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MINISTRY OF ECONOMY AND FINANCE
DIRECTORATE GENERAL OF TAXATION
DIRECTORATE GENERAL OF CUSTOMS AND SPECIAL CONSUMPTION TAX

**TAX GUIDE FOR
RESIDENTS ABROAD**

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I. GUIDELINES FOR ISSUES OF INCOME TAX

FIRST PART

1. GENERAL ISSUES

The income earned in Greece by those residing abroad shall be taxable in accordance with the same provisions applying to those residing in Greece, however, there will be some differentiations.

Those residing abroad, who earn a real or imputed income derived in Greece (e.g. due to purchase of real estate or construction of a building or purchase of a car in Greece or maintenance of an expensive private passenger car, pleasure boat, etc.) shall have to file an income tax return in Greece.

2. WHO MUST FILE A RETURN?

More specifically, those residing abroad must file a tax return in Greece, if their own or their wife's annual taxable (real or imputed) income in Greece exceeds 3,000 euro for the fiscal year 2007.

Moreover, those having an agricultural income in Greece must file a return, even if they are not mainly farmers, regardless of the amount of the net agricultural income earned.

Regardless of whether they have a taxable income in Greece, they shall file a return when:

- (a) they have purchased cars, two-wheeled or three-wheeled automotive vehicles, pleasure boats, aircrafts or have in their possession in Greece a private passenger car or van or mixed use car or Jeep-type vehicle or aircraft, except for the cars exempted from the imputed living expenses,
- (b) they have a personal enterprise or a liberal profession in Greece,
- (c) they participate in a personal or limited liability company or joint venture or society or civil company carrying on an enterprise or profession,
- (d) they have a gross total income from rental of real estate in Greece exceeding 600 euro per year,
- (e) they have purchased real estate or constructed a building in Greece,
- (f) they have one or more secondary residences in Greece over 150 square meters;
- (g) they have been called upon by a document issued by the head of the competent local tax office,
- (h) they have full or bare ownership or usufruct of or reside in real estate located in Greece. In this case, they shall have to file also a real estate particulars return (E9). The real estate particulars return (E9) shall be submitted only once in the year when such an obligation arose. This was applied for the first time on the 1st of January 2005.

There will be a further obligation to file a return per year for those whose property or family status has changed (i.e. when particulars of the declared real estate have changed, when they transfer or acquire real estate, in case of death, divorce, elimination of a dependant, etc.)

It should be mentioned that since fiscal year 2007 (income earned in 2006) the possession of a pleasure boat does not entail an obligation to file a return for permanent residents abroad.

3. WHERE IS THE RETURN TO BE FILED?

a) The residents abroad having in Greece individually a business company in general or a liberal profession must submit their return to the head of the local tax office of the district where the registered office of their main enterprise or main profession, as the case may be, is situated.

b) The residents abroad earning in Greece income from any other source must submit their return to:

(i) the head of the Local Tax Office for Residents Abroad (4 Metsovou Street– P.C. 106 82 Athens – Tel.: 8204652 – 8204603 – 8204604 – Fax: 8204630), as long as the representative appointed by them falls, for income tax purposes, within the jurisdiction of any Local Tax Office in the Prefecture of Attiki,

(ii) the head of the Local Tax Office in the capital of any Prefecture of the Country, as long as the representative appointed by them falls, for income tax purposes, within the jurisdiction of any Local Tax Office in such Prefecture. If there is more than one Local Tax Office in the capital of a Prefecture, the return shall be submitted to the Head of the 1st Local Tax Office in the capital of that Prefecture, except for the Prefecture of Thessaloniki, where it shall be submitted to the Head of the 9th Local Tax Office of Thessaloniki,

(iii) in the islands of the Prefectures of Attiki, Dodecanese, Lesbos, Magnissia, Kavala, Corfu, Cephallonia, Cyclades and Samos, for the above issues, the Local Tax Office of each island shall be competent in respect of the residents abroad, whose representatives fall within its jurisdiction respectively, for income tax purposes.

The previous case (b) includes natural persons who reside abroad and participate in unlimited general partnerships and limited partnerships, societies of civil law carrying on an enterprise or profession, civil profit-making or non-profit companies, joint-stock or silent partnerships or joint ventures of paragraph 2, article 2, Books and Records Code (Presidential Decree 186/1992) or other legal persons, such as Limited Liability Companies, associations, etc. having their registered office in Greece.

The taxpayer shall appoint a representative in Greece through entering representative's details in the income tax return.

The appointment of a representative does not entail the transfer of the alien's obligation to file an income tax return to the representative. The representative may file the income tax return of the alien represented by him/her, only if the representative has obtained an authorization thereof (paragraph 1, article 62, Law 2238/1994).

4. INCOME ON WHICH TAX IS IMPOSED

The tax shall be imposed on their real or imputed income (at first, on their total net income) derived only in Greece (and not on income derived abroad).

5. DEADLINE FOR RETURN FILING

In case of a taxpayer who does not reside or live in Greece and has earned income in Greece, the deadline for return filing shall be the 2nd of May of every year.

The return shall be filed according to the last digit of taxpayer's Tax Registration Number (A.Φ.Μ.); the procedure shall start, for digit 1, on the aforementioned date and shall end within twenty-two (22) business days. For fiscal year 2007, the procedure will start for digit 1 on 3 May 2007.

6. FILLING OUT OF THE RETURN

The residents abroad shall appoint their representative in Greece in the return they file here as mentioned above, because the local tax office where they shall file their return shall be designated on the basis of the local tax office that is competent for the representative, however, there will be some exceptions.

The return shall be filled out in Greek, signed by the persons declaring their income and submitted in two (2) copies by the person liable to pay tax or a person authorized by him/her or sent to the competent authority by registered mail or submitted electronically through Internet to TAXISnet service (address: www.taxisnet.gr), by the use of personal passwords, which will be granted upon application in the said electronic address at least five (5) business days prior to the date of return filing.

All supporting documents submitted with the return shall be in Greek. If the issuer of such supporting documents is an alien, then their official translation in Greek must be submitted along with the supporting documents. The said supporting documents shall be filed in the original, unless otherwise required by the provisions of the law.

The income tax return of natural persons shall be, among others, accompanied, as the case may be, by certain certifications, statements and filled out forms referred to in detail in the Booklet of Instructions for Filling out the Return, including Form E2 (for income derived from buildings, etc.), Form E3 (for income derived from the personal carrying on of a business company or liberal profession) and, under certain conditions, Form E9 (where the real estate on which they have certain rights shall be declared).

7. CATEGORIES OF INCOME

The income is distinguished among the following, according to the source of its origin:

- a)** real or imputed income from real estate,
- b)** income from securities, such as income from interest, dividends, etc.,
- c)** income from business companies, such as income from personal carrying on of a business company, business fee and income from participation in companies , etc. taxed in the name of the company,
- d)** income from agricultural services,
- e)** income from salaried services, such as salaries and pensions,
- f)** income from the exercise of a liberal profession, such as lawyer, doctor, etc.

8. TAXATION PURSUANT TO THE GENERAL PROVISIONS – CALCULATION OF TAX

The income tax shall be calculated on the basis of the following tax scales, as the case may be, on the total net income derived from the addition of the net incomes from all sources. To find the net income from each category (source) derived from the corresponding gross income, one must deduct certain expenses (specific for each source), which are usually the expenses incurred for the acquisition of income of that category. Moreover, the income derived in Greece by the application of the provisions on the determination of income on the basis of the imputed or real expenditure, shall also be taken into consideration (e.g. imputed expenditure on the basis of a passenger car kept in Greece by the resident abroad or

expenditure for the purchase of real estate or car or for the construction of a building in Greece, etc.).

(a) SCALE FOR THE CALCULATION OF INCOME TAX OF NON-SALARIED NATURAL PERSONS – PRACTITIONERS FOR THE FISCAL YEAR 2007

Income bracket	Tax rate	Bracket tax	Total	
			Income	Tax
9,500	0	0	9,500	0
3,500	15	525	13,000	525
10,000	30	3,000	23,000	3,525
Excess	40			

(b) SCALE FOR THE CALCULATION OF INCOME TAX OF SALARIED NATURAL PERSONS – PENSIONERS FOR THE FISCAL YEAR 2007

Income bracket	Tax rate	Bracket tax	Total	
			Income	Tax
11,000	0	0	11,000	0
2,000	15	300	13,000	300
10,000	30	3,000	23,000	3,300
Excess	40			

For residents abroad, the amount of tax corresponding to the first bracket of the above scales is added to the tax derived from the application of the proportional rate of 5%.

When the income of the salaried person or the pensioner includes an income from another source, the additional tax-free amount of one thousand, five hundred (1,500) euro of the first bracket of scale (a), in relation to the tax-free amount of the first bracket of scale (b), shall be restricted to the amount of the salary or pension declared, as long as the amount of salary or pension is less than this additional tax-free amount.

9. SUPPLEMENTARY TAX

If the total income includes income from real estate, except for the exempt income from owner-occupancy in Greece, the gross amount thereof shall be subject to a supplementary tax at a rate of 1.5%.

Furthermore, an increased amount of supplementary tax shall be imposed at a rate of 3% on the gross income from real estate used as residences, provided that the surface area of each of them exceeds 300 square meters.

This increased rate of supplementary tax shall be imposed on the gross income from residences, with the exception of the exempt income from owner-occupancy generally in Greece.

This amount of supplementary tax may not be bigger than the amount of the tax corresponding to the total net income of the taxpayer.

10. EXEMPTIONS FROM INCOME TAX

The residents of member-states of the European Union earning in Greece more than 90% of their total income, shall be entitled to the following income tax exemptions and reductions:

- a)** The tax-free amount of the first bracket of tax scales (a) and (b).
- b)** The tax-free amount of income for the children that are financially dependent on them, as follows:

The tax-free amount of the first bracket of the above scales (a) and (b) shall be increased by one thousand (1,000) euro if the taxpayer has one child dependent on him/her, by two thousand (2,000) euro if the taxpayer has two children dependent on him/her, by ten thousand (10,000) euro if the taxpayer has three children dependent on him/her, and by an additional one thousand (1,000) euro for each subsequent child.

The amount, whereby the tax-free amount of the first bracket is increased, shall reduce the amount of the second bracket and if this is not sufficient, it shall reduce the amount of the third bracket.

- c)** Reduction of tax on the total income, on the basis of the above scales, by 20% of the total annual amount of medical and hospital care expenses, with a maximum amount of reduction 6,000 euro.

- d)** Reduction of tax by 20% (i) of the amount of rental paid yearly for his/her children by the taxpayer, who rents houses for the housing needs of the children studying at recognized domestic schools or university departments, provided that they are dependent on him/her; and (ii) of the amount of tuition fees paid yearly for the attendance at private foreign language schools and tutorial schools of any educational level by the taxpayer or any child dependent on him/her.

The amount of each expense may not exceed 1,100 euro.

- e)** Reduction of tax by 20% of the amount of accrued interest paid by the taxpayer for housing loans for the acquisition of first residence.

