount determined by their deem income. This deem income will be a function of the duration of their self-employment activity, the number of employees set under this business activity VAT Number and the Greece's minimum annual salary (set at EUR 10.968). Those with agricultural activities or self-employed free lancers considered to be subject of employment income will be exempted.

Real Estate Transfers: an optimization of the procedure

On the Real Estate Transfers the draft law proposes an optimization of the operation via the expansion of electronic means in order to be less complex and punctual.

The posed "*Simplification and acceleration of the transfer of real estate and faster resolution of outstanding land registry matters intends*", among other things, the extension of the possibility of final signature to the deputy heads, the heads of the body's legal service and P.E. employees. Legal, with supra-local competence, which is also contributed to supervisors.

With the new law, the necessary reduction in bureaucracy is developing with the abolition of the TAP non-debt certificate in the purchase and sale of property, and instead of annexation, the Hellenic Land Registry undertakes to notify each Municipality of the area of the property in each change of ownership within its boundaries. Subsequently, the Municipalities can confirm the fee and that it's collected through AADE, while the obligation to submit multiple excerpts of the cadastral figure(AKD) for the coequal property is annihilated.

Beholding the issue of absence of edge incentives, the succeeding changes are being presented:

Merit criteria are acquainted, such as the establishment of bonuses for achieving goals for each Land Office, while the replacement of supervisors is clarified and expanded.

Absolutely measurable targets are set in real estate transfers, the processing of other registrable transactions, Land Registry, new digital services.

The costs of the bonus will come exclusively from the income of the Agency, which is self-financed, without burdening the Budget.

On 30/11/2024 the end of the general deadline for land registration has been set. There will be a new interactive map of individual land registration, simplification of the declaration and transfer procedures for State and Municipal properties, but also the possibility of correcting inaccurate records for bona fide owners of 35 areas.

- › The establishment and maintenance of an **Integrated Geoinformation System for Mass Valuation of Real Estate**.

- › When drawing up the notarial documents for the transfer of real estate with compelling reason, the preliminary agreements and the payment deeds, the payment of the price is to be **made exclusively using bank means of payment**. A notarial document of the first paragraph, in which

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T: +30 210 3842325 / 3645471

athenstax@ecovis.com | www.ecovis.com/greece

an advance payment or partial or total payment of the price in cash is recorded, or in which the payment of the price using a bank means of payment is not recorded, is automatically invalid, it is prohibited to be transcribed in the relevant books and does not produce any legal result against the contractors, the State and any third party.



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Accumulated Tax and Stock exchange transactions tax reduction

An expected Stock exchange transactions tax reduction with the view of becoming Greece further appealing market is including in the later reduction in inflation rate and the Greece's grade upgrade. The draft law Articles 46 and 47 brings into light the upcoming amendments of the Article 21 of Law Act 1676/1986 and article 9 of the Law Act 2579/1998. The proposed decrease in capital accumulation tax (CAT) and the transactional tax (TT) is about to be applied about a month after the 29th of November parliament resolution. Having said that, the amendments proposed are the following below:

- The **capital accumulation tax (CAT)** percentages are about to drop down **from 0.5% to 0.2% on the Net Asset Value (NAV)**. In other words, CAT is set at one-fifth (1/5) of the unit as a percentage (0.2%) of the taxable value.
- The **transactional tax (TT) for listed securities is about to decrease by 50%**

to 0.1% from 0.2%. In TT, a security sale tax will be included, and it will be with a rate of one per thousand (1‰) on the sale of shares listed on a regulated market or multilateral trading mechanism operating in Greece in accordance with Law 4514/2018 (A' 14), regardless of whether the relevant transactions are carried out inside or outside the aforementioned trading venues. Sales Tax is not imposed, on a case-by-case basis, as long as an exemption is provided in accordance with special provisions.



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EU-directive imposing obligations on overseas branches

The Ministry of Development Draft law incorporates the Directive (EU) 2021/2101 of the European Parliament and the Council of 24 November 2021 as per the Directive (EU) 2013/34 amendment with regard to publication of income tax information by certain undertakings and branches (L 429). The Greek national legislation on publicity obligations of the companies is updated and it is in accordance with articles 39 par. i & 43 par. i of 4919/2022.

Articles 39 par. i & 43 par. i of 4919/2022 refer to the obligation of providing financial data registered by the branches of foreign companies in GEMI, as does the parent company. All transactions and all events recorded in the accounting records are incorporated into the financial statements of the period based on the provisions of this law. The financial statements are a single entity and present reasonably (reasonable presentation), in all material respects, the recognized assets (assets), liabilities, net worth, income, expenses, profits and losses, as well as the cash flows of

each period, as the case may be, in accordance with the provisions of this law.

All foreign Branches in Greece will provide the aforementioned financial data effective immediately for the data starting on 12/31/2023 onwards, including the accounting documents of the parent foreign company officially translated and apostilled, as prepared, checked, and published according to the law of the Member State from which the company is governed. These data should be registered to the branch's portion of the Greek Registrar (GEMI) on an annual basis, as per the law 5066/2023, automatically on the registrar website (EU-based parent company) via email (non- EU-based Entities) .



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No-compliance to the regulator's request result to the effective immediate suspension of the foreign branch in the Greek registrar as per the Article 29 par. 1a Law 4919/2022

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About Ecovis Hellas

ECOVIS Hellas Ltd., a member of Ecovis International, is a company of accountants, tax consultants, and business advisors, based in Athens, Greece. We offer extensive tax, accounting, financial, and business consulting services of the highest standard to a wide range of local and international businesses.

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Contact us



Dimitrios Leventakis
Managing Partner, Certified Internal Auditor – IBFD Certified Tax Advisor
Phone 1: +30 210 3842325
Phone 2: +30 210 3645471
Extension: 103
Fax No.: +30 210 3842327
Mobile: +30 6948600643
Email: dimitrios.leventakis@ecovis.com



Olga Koffa
Business Développement & Communications in ECOVIS Hellas Ltd.
Phone 1: +30 210 3842325
Phone 2: +30 210 364547
Extension: 101
Fax No.: +30 210 3842327
Email: olga.koffa@ecovis.gr

Ecovis Hellas Ltd.

10 Solonos str., Athens 10673, Greece

T: +30 210 3842325 / 3645471

athenstax@ecovis.com | www.ecovis.com/greece