- f)** Reduction of tax by 20% of the amount of alimony paid by one spouse to the other, with a maximum amount of reduction 3,000 euro.

- g)** Reduction of tax by 60 euro for each child dependent on the taxpayer who earns income from salaried services, provided that the taxpayer offers services or lives at a frontier area for at least nine months per year.

11. INDEPENDENT TAXATION

Certain income (or earnings considered as income by law) shall be taxable independently (usually at a certain rate) and by such taxation, the tax obligation of the taxpayers is fulfilled for such income, that is, such income shall not be added to the other income of the taxpayer for the calculation of the tax in accordance with the general provisions. Such income is, for example, income from deposit interest and is taxable at a rate of 10%. The non-permanent residents of Greece are exempt from this taxation of interest if they have (a) deposits of any kind with banks in Greece or with the Postal Savings Bank and (b) voluntary sight deposits or savings deposits with the Deposit and Loans Fund, as long as the amount thereof is in foreign currency.

12. IMPUTED DETERMINATION OF INCOME ON THE BASIS OF SPECIFIC EXPENSES

Exceptionally, according to the Greek tax system, the total income is determined on the basis of certain living expenses of the taxpayer and the persons who live with him/her and are dependent on him/her, such expenses being stipulated by the law. The determination of income on the basis of taxpayer's expenses is

founded on the reasonable assumption that every taxpayer covers the expenditure incurred by him/her with corresponding income.

Such expenses may be:

a) imputed, that is, expenses presumed to have been incurred by the taxpayer on the basis, at first, of ownership or possession of certain assets, e.g. expenditure on the basis of the paid or imputed rental (owner-occupancy) for a secondary residence in Greece over 150 square meters, expenditure on the basis of ownership or possession of a private passenger car or aircraft, etc.,

b) real expenses, that is, on the basis of the expenses for acquisition of assets, granting of loans, donations, repayment of loans, etc.

It is clear that, in respect of residents abroad, a criterion for the application of the aforesaid presumptions (imputed-real expenses) to them is either that the said expenses are incurred in Greece or the object of the transaction, etc. is located in Greece or services are rendered in Greece and, in general, that there is a relation, in any manner, between the expense or its object and Greece.

It should be pointed out that a presumption may not be the possession of a motorcycle or passenger car up to 14 taxable horsepower acquired from 1.1.1993 to 31.12.2003 or more than 14 taxable horsepower acquired during the same period, as long as the factory invoice value in the year of their first circulation in Greece does not exceed 50,000 euro, or acquired since 1.1.2004, regardless of their horsepower, and as long as the factory invoice value in the year of their first circulation in Greece does not exceed 50,000 euro, or the possession of a pleasure boat, as well as the possession of a secondary residence up to 150 square meters.

In addition, the presumption of purchase of enterprises of any legal form, the presumption of incorporation and capital increase of personal enterprises, unlimited general partnerships, limited partnerships, limited liability companies and civil companies, societies and joint ventures, and the presumption of purchase of company shares and securities in general, such as the purchase of non-listed shares, were abolished as of 1.1.2003.

13. HOW IS THE EXPENSES DIFFERENCE COVERED – DETERMINATION OF THE ADDED DIFFERENCE OF EXPENSES PRESUMPTIONS

Any positive balance between the total of all the above expenses (imputed living expenses and real expenses) and the total net income of the taxpayer and his wife declared in Greece and taxed pursuant to the general provisions, shall constitute the expenditure difference.

This expenditure difference shall be reduced (covered or restricted) on the basis of certain income or other earnings. Any positive balance shall constitute the added difference of expenses presumptions.

The amounts by which the expenditure difference is reduced or covered must have been earned in Greece or, if they have been earned abroad, their importation into Greece must be evidenced, whether they are in foreign exchange or in euro, and in this case such persons must submit, along with their income tax return, the original proofs of importation of money amounts from abroad issued in all cases by credit institutions (Banks).

The original proof is not required to be the same for all credit institutions and the foreign exchange purchase certifications, in those cases that they are still issued, shall be the lawful proof.

The added difference of expenditure presumptions determined in the manner aforesaid shall be considered taxpayer's income added to his/her other net earnings

taxed in accordance with the general provisions, and the total resulting shall be the taxpayer's total net income, subject to tax in Greece in accordance with the general provisions.

14. WHERE ARE THE SALARY AND PENSION TAXED?

It must be noted that residents abroad receiving a salary, pension, etc. from Greece and the residents of Greece receiving a pension, etc. paid by foreign (state or private) entities or international organizations, must declare such income in the annual income tax return they file in Greece, as well as any tax withheld on such income, as the said income is taxed in Greece, unless otherwise stipulated in a pertinent bilateral (or international) agreement between Greece and the foreign country.

SECOND PART

1. INCOME TAX OF PERSONAL COMPANIES (UNLIMITED GENERAL PARTNERSHIPS, LIMITED PARTNERSHIPS, JOINT VENTURES, SOCIETIES, ETC.)

The net profits of unlimited general partnerships and limited partnerships and societies of civil law carrying on an enterprise or profession are taxed at a rate of 22%.

The net profits of civil profit-making or non-profit companies, joint-stock or silent partnerships and joint ventures of paragraph 2, article 2, Books and Records Code, are taxed at a rate of 29%.

2. INCOME TAX OF LEGAL PERSONS (SOCIETES ANONYMES, LIMITED LIABILITY COMPANIES, FOREIGN CORPORATIONS, ETC.) – CALCULATION OF TAX (ARTICLE 109, LAW 2238/1994)

The tax is calculated on the total taxable income of all liable legal persons at a tax rate of twenty-nine per cent (29%). The tax on the net profit derived from the permanent establishment of foreign enterprises in Greece, operating as any type of company, is calculated at the same rate (29%). The said rate is reduced to 25% for profits derived from accounting periods starting on or after 1 January 2007.

Moreover, the net profits distributed by domestic societies anonymes to shareholders in the form of dividends or interim dividends, to members of their board of directors or to their managers in the form of remuneration and commissions in addition to the salary, and to their staff in the form of remuneration, are not subject to withholding tax on their payment to the beneficiaries or on the credit of the latter nor are they taxed in accordance with the general provisions in the name of the beneficiaries. Consequently, the dividends collected by shareholders (investors), whether they are residents of Greece or not, are not taxed in our country.

Especially in the case of foreign enterprises earning income from a source in Greece (royalties, interest, remuneration for the preparation of studies, fees for the lease of machinery and other movables, etc.), tax shall be withheld from the payer at a rate of 20%, thus, extinguishing the tax obligation of the foreign beneficiary subject to the stipulations of the bilateral agreements for the avoidance of double taxation, which prevail. It is pointed out that especially in relation to the royalties and interest paid in other member-states of the European Union, the relevant community

directives are applicable, unless the agreement for the avoidance of double taxation stipulates a more favourable treatment, in which case the agreement shall apply.

SUPPLEMENTARY TAX ON INCOME FROM REAL ESTATE OF COMPANIES, ETC. (ARTICLES 10 AND 109, LAW 2238/1994)

A supplementary tax at a rate of 3% shall be imposed on the net income from real estate of companies having income from the lease of real estate. This tax may not exceed the amount of income tax of the legal person.

II. GUIDELINES FOR ISSUES OF AGREEMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION OF INCOME

Tax treatment within the framework of the Agreements for the Avoidance of Double Taxation of Income, pensions, annuities and other similar remuneration derived from:

- sources in a Contracting State and paid to residents of Greece,
- sources in Greece and paid to residents of the other Contracting State.

I. General issues

Nowadays, our country has a broad international treaty framework for the avoidance of double taxation of income and capital, which is reflected in the bilateral Agreements for the Avoidance of Double Taxation entered into with other States.

Every Agreement for the Avoidance of Double Taxation is the result of bilateral negotiations taking into consideration, among others, aspects of the tax legislation, pensions system, social and economic policy of the Contracting States. This special procedure results in the differentiation, in many cases, of the content of certain provisions that stipulate the terms and conditions to be fulfilled for the tax treatment of pensions, annuities and similar remuneration received by residents of one State from sources in the other Contracting State.

II. Model agreement of the OECD

Greece, as a member of the OECD, follows, in the negotiations for the conclusion of Agreements for the Avoidance of Double Taxation with other member-states or states that are not members of the said Organization, its Model Agreement, which consists of (a) the text of the Agreement for the Avoidance of Double Taxation and (b) the Commentaries interpreting and explaining the provisions of articles of the Model Agreement.

More specifically, the tax treatment of pensions and similar remuneration is stipulated in articles 18 and 19 of the Model Agreement. The provisions of those articles specify the conditions for the taxation of pensions, either in the State of Source (that is, the State granting the pension) or in the State of the beneficiary's Residence or, in certain cases, in both Contracting States.

The model agreement of OECD and the commentaries accompanying it are significant for the interpretation of an Agreement for the Avoidance of Double Taxation. Hence, it is advisable to refer to specific articles of the text of the Model Agreement and to analyse the terms and concepts found in Agreements for the Avoidance of Double Taxation, on the basis of the Commentaries of the Model Agreement.

As laid down in **article 18 of the said Model Agreement**, subject to the provisions of paragraph 2, article 19, **pensions** and other **similar remuneration** paid to a resident of a Contracting State for **past dependent employment** are taxed only in that State (State of the beneficiary's Residence).

This article covers pensions and other similar remuneration paid for past dependent employment in the private sector, pensions received by widows and orphans, as well as pensions paid for services rendered to a State or a political subdivision or a local authority thereof, which do not fall within the scope of application of article 19 (on Government Pensions).

The term '**pension**' denotes periodic payments, while the term 'similar remuneration' has a broader sense and may include non-periodic payments, e.g. in case that a person can choose, when retiring, to receive the pension in a lump sum instead of periodic payments. On the contrary, the refund of pension contributions after temporary employment does not constitute a 'similar remuneration'.

It is pointed out that article 18 **does not cover pensions paid for past independent personal services**. Such pensions fall within the provisions of article 21 of the Model Agreement of OECD, which specifies the tax treatment of the income not mentioned in the previous articles of the Agreement. It is underlined, however, that in certain Agreements, prior to the Model Agreement, the article that deals with the tax treatment of pensions is differentiated and covers also the pensions paid for past independent personal services. See, for example, the Agreements between Greece and the U.S.A., Greece and the United Kingdom, Greece and the Federal Republic of Germany, etc.

It should be clarified that in certain cases where the Contracting States wished to broaden the scope of application of article 18, they agreed and included the term '**annuities**'. This term covers e.g. certain amounts paid by life insurance companies.

In other cases, the Contracting States, by adopting the commentaries of the Model Agreement of OECD, agreed and included a provision stipulating that **pensions and other amounts of money (payments) paid pursuant to the social security legislation of a Contracting State**, may be taxed in that State (State of Source). The State of Source is thus entitled to tax pensions (e.g. granted by the Social Security Institution, Agricultural Insurance Organization, Motorists' Pension Fund, etc.) and the **amounts of money** (e.g. unemployment, disability, occupational accidents, sick benefits and other similar benefits) **paid pursuant to its social security legislation** (e.g. Agreement for the Avoidance of Double Taxation between Greece and Luxemburg).

However, certain Agreements stipulate that the taxation right belongs exclusively to the State of Source (e.g. Agreement for the Avoidance of Double Taxation between Greece and Finland). Moreover, the said provision is differentiated in some Agreements and covers only pensions (e.g. Agreement for the Avoidance of Double Taxation between Greece and Austria), while in others it covers only amounts of money (payments) (e.g. Agreement for the Avoidance of Double Taxation between Greece and Denmark).

Furthermore, the provisions of **paragraph 2, article 19, Model Agreement of OECD** deal with the tax treatment of pensions related to **Government agencies**. According to the provisions of the said article, **pensions and other similar remuneration** paid by a **State or political subdivisions or local authorities** thereof (e.g. confederate states, regions, provinces, municipal districts, municipalities, etc.) **or out of funds** created by them, to a natural person for services

rendered to that State or political subdivisions or local authorities thereof, are taxed only in that State (State of Source). Yet, the aforementioned pensions and similar remuneration are taxed only in the other Contracting State (State of Residence), if the natural person is a resident and national of that State.

It must be pointed out that in some Agreements, such as the Agreement between Greece and France, both Contracting States are entitled to tax the pension. However, the pension is taxable only in the State of Residence, if the natural person is a resident and national of that State, without being a national of the other State. For example, the pension received by a **resident and national** of Greece from the State of France will be taxable only in Greece. But if the said resident **also has the French nationality**, his/her pension will be taxable in both States.

Further, the provisions of paragraph 3 of the same article stipulate that the provisions of article 18 shall apply **to pensions and other similar remuneration** for services rendered in respect of business activities carried out by the State or a political subdivision or a local authority thereof. This happens in the cases that the State provides services through Organizations, such as State Railways, Post Offices, State Theatres, etc., when their activities are not included in the core of state functions but aim at gaining profit.

III. Enforcement – procedures

As it appears from the above, it is necessary to consult the relevant article of the pertinent Agreement in every case and consider carefully the terms included therein.

In addition, in order to decide on the inclusion of a pension in a specific category, so that it has the appropriate tax treatment in accordance with the relevant provision of the Agreement, evidence must be produced with respect to (i) the entity that pays the pension, (ii) the sector (public or private) in which the pensioner worked and (iii) the kind of the pension paid.

A. In case that a **resident of Greece** receives a pension from **sources in a Contracting State** and the provisions of the pertinent Agreement recognize a right of taxation of the said pension:

(i) in both Contracting States, that is, the State of Residence (Greece) and the State of Source (where the pension comes from), the double taxation that may arise will be avoided pursuant to the relevant provisions of the Agreement and the relevant provisions of our internal tax legislation will also apply. Therefore, the tax withheld in the State of Source (as certified by the competent authority) shall be offset by the beneficiary's State of Residence (Greece) up to the amount of tax corresponding to the same income in Greece.

(ii) only in the State of Residence (Greece), then, in order that the provisions of the pertinent Agreement apply immediately and no tax be withheld in the other Contracting State (State of Source), the beneficiary must submit to the tax authorities of the other State the Tax Residence Certificate issued upon his/her request by our Agency (see POL 1130/01.06.1999). If the State of Source (where the pension comes from) has withheld tax in derogation from the provisions of the Agreement for the Avoidance of Double Taxation, the said tax shall not be offset against the Greek tax. The beneficiary of the pension shall have to request the refund of the tax from the foreign tax authority, to which he/she shall have to submit the said Certificate.

(iii) **only in the State of Source** (where the pension comes from), then, the State of Residence (Greece) shall not impose any tax.

B. In case that a **resident of a Contracting State** receives a pension from **sources in Greece** and the provisions of the pertinent Agreement recognize a right of taxation of the said pension:

(i) **only in Greece or in Greece as well**, then, he/she shall have to submit an income tax return to the competent Local Tax Office for Residents Abroad, where he/she shall declare the said income;

(ii) **only in the State of Residence**, then, in order that no income tax be withheld from his/her pension in Greece, the beneficiary must submit the "Application for the Enforcement of the Agreement for the Avoidance of Double Taxation" to his/her pension fund at the beginning of every year, duly filled out and signed. The said application includes the 'Tax Residence Certificate', which must be filled out, signed and sealed by the competent tax authority of the beneficiary's Residence. The said Certificate shall be valid only for the calendar year of income acquisition. In the event that the above Application is not filed, the provisions of our internal legislation shall apply (Income Tax Code, Law 2238/1994). In order that the tax be refunded to the beneficiary of the income, he/she must file with our Agency the 'Annual Claim to Refund of Income Tax' duly filled out and signed. The said claim includes the 'Tax Residence Certificate', which must be filled out, signed and sealed by the competent tax authority of his/her State of Residence.

The forms of the "Application for the Enforcement of the Agreement for the Avoidance of Double Taxation" and the "Annual Claim to Refund of Income Tax" may be obtained by the person concerned either from our Agency or from the Local Tax Offices.

IV. List of agreements

ALBANIA

Law 2755/1999

Official Gazette 252/A/1999

1) Tax treatment of pensions derived from sources in Albania and paid to a resident of Greece

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable only in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Albania or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or authority thereof shall be taxable only in Albania.

Paragraph 2(b): However, this pension shall be taxable only in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions paid in respect of services rendered in connection with business activities carried on by the said State or a political subdivision or a local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Albania

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Albania in consideration of past dependent employment shall be taxable only in Albania.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or authority thereof shall be taxable only in Greece.

Paragraph 2(b): However, this pension shall be taxable only in Albania, if the natural person is a resident and national of Albania.

Paragraph 3: The provisions of article 18 shall apply to pensions paid in respect of services rendered in connection with business activities carried on by the said State or a political subdivision or a local authority thereof.

ARMENIA

Law 3014/2002

Official Gazette 103/A'/2002

1) Tax treatment of pensions derived from sources in Armenia and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable only in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Armenia or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Armenia.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Armenia

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Armenia in consideration of past dependent employment shall be taxable only in Armenia.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Armenia, if the natural person is a resident and national of Armenia.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or local authority thereof.

AUSTRIA

Legislative Decree 994/1971

Official Gazette 210/A/1971

1) Tax treatment of pensions derived from sources in Austria and paid to a resident of Greece

Article 18

According to the provisions of paragraph 1, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 1: Remuneration, including pensions paid out of funds created by the State of Austria or a political subdivision or a local authority thereof or any legal person established pursuant to the law in force of that State, to a resident of Greece in respect of services rendered to the State of Austria or subdivision or local authority thereof or legal person established pursuant to the law in force of the State of Austria in the discharge of functions of governmental nature, shall be taxable **only** in Austria. Moreover, pensions from social security organizations of Austria shall be taxable **only** in Austria.

Paragraph 2: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with any commercial activities or work carried on by the said State or political subdivision or local authority thereof or legal person established pursuant to the internal legislation of that State.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Austria

Article 18

According to the provisions of paragraph 1, article 19, pensions and other similar remuneration paid to a resident of Austria in consideration of past dependent employment shall be taxable **only** in Austria.

Article 19

Paragraph 1: Remuneration, including pensions paid out of funds created by the State of Greece or a political subdivision or a local authority thereof or any legal person established pursuant to the law in force of that State, to a resident of Austria in respect of services rendered to the State of Greece or subdivision or local authority thereof or legal person established pursuant to the law in force of the State of Greece in the discharge of functions of governmental nature, shall be taxable **only** in Greece.

Moreover, pensions from social security organizations of Greece shall be taxable **only** in Greece (e.g. Social Security Institution, Trades and Crafts Fund of Greece, Motorists' Pension Fund).

Paragraph 2: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with any commercial activities or work carried on by the said State or political subdivision or local authority thereof or legal person established pursuant to the internal legislation of that State.

BELGIUM

Law 3407/2005

Official Gazette 266/A'/2005

1) Tax treatment of pensions derived from sources in Belgium and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Paragraph 2: However, pensions and other annuities, whether periodic or not, paid pursuant to the insurance legislation of Belgium, such as by the Office National des Pensions, Fonds Nationale de Retraite des Ouvriers Mineurs, shall be taxable in **both** States.

This provision shall apply also to pensions or annuities paid within the framework of a general regime established by Belgium for the provision of supplementary benefits stipulated by the said insurance legislation.

Article 19

Paragraph 2(a): Any pension paid by the State of Belgium or a political subdivision or a local authority thereof, either directly or out of contributions to funds created by it, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof, shall be taxable **only** in Belgium.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions paid in respect of services rendered within the framework of commercial or industrial activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Belgium

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Belgium in consideration of past dependent employment shall be taxable **only** in Belgium.

Paragraph 2: However, pensions and other annuities, whether periodic or not, paid pursuant to the insurance legislation of Greece, shall be taxable in **both** States (e.g. Social Security Institution, Agricultural Insurance Organization). This provision shall apply also to pensions or annuities paid within the framework of a general regime established by Greece for the provision of supplementary benefits stipulated by the said insurance legislation.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof, either directly or out of contributions to funds created by it, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof, shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Belgium, if the natural person is a resident and national of Belgium.

Paragraph 3: The provisions of article 18 shall apply to pensions paid in respect of services rendered within the framework of commercial or industrial activities carried on by the said State or political subdivision or local authority thereof.

BULGARIA

Law 2255/1994

Official Gazette 195/A/1994

1) Tax treatment of pensions derived from sources in Bulgaria and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Paragraph 2: Notwithstanding the provisions of paragraph 1, payments effected pursuant to the social security legislation of Bulgaria shall be taxable **only** in Bulgaria.

Article 19

Paragraph 2: Any pension paid by the State of Bulgaria or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof, shall be taxable **only** in Bulgaria.

Paragraph 3: The provisions of article 18 shall apply to pensions paid in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Bulgaria

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Bulgaria in consideration of past dependent employment shall be taxable **only** in Bulgaria.

Paragraph 2: Notwithstanding the provisions of paragraph 1, payments effected pursuant to the social security legislation of Greece shall be taxable **only** in Greece.

Article 19

Paragraph 2: Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof, shall be taxable **only** in Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions paid in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

FRANCE

Legislative Decree 4386/1964

Official Gazette 77/A/1965

1) Tax treatment of pensions derived from sources in France and paid to a resident of Greece

Article 12

Subject to the provisions of article 14, pensions and life annuities paid to a resident of Greece shall be taxable **only** in Greece.

Article 14

Paragraph 1: Pensions paid by the State of France or a Legal Person of Public Law of that State in consideration of administrative or military services rendered to that State, shall be taxable in **both** States.

Paragraph 2:

- However, if such pensions are granted to persons who are residents and nationals of Greece without being nationals of France at the same time, the pensions shall be taxable **only** in Greece.

- Paragraph 1 of this article shall not apply when the pensions are paid in respect of services rendered in connection with commercial or industrial activities carried on by the said State or a Public Law Entity of that State.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of France

Article 12

Subject to the provisions of article 14, pensions and life annuities paid to a resident of France shall be taxable **only** in France.

Article 14

Paragraph 1: Pensions paid by the State of Greece or a Public Law Entity of that State in consideration of administrative or military services rendered to that State, shall be taxable in **both** States.

Paragraph 2:

- However, if such pensions are granted to persons who are residents and nationals of France without being nationals of Greece, the pensions shall be taxable only in France.

- Paragraph 1 of this article shall not apply when the pensions are paid in respect of services rendered in connection with commercial or industrial activities carried on by the said State or Legal Person of Public Law of that State.

GERMANY

Law 52/1967

Official Gazette 134/A/1967

(See relevant POL.1128/14.05.2001)

1) Tax treatment of pensions derived from sources in Germany and paid to a resident of Greece

Article XII

Paragraph 1: Pensions and annuities, except for those mentioned in paragraph 3, paid to a resident of Greece shall be taxable **only** in Greece.

The pensions paid by the following insurance entities:

- Landesversicherungs Anstalt (LVA)
- Nordwestliche Eisen und Stahl Berufsgenossenschaft
- Bergbau-Berufsgenossenschaft
- Bundesknappschaft
- Bundesversicherungsanstalt für Angestellte
- Daimler Benz Unterstützungskasse GmbH

fall within the provisions of the said paragraph, that is, they shall be taxable **only** in Greece.

Paragraph 3: Pensions and annuities paid by the State of the Federal Republic of Germany (Public Funds, Öffentlichen Kassen of the Federal Republic of Germany) or its Lander or political subdivisions thereof shall be taxable **only** in Germany.

It should be pointed out that the term 'State' of the Federal Republic of Germany (Public Funds, Öffentlichen Kassen of the Federal Republic of Germany) means the funds established by the government agencies of Germany (federal, Lander, municipal) in order to pay the pensions of civil servants.

Paragraph 4: Pensions and annuities paid by the Deutsche Bundesbank, Deutsche Bundesbahn and Deutsche Bundespost in consideration of past employment by such Organizations shall be taxable **only** in Germany (that is, in the State where the said Organizations have been established).

Paragraph 5: Pensions, annuities and other recurring or non-recurring remuneration paid by the State of Germany or a Legal Person of Public Law of that State as compensation for injury or damage caused due to hostilities or persecution for political beliefs, shall be taxable **only** in Germany.

Article II

Paragraph 8: The term 'pension' means periodic payments effected in respect of services rendered or by way of compensation for injuries.

Paragraph 9: The term 'annuity' means a stated amount payable periodically at stated times for life or during a specified or ascertainable period of time.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Germany

Article XII

Paragraph 1: Pensions and annuities, except for those mentioned in paragraph 2, paid to a resident of Germany shall be taxable **only** in Germany (e.g. pensions paid by the Social Security Institution, Public Works Engineers and Contractors Pension Fund, Agricultural Insurance Organization, Trades and Crafts Fund of Greece, etc.).

Paragraph 2: Pensions and annuities paid by the State of Greece or any political subdivision thereof shall be taxable **only** in Greece.

In particular, the said provision includes any pension or annuity paid by Funds established in order to pay the pensions of civil servants, such as the General Accounting Office of the State.

Paragraph 4: Pensions and annuities paid by Organizations of Greece (like the corresponding Organizations of Germany mentioned above) in consideration of past employment by such Organizations shall be taxable **only** in Greece. One of those Organizations is the Bank of Greece.

Paragraph 5: Pensions, annuities and other recurring or non-recurring remuneration paid by the State of Greece or a Legal Person of Public Law of that State as compensation for injury or damage caused due to hostilities or persecution for political beliefs shall be taxable **only** in Greece.

Article II

Paragraph 8: The term 'pension' means periodic payments effected in respect of services rendered or by way of compensation for injuries.

Paragraph 9: The term 'annuity' means a stated amount payable periodically at stated times for life or during a specified or ascertainable period of time.

GEORGIA

Law 3045/2002

Official Gazette 198/A'/2002

(The provisions of the said articles shall apply with the necessary changes to Mexico and Slovenia respectively)

1) Tax treatment of pensions derived from sources in Georgia and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Georgia or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof shall be taxable **only** in Georgia.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Georgia

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Georgia in consideration of past dependent employment shall be taxable **only** in Georgia.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Georgia, if the natural person is a resident and national of Georgia.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

DENMARK

Law 1986/1991

Official Gazette 189/A/1991

1) Tax treatment of pensions derived from sources in Denmark and paid to a resident of Greece

Article 18

Paragraph 1(a): Pensions and annuities paid to a resident of Greece shall be taxable **only** in Greece.

Paragraph 1(b): However, such pensions and annuities shall be taxable **only** in Denmark, if the recipient is a national of Denmark.

Paragraph 2: Social security payments shall be taxable **only** in Denmark.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Denmark

Article 18

Paragraph 1(a): Pensions and annuities paid to a resident of Denmark shall be taxable **only** in Denmark.

Paragraph 1(b): However, such pensions and annuities shall be taxable **only** in Greece, if the recipient is a national of Greece.

Paragraph 2: Social security payments shall be taxable **only** in Greece.

SWITZERLAND

Law 1502/1984

Official Gazette 192/A/1984

1) Tax treatment of pensions derived from sources in Switzerland and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Switzerland or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Switzerland.

Paragraph 2(b): However, this pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Switzerland

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Switzerland in consideration of past dependent employment shall be taxable **only** in Switzerland.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, this pension shall be taxable **only** in Switzerland, if the natural person is a resident and national of Switzerland.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

U.S.A.

Legislative Decree 2548/1953

Official Gazette 231/A/1953, Legislative Decree 4383/1964

Official Gazette 189/A/1964

1) Tax treatment of pensions derived from sources in the U.S.A. and paid to a resident of Greece

Article XI

Paragraph 2: Private pensions and life annuities paid to a resident of Greece shall be exempt from tax in the U.S.A. and shall be taxable **only** in Greece.

Paragraph 2 in conjunction with the provisions of article XIV, paragraphs 1 and 3: If the said private pensions and life annuities are paid to a resident of Greece who has the citizenship of the U.S.A., they shall be taxable in **both** States.

Article XI, paragraph 1 in conjunction with the provisions of article XIV, paragraphs 1 and 3: Pensions paid by the State of the U.S.A. or its subdivisions to a resident of Greece in respect of services rendered to that State or its subdivisions, shall be taxable in **both** States.

Article XI

Paragraph 3: The term 'pension' means periodic payments effected in respect of services rendered or by way of compensation for injuries.

Paragraph 4: The term 'life annuities' means a stated amount payable periodically at stated times for life or for a specified number of years, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of the U.S.A

Article XI, paragraph 2: Private pensions and life annuities paid to a resident of the U.S.A. shall be exempt from tax in Greece.

Article XI, paragraph 1 in conjunction with the provisions of article XIV, paragraphs 1 and 2: Pensions paid by the State of Greece or its subdivisions to a resident of the U.S.A. in respect of services rendered to that State or its subdivisions, shall be taxable in **both** States.

Article XI

Paragraph 3: The term 'pension' means periodic payments effected in respect of services rendered or by way of compensation for bodily injuries.

Paragraph 4: The term 'life annuities' means a stated amount payable periodically at stated times for life or for a specified number of years, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

UNITED KINGDOM

Legislative Decree 2732/1953

Official Gazette 329/A/1953

1) Tax treatment of pensions derived from sources in the United Kingdom and paid to a resident of Greece

Article X

Paragraph 2: Any pension (except for the kind of pension mentioned in paragraph 1, article VIII) and any annual annuity paid to a resident of Greece who is subject to Greek tax for it, shall be **exempt** from tax in the United Kingdom.

Paragraph 3: The term 'annual annuity' means a stated amount payable at stated times for life or for a specific or stated time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article VIII

Paragraph 1: Pensions paid by the State of the United Kingdom or out of funds created by it to an individual in respect of services rendered to that State in the discharge of Governmental service, shall be **exempt** from tax in Greece and shall be taxable only in the United Kingdom.

However, if the said pensions are paid to a resident of Greece who is a national of Greece without also being a national of the United Kingdom, such pensions shall be taxable in **both** States.

Paragraph 2: The provisions of this article shall not apply to payments in respect of services rendered in connection with any trade or business carried on by that State with a view to gaining profit.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of the United Kingdom

Article X

Paragraph 1: Any pension (except for the kind of pension mentioned in paragraph 1, article VIII) and any annual annuity paid to a resident of the United Kingdom who is subject to tax in the United Kingdom for it, shall be **exempt** from tax in Greece.

Paragraph 3: The term 'annual annuity' means a stated amount payable at stated times for life or for a specific or stated time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article VIII

Paragraph 1: Pensions paid by the State of Greece or out of funds created by it to an individual in respect of services rendered to that State in the discharge of Governmental service, shall be **exempt** from tax in the United Kingdom and shall be taxable only in Greece.

However, if the said pensions are paid to a resident of the United Kingdom who is a national of the United Kingdom without also being a national of Greece, such pensions shall be taxable in **both** States.

Paragraph 2: The provisions of this article shall not apply to payments in respect of services rendered in connection with any trade or business carried on by that State with a view to gaining profit.

INDIA

Legislative Decree 4580/1966

Official Gazette 235/A/1966

1) Tax treatment of pensions derived from sources in India and paid to a resident of Greece

Article XIII

Any pension or annuity paid to a resident of Greece shall be taxable **only** in India.

Article II

Paragraph 1(i): The term 'pension' means periodic payments effected in respect of services rendered or by way of compensation for injuries.

Paragraph 1(j): The term 'annuity' means a stated amount payable periodically at stated times for life or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of India

Article XIII

Any pension or annuity paid to a resident of India shall be taxable **only** in Greece.

Article II

Paragraph 1(i): The term 'pension' means periodic payments effected in respect of services rendered or by way of compensation for injuries.

Paragraph 1(j): The term ‘annuity’ means a stated amount payable periodically at stated times for life or during a specified or ascertainable period of time, under an obligation to make the payments in return for adequate and full consideration in money or money’s worth.

IRELAND

Law 3300/2004

Official Gazette 262/A’/2004

1) Tax treatment of pensions derived from sources in Ireland and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment and any annuity paid to such resident shall be taxable **only** in Greece.

Paragraph 2: The term ‘annuity’ means a stated amount payable periodically at stated times for life or during a specified period of time, under an obligation to make the payments in return for adequate and full consideration in money or money’s worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Ireland or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Ireland.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Ireland

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Ireland in consideration of past dependent employment and any annuity paid to such resident shall be taxable **only** in Ireland.

Paragraph 2: The term ‘annuity’ means a stated amount payable periodically at stated times for life or during a specified period of time, under an obligation to make the payments in return for adequate and full consideration in money or money’s worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Ireland, if the natural person is a resident and national of Ireland.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

SPAIN

Law 3015/2002

Official Gazette 104/A'/2002

1) Tax treatment of pensions derived from sources in Spain and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Spain or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Spain.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Spain

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Spain in consideration of past dependent employment shall be taxable **only** in Spain.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Spain, if the natural person is a resident and national of Spain.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

ISRAEL

Legislative Decree 2572/1998

Official Gazette 12/A'/1998

1) Tax treatment of pensions derived from sources in Israel and paid to a resident of Greece

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Israel or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of

services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Israel.

Paragraph 2(b): However, such pensions shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Israel

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Israel in consideration of past dependent employment shall be taxable **only** in Israel.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pensions shall be taxable **only** in Israel, if the natural person is a resident and national of Israel.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

ITALY

Law 1927/1991

Official Gazette 17/A/1991

1) Tax treatment of pensions derived from sources in Italy and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Italy or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Italy.

Paragraph 2(b): However, such pensions shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Italy

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Italy in consideration of past dependent employment shall be taxable **only** in Italy.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pensions shall be taxable **only** in Italy, if the natural person is a resident and national of Italy.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

CHINA

Law 3331/2005

Official Gazette 83/A/2005

1) Tax treatment of pensions derived from sources in China and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Paragraph 2: Notwithstanding the provisions of paragraph 1, pensions and other similar payments effected by the Government of the State of China or a local authority thereof, within the framework of social welfare programs of the social security system, shall be taxable in **both** States.

Article 19

Paragraph 2(a): Pensions paid by the State of China or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or authority thereof shall be taxable **only** in China.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of China

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of China in consideration of past dependent employment shall be taxable **only** in China.

Paragraph 2: Notwithstanding the provisions of paragraph 1, pensions and other similar payments effected by the Government of the State of Greece or a local authority thereof, within the framework of social welfare programs of the social security system, shall be taxable in **both** States.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in China, if the natural person is a resident and national of China.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or local authority thereof.

KOREA

Law 2571/1998

Official Gazette 11/A/1998

1) Tax treatment of pensions derived from sources in Korea and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment, as well as any annuity paid to such resident, shall be taxable **only** in Greece.

Paragraph 2: The term 'annuity' means a stated amount payable periodically at stated times for life or during a specified or ascertained period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Any pension paid by the State of Korea or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Korea.

Paragraph 2(b): However, such pensions shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 4(a): The provisions of paragraph 2 of this article shall similarly apply to pensions paid by:

- Bank of Korea
- Export-Import Bank of Korea
- Korean Development Bank and
- Korea Trade Corporation.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Korea

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Korea in consideration of past dependent employment, as well as any annuity paid to such resident, shall be taxable **only** in Korea.

Paragraph 2: The term 'annuity' means a stated amount payable periodically at stated times for life or during a specified or ascertained period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in

respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pensions shall be taxable **only** in Korea, if the natural person is a resident and national of Korea.

Paragraph 4(b): The provisions of paragraph 2 of this article shall similarly apply to pensions paid by:

- the Bank of Greece
- the Exports Promotion Organization and
- the Hellenic Bank of Industrial Development.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

KUWAIT

Law 3330/2005

Official Gazette 82/A'/2005

1) Tax treatment of pensions derived from sources in Kuwait and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a natural person who is a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

The term 'pensions and other similar remuneration' denotes periodic payments made after retirement, on the basis of past dependent employment or even compensations due to disability paid on the basis of past dependent employment.

Paragraph 2: Subject to the provisions of paragraph 2, article 19, annuities received by a natural person who is resident of Greece shall be taxable **only** in Greece.

The term 'annuities' means a stated amount payable to a person periodically at stated times for life or during an expressly specified or ascertained period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Kuwait or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Kuwait.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Kuwait

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a natural person who is a resident of Kuwait in consideration of past dependent employment shall be taxable **only** in Kuwait.

The term 'pensions and other similar remuneration' denotes periodic payments made after retirement, on the basis of past dependent employment or even compensations due to disability paid on the basis of past dependent employment.

Paragraph 2: Subject to the provisions of paragraph 2, article 19, annuities received by a natural person who is resident of Kuwait shall be taxable **only** in Kuwait.

The term 'annuities' means a stated amount payable to a person periodically at stated times for life or during an expressly specified or ascertained period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Kuwait, if the natural person is a resident and national of Kuwait.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

CROATIA

Law 2653/1998

Official Gazette 250/A/1998

1) Tax treatment of pensions derived from sources in Croatia and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Croatia or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Croatia.

Paragraph 2(b): However, such pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Croatia

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Croatia in consideration of past dependent employment shall be taxable **only** in Croatia.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pension shall be taxable **only** in Croatia, if the natural person is a resident and national of Croatia.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or local authority thereof.

CYPRUS

Emergency Law 573/1968

Official Gazette 223/A/1968

1) Tax treatment of pensions derived from sources in Cyprus and paid to a resident of Greece

Article 17

According to the provisions of paragraph 1, article 18, pensions and other similar remuneration paid to a resident of Greece in consideration of past salaried services shall be taxable **only** in Greece.

Article 18

Paragraph 1: Pensions paid by the State of Cyprus to an individual in respect of services rendered to that State in the discharge of Governmental functions, shall be taxable **only** in Cyprus. If the individual is a national of Greece without also being a national of Cyprus, they shall be taxable in **both** States.

Paragraph 2: The provisions of article 17 shall apply to pensions in respect of services rendered in connection with trade or business carried on by that State or Organizations assimilated to that.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Cyprus

Article 17

According to the provisions of paragraph 1, article 18, pensions and other similar remuneration paid to a resident of Cyprus in consideration of past salaried services shall be taxable **only** in Cyprus.

Article 18

Paragraph 1: Pensions paid by the State of Greece to an individual in respect of services rendered to that State in the discharge of Governmental functions, shall be taxable **only** in Greece. If the individual is a national of Cyprus without also being a national of Greece, they shall be taxable in **both** States.

Paragraph 2: The provisions of article 17 shall apply to pensions in respect of services rendered in connection with trade or business carried on by that State or Organizations assimilated to that.

LATVIA

Law 3318/2005

Official Gazette 46/A/2005

(The provisions of the said articles shall apply with the necessary changes to Lithuania and Moldavia respectively)

1) Tax treatment of pensions derived from sources in Latvia and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Pensions paid by the State of Latvia or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Latvia.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Latvia

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Latvia in consideration of past dependent employment shall be taxable **only** in Latvia.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Latvia, if the natural person is a resident and national of Latvia.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or local authority thereof.

LITHUANIA

Law 3356/2005

Official Gazette 152/A'/2005

See 'LATVIA'

LUXEMBURG

Law 2319/1995

Official Gazette 127/A'/1995

1) Tax treatment of pensions derived from sources in Luxemburg and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Paragraph 2: Notwithstanding the provisions of paragraph 1, pensions and other amounts of money payable pursuant to the social security legislation of Luxemburg shall be taxable in **both** States.

Article 19

Paragraph 2(a): Any pension paid by the State of Luxemburg or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Luxemburg.

Paragraph 2(b): However, such pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political or administrative subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Luxembourg

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Luxembourg in consideration of past dependent employment shall be taxable **only** in Luxembourg.

Paragraph 2: Notwithstanding the provisions of paragraph 1, pensions and other amounts of money payable pursuant to the social security legislation of Greece shall be taxable in **both** States (e.g. Social Security Institution, Agricultural Insurance Organization, Public Works Engineers and Contractors Pension Fund, Trades and Crafts Fund of Greece).

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pension shall be taxable **only** in Luxembourg, if the natural person is a resident and national of Luxembourg.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political or administrative subdivision or local authority thereof.

MEXICO

Law 3406/2005

Official Gazette 265/A'/2005

See 'GEORGIA'

MOLDAVIA

Law 3357/2005

Official Gazette 153/A'/2005

See 'LATVIA'

NORWAY

Law 1924/1991

Official Gazette 16/A'/1991

1) Tax treatment of pensions derived from sources in Norway and paid to a resident of Greece

Article 18

Pensions and other similar remuneration and benefits arising in the State of Norway, as well as pensions and other payments of the Social Security System of the State of Norway shall be taxable in **both** States.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Norway

Article 18

Pensions and other similar remuneration and benefits arising in the State of Greece, as well as pensions and other payments of the Social Security System of the State of

Greece (e.g. Social Security Institution, Agricultural Insurance Organization, Trades and Crafts Fund of Greece, Public Works Engineers and Contractors Pension Fund) shall be taxable in **both** States.

SOUTH AFRICA

Law 3085/2002

Official Gazette 319/A/2002

1) Tax treatment of pensions derived from sources in South Africa and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration in consideration of past dependent employment and annual annuities paid to a resident of Greece shall be taxable in **both** States.

Paragraph 2: The term 'annual annuity' means a stated amount payable at stated times for life or for a stated period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of South Africa or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in South Africa.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of South Africa

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration in consideration of past dependent employment and annual annuities paid to a resident of South Africa shall be taxable in **both** States.

Paragraph 2: The term 'annual annuity' means a stated amount payable at stated times for life or for a stated period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in South Africa, if the natural person is a resident and national of South Africa.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or political subdivision or local authority thereof.

HOLLAND (NETHERLANDS)

Law 1455/1984

Official Gazette 89/A/1984

1) Tax treatment of pensions derived from sources in Holland and paid to a resident of Greece

Article 19

Paragraph 1: According to the provisions of paragraph 2, article 20, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Paragraph 2: However, when such remuneration paid in consideration of past dependent employment in Holland is not of a periodic nature, it shall be taxable in **both** States.

Article 20

Paragraph 2(a): Any pension paid by the State of Holland or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable in **both** States.

Paragraph 2(b): However, such pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 19 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Holland

Article 19

Paragraph 1: According to the provisions of paragraph 2, article 20, pensions and other similar remuneration paid to a resident of Holland in consideration of past dependent employment shall be taxable **only** in Holland.

Paragraph 2: However, when such remuneration paid in consideration of past dependent employment in Greece is not of a periodic nature, it shall be taxable in **both** States.

Article 20

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable in **both** States.

Paragraph 2(b): However, such pension shall be taxable **only** in Holland, if the natural person is a resident and national of Holland.

Paragraph 3: The provisions of article 19 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

HUNGARY

Law 1496/1984

Official Gazette 178/A/1984

(The provisions of the said articles shall apply with the necessary changes to the Czech Republic and Slovakia respectively)

1) Tax treatment of pensions derived from sources in Hungary and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Hungary or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Hungary.

Paragraph 2(b): However, such pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with commercial or industrial activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Hungary

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Hungary in consideration of past dependent employment shall be taxable **only** in Hungary.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pension shall be taxable **only** in Hungary, if the natural person is a resident and national of Hungary.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with commercial or industrial activities carried on by the said State or political subdivision or local authority thereof.

UZBEKISTAN

Law 2659/1998

Official Gazette 268/A/1998

1) Tax treatment of pensions derived from sources in Uzbekistan and paid to a resident of Greece

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Uzbekistan or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Uzbekistan.

Paragraph 2(b): However, such pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Uzbekistan

Article 18

Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Uzbekistan in consideration of past dependent employment shall be taxable **only** in Uzbekistan.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pension shall be taxable **only** in Uzbekistan, if the natural person is a resident and national of Uzbekistan.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with professional activities carried on by the said State or local authority thereof.

UKRAINE

Law 3046/2002

Official Gazette 199/A'/2002

1) Tax treatment of pensions derived from sources in Ukraine and paid to a resident of Greece

Article 18

Paragraph 1: According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment and any annuity paid to such resident, shall be taxable **only** in Greece.

Paragraph 2: The term 'annuity' means a stated amount payable to a natural person periodically at stated times for life or during a specified or ascertained period of time, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Ukraine or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Ukraine.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Ukraine

Article 18

Paragraph 1: According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Ukraine in consideration of past dependent employment and any annuity paid to such resident, shall be taxable **only** in Ukraine.

Paragraph 2: The term 'annuity' means a stated amount payable to a natural person periodically at stated times for life or during a specified or ascertained period of time,

under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Ukraine, if the natural person is a resident and national of Ukraine.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

POLAND

Law 1939/1991

Official Gazette 37/A/1991

1) Tax treatment of pensions derived from sources in Poland and paid to a resident of Greece

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2: Any pension paid by the State of Poland or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Poland.

However, such pension shall be taxable **only** in Greece, if the recipient is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Poland

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Poland in consideration of past dependent employment shall be taxable **only** in Poland.

Article 19

Paragraph 2: Any pension paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

However, such pension shall be taxable **only** in Poland, if the recipient is a resident and national of Poland.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

PORTUGAL

Law 3009/2002

Official Gazette 90/A'/2002

1) Tax treatment of pensions derived from sources in Portugal and paid to a resident of Greece

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 19

Paragraph 2(a): Any pension paid by the State of Portugal or a political or administrative subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Portugal.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political or administrative subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Portugal

Article 18

According to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Portugal in consideration of past dependent employment shall be taxable **only** in Portugal.

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a political or administrative subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Portugal, if the natural person is a resident and national of Portugal.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political or administrative subdivision or local authority thereof.

ROMANIA

Law 2279/1995

Official Gazette 9/A'/1995

1) Tax treatment of pensions derived from sources in Romania and paid to a resident of Greece

Article 19

Subject to the provisions of paragraph 2, article 20, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article 20

Paragraph 2(a): Any pension paid by the State of Romania, a regional or administrative unit or a local authority thereof or out of funds created by it, to a

natural person in respect of services rendered to that State or unit or authority thereof shall be taxable **only** in Romania.

Paragraph 2(b): However, such pensions shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 19 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or regional administrative unit or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Romania

Article 19

Subject to the provisions of paragraph 2, article 20, pensions and other similar remuneration paid to a resident of Romania in consideration of past dependent employment shall be taxable **only** in Romania.

Article 20

Paragraph 2(a): Any pension paid by the State of Greece, a regional or administrative unit or a local authority thereof or out of funds created by it, to a natural person in respect of services rendered to that State or unit or authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pensions shall be taxable **only** in Romania, if the natural person is a resident and national of Romania.

Paragraph 3: The provisions of article 19 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or regional administrative unit or local authority thereof.

SLOVAKIA

Law 1838/1989

Official Gazette 8/A'/1989

See 'HUNGARY'

SLOVENIA

Law 3084/2002

Official Gazette 318/A'/2002

See 'GEORGIA'

SWEDEN

Law 4300/1963

Official Gazette 73/A'/1963

1) Tax treatment of pensions derived from sources in Sweden and paid to a resident of Greece

Article XVI

According to the provisions of paragraph 1, article XIV, pensions or other similar payments made to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Article XIV

Paragraph 1: Pensions paid by the State of Sweden or out of funds created by that State or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or political subdivision or local authority thereof in the discharge of an administrative function, shall be taxable in **both** States.

Pensions paid by the State of Sweden and pensions paid by Social Security Organizations or other similar Organizations, such as:

- Forsakringskassan (The National Social Insurance Office) supervised by Riksforsakringsverket (The National Social Insurance Board),
- Statens Pensionsverk-SPV (The National Government Employee Board) and
- KPA,

shall be taxable in **both** States.

Paragraph 2: The provisions of article XVI shall apply to pensions in respect of services rendered in connection with trade or business carried on by that State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Sweden

Article XVI

According to the provisions of paragraph 1, article XIV, pensions or other similar payments made to a resident of Sweden in consideration of past dependent employment shall be taxable **only** in Sweden.

Article XIV

Paragraph 1: Pensions paid by the State of Greece or out of funds created by that State or a political subdivision or a local authority thereof to any individual in respect of services rendered to that State or political subdivision or local authority thereof in the discharge of an administrative function, shall be taxable in **both** States.

Pensions paid by the State of Greece and pensions paid by Social Security Organizations or other similar Organizations (e.g. Social Security Institution, Trades and Crafts Fund of Greece, Agricultural Insurance Organization, Public Works Engineers and Contractors Pension Fund) shall be taxable in **both** States.

Paragraph 2: The provisions of article XVI shall apply to pensions in respect of services rendered in connection with trade or business carried on by that State or political subdivision or local authority thereof.

TURKEY

Law 3228/2004

Official Gazette 32/A/2004

1) Tax treatment of pensions derived from sources in Turkey and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece. This provision shall apply to life annuities paid to such resident.

Paragraph 2: The term 'life annuities' means a stated amount payable periodically at stated times, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Turkey or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof shall be taxable **only** in Turkey.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Turkey

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Turkey in consideration of past dependent employment shall be taxable **only** in Turkey. This provision shall apply to life annuities paid to such resident.

Paragraph 2: The term 'life annuities' means a stated amount payable periodically at stated times, under an obligation to make the payments in return for adequate and full consideration in money or money's worth.

Article 19

Paragraph 2(a): Pensions paid by the State of Greece or a political subdivision or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to that State or political subdivision or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, the pensions mentioned in paragraph 2(a) shall be taxable **only** in Turkey, if the natural person is a resident and national of Turkey.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or political subdivision or local authority thereof.

CZECH REPUBLIC

Law 1838/1989

Official Gazette 86/A/1989

See 'HUNGARY'

FINLAND

Law 1191/1981

Official Gazette 206/A/1981

1) Tax treatment of pensions derived from sources in Finland and paid to a resident of Greece

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Greece in consideration of past dependent employment shall be taxable **only** in Greece.

Paragraph 2: Notwithstanding the provisions of paragraph 1 and subject to the provisions of paragraph 2, article 19, pensions and other amounts of money paid pursuant to the Social Security Legislation of Finland shall be taxable **only** in Finland.

Article 19

Paragraph 2(a): Any pension paid by the State of Finland or a Legal Person of Public Law or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to the State of Finland or Legal Person of Public Law or local authority thereof shall be taxable **only** in Finland.

Paragraph 2(b): However, such pension shall be taxable **only** in Greece, if the natural person is a resident and national of Greece.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or Legal Person of Public Law or local authority thereof.

2) Tax treatment of pensions derived from sources in Greece and paid to a resident of Finland

Article 18

Paragraph 1: Subject to the provisions of paragraph 2, article 19, pensions and other similar remuneration paid to a resident of Finland in consideration of past dependent employment shall be taxable **only** in Finland.

Paragraph 2: Notwithstanding the provisions of paragraph 1 and subject to the provisions of paragraph 2, article 19, pensions and other amounts of money paid pursuant to the Social Security Legislation of Greece shall be taxable **only** in Greece (e.g. Social Security Institution, Trades and Crafts Fund of Greece, Agricultural Insurance Organization, Public Works Engineers and Contractors Pension Fund).

Article 19

Paragraph 2(a): Any pension paid by the State of Greece or a Legal Person of Public Law or a local authority thereof or out of funds created by them, to a natural person in respect of services rendered to the State of Greece or Legal Person of Public Law or local authority thereof shall be taxable **only** in Greece.

Paragraph 2(b): However, such pension shall be taxable **only** in Finland, if the natural person is a resident and national of Finland.

Paragraph 3: The provisions of article 18 shall apply to pensions in respect of services rendered in connection with business activities carried on by the said State or Legal Person of Public Law or local authority thereof.

III. GUIDELINES FOR ISSUES OF CAPITAL TAX

1. TAX ON INHERITANCE, GIFTS AND PARENTAL GRANTS

Every asset transferred by inheritance, gift or parental grant shall be subject to tax calculated on the basis of its value at the time of death or gift or parental grant, whether a pertinent document has been drawn up or not. The heir, the donee or the grantee respectively shall be liable to pay tax and the time of taxation shall be, as a rule, the time of death or drawing up of the pertinent deed. When, however, there is a gift or parental grant of movables, for which no document has been drawn up, the time of taxation shall be the time of delivery of the movables.

The **limit of parental grant**, up to which half of the gift tax is imposed, shall be 100,000 euro from each parent or 130,000 euro, when one of the parents is not alive.

The heirs or the contracting parties and, in case of informal gift, the donee shall be **liable to file a return**. The **head of the Local Tax Office** of the residence of the inherited person or donor or parent **shall be competent** for that. If the inherited person resided abroad, the head of the Local Tax Office for Residents Abroad shall be competent. However, if the inherited person resided abroad but deceased in Greece, the head of the Local Tax Office of the place of death shall be competent. The residence of the inherited person results from his/her Tax Registration Number.

The return shall be **submitted** within six (6) months from the time of death or probation of the will or prior to the drawing up of the gift or parental grant deed and, in case of informal gifts, within six (6) months from the delivery of the object of the gift to the donee. If the inherited person or his/her heirs resided abroad at the time of death, the time-limit shall be one (1) year. The said six-month or one-year period may be extended by three (3) months at the maximum by decision of the head of the competent Local Tax Office, if there are serious reasons.

In case of **overdue filing** of the tax return, an additional tax at a rate of 1% shall be imposed for each month of delay of return filing.

On the basis of kinship with the inherited person or the donor-parent, the heirs-donees shall be classified in three (3) categories and for each of them a specific tax-free amount and a particular scale with progressive, according to brackets, tax rates shall apply, as follows:

CATEGORY A

In respect of inheritance share or legacy devolved upon: (a) the spouse of the inherited person, (b) descendants of first degree (children from a lawful marriage, children born out of wedlock, children recognized by the father voluntarily or by court order, children legitimized by both parents by a later marriage or court order), (c) blood descendants of second degree, (d) blood ascendants of first degree.

Bracket (euro)	Bracket Rate (%)	Bracket tax (euro)	Taxable property (euro)	Corresponding tax (euro)
80,000	-	-	80,000	-
20,000	5	1,000	100,000	1,000
120,000	10	12,000	220,000	13,000
Excess	20			

CATEGORY B

In respect of inheritance share or legacy devolved upon: (a) descendants of third+ degree, (b) ascendants of second+ degree, (c) children, recognized voluntarily or by court order, against the ascendants of the father who recognized them, (d) descendants of the recognized child in relation to the recognizing father and his ascendants, (e) (full or half) brothers and sisters, (f) collateral blood relatives of third degree, (g) step fathers and step mothers, (h) children from a previous marriage of the spouse, (i) children by marriage (sons-in-law – daughters-in-law), and (j) ascendants by marriage (fathers-in-law – mothers-in-law).

Bracket (euro)	Bracket Rate (%)	Bracket tax (euro)	Taxable property (euro)	Corresponding tax (euro)
15,000	-	-	15,000	-
45,000	10	4,500	60,000	4,500
160,000	20	32,000	220,000	36,500
Excess	30			

CATEGORY C

In respect of inheritance share or legacy devolved upon any other relative by blood or by marriage of the inherited person or upon a non-relative.

Bracket (euro)	Bracket Rate (%)	Bracket tax (euro)	Taxable property (euro)	Corresponding tax (euro)
5,000	-	-	5,000	-
55,000	20	11,000	60,000	11,000
160,000	30	48,000	220,000	59,000
Excess	40			

(The above tax scales shall apply as from 1 January 2006).

The tax arising on the basis of the return filed or the act of tax calculation that became final due to failure to lodge an appeal, shall be assessed and paid in twenty-four (24) equal bi-monthly instalments, each of which may not be smaller than 500 euro, except for the last one. If the entire amount assessed is paid in the first bi-monthly instalment, there will be a **deduction** of 5%. There will be the same deduction if the liable person pays the entire amount arising after settlement, within the deadline for the payment of 1/5 thereof. A necessary requirement for the payment of the tax in instalments is that the object of the inheritance or gift be in the ownership of the heir or donee.

The state's right to impose inheritance or gift-parental grant tax shall be **statute-barred** after the lapse of ten (10) years if a tax return has been filed or after the lapse of fifteen (15) years if no tax return has been filed. The ten-year or fifteen-year period shall commence as from the end of the year within which the tax return was filed or within which the deadline for the filing of the return expired, respectively. In case no return was filed, after the lapse of fifteen years and within the next fifteen-year period, no inheritance certificate may be granted if no return is filed and no distributive tax is paid. However, notwithstanding the above, the state's right shall be statute-barred in respect of all cases, for which a tax liability was generated until 31.12.1989.

No deed may be drawn up, whereby the ownership is transferred or real rights in movables or immovables are created, which were acquired by inheritance or gift, unless an inheritance or gift tax **certificate** is produced, which shows that the pertinent tax return has been filed and the distributive tax has been paid, or unless a copy of the return filed is produced along with a solemn statement of the liable person showing that the particulars contained therein have not changed and no corresponding tax is outstanding or the corresponding tax has been paid.

- EXEMPTIONS FROM TAX ON INHERITANCE, GIFTS-PARENTAL GRANTS

Among others, the state, the municipalities-communities, the churches – monasteries, the sacred commune of the Holy Sepulchre, the monastery of Mount Sinai, the Orthodox Church of Albania and the legal persons of public law shall be exempt from tax and at the same time they shall not be obliged to file a tax return. Moreover, the foreign legal persons and aliens shall be exempt, subject to the principle of reciprocity and provided that an exemption is stipulated by an

international convention. Every assignment made by the state or municipality or community or legal person of public law free of charge to any person, as well as any allowance or compensation paid to the widow, children, parents and single sisters of the insured person by an insurance fund or organization due to the death of the insured person, shall be exempt from the corresponding tax.

In addition to the exemptions applying in general to the inheritances, gifts – parental grants, the law stipulates further exemptions for certain categories of taxpayers. For example:

- AGRICULTURAL EXEMPTIONS

When a rural area is transferred by inheritance or gift-parental grant to children, spouse, parents or siblings whose main profession is farming, it shall be exempt from tax.

Regardless of the above exemption and in addition to it, the tax-free amounts of the A and B Category shall be tripled for heirs or donees who are descendants or ascendants or the spouse of the inherited person or the donor, when the inheritance share consists, by at least half of its value, of farming-stockbreeding assets and the main profession of the inherited person-donor and of the heir-donee is farming-stockbreeding.

- FIRST RESIDENCE EXEMPTIONS FROM TAX ON INHERITANCE

When the full ownership of the following is inherited:

(a) a residence, there shall be an exemption of up to 75,000 euro for every single heir or legatee and of up to 115,000 euro for every married and divorced person or widower or single parent who has the custody of his/her children. Such amount shall be increased by 23,000 euro for each one of the first two children thereof and by 35,000 euro for the third child and each following child thereof, provided that upon the beneficiary heir or legatee the full ownership of only one house or flat devolves and not a percentage thereof ab indiviso,

(b) a lot, there shall be an exemption of up to 35,000 euro for every single heir or legatee and of up to 64,000 euro for every married and divorced person or widower or single parent who has the custody of his/her children. Such amount shall be increased by 10,000 euro for each one of the first two children thereof and by 12,000 euro for the third child and each following child thereof, provided that upon the beneficiary heir or legatee the full ownership of only one lot devolves and not a percentage thereof ab indiviso.

- FIRST RESIDENCE EXEMPTIONS FROM TAX ON PARENTAL GRANTS

When the full ownership of the following is transferred by a parental grant:

(a) entire residence, an amount up to 75,000 euro for every single beneficiary shall not be subject to tax. The exempt amount shall be 115,000 euro in case of a married and divorced person or widower or single parent who has the custody of his/her children and it shall be increased by 23,000 euro for each one of the first two children thereof and by 35,000 euro for the third child and each following child thereof,

(b) entire lot, an amount up to 35,000 euro for every single beneficiary shall not be subject to tax. The exempt amount shall be 64,000 euro in case of a married and divorced person or widower or single parent who has the custody of his/her children and it shall be increased by 10,000 euro for each one of the first two

children thereof and by 12,000 euro for the third child and each following child thereof.

- OTHER EXEMPTIONS

If the heir or donor has a disability of over 67%, the tax corresponding to the value of the transferred property up to 138,000 euro shall be reduced by 60%.

If the beneficiary of the inheritance is a minor child of the inherited person or the surviving spouse, a total value of 300,000 euro shall be exempt from tax.

2. REAL ESTATE TRANSFER TAXATION

A. REAL ESTATE TRANSFER TAX

- GENERAL ISSUES

A tax on the value is imposed for every transfer of real estate for onerous reasons (consideration) or of a real right in an immovable, as well as for every transfer of a ship under Greek flag.

- TAX RATES

In case of transfer of real estate for onerous reasons, the tax shall be calculated on the market or objective value of the real estate or on the price, if this is higher than the objective value. The tax rate shall be 7% for the part of the value up to 15,000 euro and 9% for the part of the value in excess of 15,000 euro. If the immovable transferred is located in an area where there is a fire brigade station or where a fire brigade station has been set up, the said rates shall be increased by two (2) points respectively, that is, to 9% or 11%. A tax of 3% in favour of municipalities and communities shall be imposed on this amount of main tax. The tax on the distribution of immovables shall be reduced to $\frac{1}{4}$ of the applicable tax, as the case may be, while it shall be reduced to $\frac{1}{2}$ thereof in case of exchange of immovables of an equal value.

- FILING OF THE RETURN

In areas where the objective system applies, when filing a Real Estate Transfer Tax return, the taxpayer shall have to enter therein the objective value of the transferred immovable, on the basis of which he/she shall pay the corresponding tax in a lump sum. Where the price shown in the return is higher than the objective value, the tax shall be calculated on the price.

- ADDITIONAL TAXES

The persons liable to pay tax who have not filed a return or have filed an inaccurate or overdue return shall suffer the sanctions provided for in Law 2523/1997. In particular, paragraph 1, article 1, Law 2523/1997 stipulates that:

(a) when no return has been filed, an additional tax shall be imposed at a rate of 2.5% of the tax, the payment of which the liable person would avoid by not filing a return, for each month of delay;

(b) when an inaccurate return has been filed, an additional tax shall be imposed on the liable person at a rate of 2% of the tax, the payment of which the liable person would avoid, for each month of delay;

(c) when an overdue return has been filed, an additional tax shall be imposed at a rate of 1% of the tax due on the basis of the return, for each month of delay.

- STATUTE OF LIMITATIONS ON TAX IMPOSITION

The state's right to impose Real Estate Transfer Tax shall be statute-barred after the lapse of five years from the end of the year, within which the Real Estate

Transfer Tax return was delivered. Furthermore, the state's right to assess the main and additional tax shall be statute-barred after the lapse of fifteen years from the end of the year, within which the exemption was granted, even if the case was closed pursuant to article 8, paragraphs 2 and 3, Emergency Law 1521/1950.

- EXEMPTIONS FROM REAL ESTATE TRANSFER TAX

1. Exemption from Transfer Tax for the purchase of First Residence (Law 1078/1980)

In case of purchase of the full ownership of a house, flat or lot, there shall be an exemption from Real Estate Transfer Tax, provided that the other requirements of the law have been met.

The exemption shall be granted:

(a) for the purchase of a house by a single person up to the amount of 75,000 euro.

(b) for the purchase of a house by a married and divorced person or widower or single parent who has the custody of his/her children up to the amount of 115,000 euro. This amount shall be increased by 23,000 euro for each one of the first two children thereof and by 33,000 euro for the third child and each following child thereof.

(c) for the purchase of a lot by a single person up to the amount of 35,000 euro, while by a married and divorced person or widower or single parent who has the custody of his/her children up to the amount of 64,000 euro. This amount shall be increased by 10,000 euro for each one of the first two children thereof and by 12,000 euro for the third child and each following child thereof.

The exemption shall be granted only to natural persons (married or single) and, more specifically, only to Greek nationals residing in Greece, to Greek expatriates from Turkey, North Epirus and Cyprus and Pontus (Russia), provided that they have not acquired the citizenship of a third State, and to nationals of Member-States of the European Union residing permanently and working in our country. Therefore, the exemption shall not be granted to Greek students for the period during which they reside abroad for studies and to Greeks working abroad, either in their own business or under a dependent work relation.

Exceptionally, the salaried Greek civil servants working abroad are considered to reside in Greece, therefore, they shall be entitled to the exemption. Moreover, the provisions of Law 2892/2001 stipulate that the first residence exemption (Law 1078/1980) from the Real Estate Transfer Tax shall be extended to include Greek expatriates or Greeks who have worked abroad for at least six (6) years, provided that they are registered at the time of purchase in the relevant municipal rolls of Greece, even if they do not reside permanently in our Country.

2. Exemption when the main occupation of the purchaser is farming

The exemption provided for in Laws 634/1977 and 2520/1997 in respect of purchase of rural land shall also be granted to Greek expatriates.

Law 3220/2005 abolished the restrictions as to the tax-free amounts and grants a full exemption regardless of the value or size of the immovable.

3. Purchase of an immovable through the importation of foreign exchange

Paragraph 3, Law 2873/2000, which is in force since 28.12.2000, abolished the exemption that applied to half of the transfer tax in case of purchase of an immovable through the importation of foreign exchange by Greek expatriates, Greek seamen and Greeks working abroad, due to the decision of the European Court, which ruled that the existing legislation constitutes a discriminative tax treatment against the European nationals who are not Greek.

B. TAX ON UNEARNED INCREMENT – DUTY ON REAL ESTATE TRANSACTIONS

Law 3427/2006 (Official Gazette 312 A') stipulates the imposition of an Unearned Increment Tax on the transfer of immovables acquired in any manner (purchase, inheritance, parental grant, etc.) as from 1.1.2006 and transferred further by sale.

The seller of the immovable shall be liable to pay the Unearned Increment Tax.

As regards deeds for the transfer of immovables subject to Unearned Increment Tax, the purchaser shall pay a duty on transaction at a rate of 1% of the value of the immovable (objective value or as declared in the deed, if the declared value is higher than the objective value).

The taxable value for the calculation of the Unearned Increment Tax shall be the difference between the acquisition price and the sale price of the immovable, according to the objective system of determining the value of immovables or on the basis of the comparative data of the Local Tax Office where the objective system of determining the value does not apply, without taking into consideration any higher price mentioned either in the acquisition deed or the sale deed.

The rate of Unearned Increment Tax shall be:

- (a)** 20%, if the transfer is made within five (5) years from the acquisition of the immovable,
- (b)** 10%, if the transfer is made within a period between five (5) and fifteen (15) years from the acquisition of the immovable,
- (c)** 5%, if the transfer is made within a period between fifteen (15) and twenty-five (25) years from the acquisition of the immovable.

If the transfer is made after the lapse of twenty-five (25) years from the acquisition of the immovable or of the real right therein, no Unearned Increment Tax shall be imposed.

In cases where Unearned Increment Tax and duty on transaction is imposed, no Real Estate Transfer Tax shall be imposed.

The beneficiaries of first residence purchase (Law 1078/1980) and farmers shall be exempt from the duty on transaction on the same conditions applying to the exemption from Real Estate Transfer Tax.

3. TAX ON LARGE REAL ESTATE

- GENERAL ISSUES

A tax shall be imposed on real property located in Greece on the first of January of every year, regardless of the residence of the natural person or the registered office of the legal person. A tax shall be imposed on the total value of the property that belongs to a natural or legal person and consists of immovables located in Greece or real rights therein, except for the mortgage.

- SUBJECT TO TAX

Every natural or legal person is subject to tax, regardless of the nationality, residence or registered office thereof.

- PERSONS LIABLE TO PAY TAX

Every natural person whose real property's value exceeds 243,600 euro in case of a single person, or 487,200 euro in case of a married person increased by

61,650 euro for each of the first two children and by 73,400 euro for each following child.

The legal persons of which the value of real property exceeds 243,600 euro;

In particular, non-profit legal persons pursuing proven socially beneficial, religious, humanitarian and educational aims, as well as domestic public welfare institutions of which the value of real property exceeds 607,490 euro.

The above amounts apply as from 1.1.2002.

- EXEMPTIONS FROM TAX

Article 23 of the law stipulates expressly and restrictively the exemptions granted to natural and legal persons.

Indicatively, we mention some cases exempt from tax:

- Forest lands.
- Immovables taxed as hereditary for two (2) years, provided that payment on the basis of a tax return is stipulated by law to be effected in monthly instalments. Such period of two years shall commence in the year that follows the year when the tax liability was generated. It should be pointed out that in cases of hereditary immovables, in respect of which a tax liability was generated prior to 1 December 1998 (effective date of Law 2648/1998), the quarterly instalments shall be taken into consideration.
- Fifty per cent (50%) of the value of the immovables located in an unbuilt archaeological zone which have been tied up by the archaeological service of the Ministry of Culture.
- Buildings declared expropriatable and buildings for which a demolition permit or protocol has been issued.
- Moreover, fifty per cent (50%) of the value of sports fields under compulsory expropriation.
- Immovables assigned per use, free of charge, to the Greek State.

- PERSONS LIABLE TO FILE A RETURN

Natural persons whose real property's value exceeds 243,600 euro in case of a single person, or 487,200 euro in case of a married person.

The above amounts apply as from 1.1.2002.

The real property of minor single children is added in equal parts to the real property of the father and mother, provided that they jointly exercise parental care.

Exceptionally, the real property of minor single children that devolved upon them by inheritance, legacy or gift, due to death, is not calculated in parents' property.

All legal persons, as long as they possess real property, regardless of whether it exceeds the tax-free limit and whether they are liable to file an income tax return.

Every natural or legal person called upon by the head of the competent Local Tax Office.

- DEDUCTIONS

From the total value of the real property deductible shall be the debts existing on 1 January of the tax year, for which a mortgage or mortgage prenotation has been registered on the immovables, provided that the debts derive from loans granted by the Postal Savings Bank, the Deposit and Loans Fund or Banks and they were proved to be used for the erection, extension or repair in general of buildings that belong to the liable person.

- CALCULATION OF TAX

For the calculation of tax, the market value or the objective value of the immovables is taken into consideration as well as the real rights therein on 1 January

of the year they are taxed. The value is determined in accordance with the provisions of paragraph 2, article 3, Emergency Law 1521/1950 and articles 41 and 41A, Law 1249/1982, as currently in force.

In respect of natural persons, the taxation after the subtraction of the tax-free amounts shall be as follows:

Bracket	Tax Rates (%)	Amount of tax	Total property	Total tax
146,750.00	0.3	440.25	146,750.00	440.25
146,750.00	0.4	587.00	293,500.00	1,027.25
146,750.00	0.5	733.75	440,250.00	1,761.00
293,500.00	0.6	1,761.00	733,750.00	3,522.00
293,500.00	0.7	2,054.50	1,027,250.00	5,576.50
Excess	0.8			

For legal persons at a fixed rate of 0.7%.

For non-profit legal persons pursuing proven socially beneficial, religious, humanitarian and educational aims, as well as domestic public welfare institutions, at a fixed rate of 0.35%.

Especially in the year 2006, for the calculation of the value of real property, the value of the immovables on 1 January 2005 was taken into consideration and the tax was determined on the basis of increased rates by 18%.

- FILING OF RETURN AND PAYMENT OF TAX

The return shall be filed in one copy to the head of the Local Tax Office, who is competent for income tax, within the following deadlines:

(a) In respect of legal persons, up to 3 March of the relevant fiscal year. The return shall be filed according to the last digit of the taxpayer's Tax Registration Number (A.Φ.M.), starting with digit 1 and the procedure shall be completed within eleven (11) business days.

(b) In respect of natural persons, up to 2 June of the relevant fiscal year. The return shall be filed according to the last digit of the taxpayer's Tax Registration Number (A.Φ.M.), starting with digit 1 and the procedure shall be completed within eleven(11) business days.

As regards liable persons residing abroad, the following person shall be competent to receive their return:

(a) In case of natural persons residing abroad and having in Greece a personal business company in general or a liberal profession, competent shall be the head of the local tax office of the region, where the registered office of their main enterprise or main profession is situated, as the case may be.

(b) In case of all other natural persons residing abroad, competent shall be:

(bi) the head of the Local Tax Office for Residents Abroad, as long as the representative appointed by them falls, in respect of income tax, within the jurisdiction of any local tax office in the Prefecture of Attiki or as long as they have not appointed a representative or as long as they have filed no income tax return or other tax returns.

(bii) the head of the local tax office in the capital of any prefecture of the Country, as long as the representative appointed by them falls, in respect of income tax, within the jurisdiction of any local tax office in that prefecture. If there is more

than one local tax office in the capital of a prefecture, then, competent shall be the head of the 1st local tax office in the capital of that prefecture, except for the Prefecture of Thessaloniki, where competent shall be the Head of the 9th local tax office of Thessaloniki.

(biii) in the islands of the Prefectures of Attiki, Dodecanese, Lesvos, Magnissia, Kavala, Corfu, Cephallonia, Cyclades and Samos, except for the islands where the capital of those prefectures is, competent shall be the local tax office of each island for the residents abroad, whose representatives fall, in respect of income tax, within the jurisdiction of that local tax office respectively.

(c) The previous case (b) hereof includes natural persons who reside abroad and participate in unlimited general partnerships and limited partnerships, societies of civil law carrying on an enterprise or profession, civil profit-making or non-profit companies, joint-stock or silent partnerships and joint ventures of paragraph 2, article 2, Books and Records Code (Presidential Decree 186/1992, Official Gazette 84 A´) or in other legal persons, such as Limited Liability Companies, associations, etc. having their registered office in Greece.

Those residing abroad may file their return also with the competent Greek Consulate.

The return shall be filed with the head of the competent local tax office by the liable person or his/her attorney-in-fact or legal representative and shall not be sent by mail. The tax shall be paid in three (3) equal bi-monthly interest-free instalments, the first of which shall be paid at the same time with the filing of the return, while the other instalments shall be paid on the last business day (for public services) of the two-month periods that follow. If the person liable to tax pays the entire amount assessed against him/her in a lump sum, within the time-limit for the payment of the first instalment, then, 2.5% shall be deducted.

As from 2005:

If an overdue return is filed, an additional tax shall be imposed, which shall be equal to 1% up to 100% of the tax due on the basis of the return, for each month of delay from the day that follows the day of deadline for the filing of the return.

In case of an inaccurate return, the additional tax shall be 2% to 200% of the tax, the payment of which the liable person would avoid, for each month of delay from the deadline for the filing of the return.

In case of failure to file a return, the additional tax shall be 2.5% to 200% of the tax, the payment of which the liable person would avoid, for each month of delay.

An independent fine of 117 euro to 1,170 euro shall be imposed on the persons liable to file a return, in the event that there is no tax to be paid.

IV. GUIDELINES FOR ISSUES OF VALUE ADDED TAX

1. The Value Added Tax has been codified by Law 2859/7-11-2000 (Official Gazette 248 A´).

2. The V.A.T. is a community tax, for which the provisions have been incorporated almost intact in the internal law of every member-state.

3. Its object consists in activities carried out within a country. Such activities are:

- the delivery of goods,
- the rendering of services,
- the importation of goods,

- the intra-community acquisition of goods.

4. Any person (natural, legal, etc.) carrying out activities in Greece, which are subject to V.A.T., must submit an activities commencement statement to the Local Tax Office.

5. The rates applicable as from 1 April 2005 are as follows:

Regular 19%, low 9% and very reduced 4.5%. These are reduced by 30% (that is, they become 13%, 6% and 3% respectively) for islands in the prefectures of Dodecanese, Samos, Chios, Lesbos, Cyclades, and North Sporades, Skyros, Thassos and Samothraki.

6. The travellers who are residents of third countries, when purchasing goods in Greece for private use and carrying them in their luggage, provided that their total value is higher than 120 euro, may either be exempt directly from V.A.T. or be reimbursed for the V.A.T. they have paid, on condition that they show the goods at the last Customs Office at the point of exit from the territory of the European Union and they get a certification of the original retail sale receipt thereof by that Customs Office.

The residents of another member-state of the European Community shall not have this right.

7. Since 1 January 2006, a new tax regime applies to the delivery of newly built immovables, according to which a V.A.T. of 19% shall be imposed on the delivery of immovables for which:

- the construction permit was issued as from 1 January 2006,

- the construction permit was revised for any reason as from 1 January 2006, provided that the construction works have not started until the revision date.

The delivery of immovables, for which the construction permit was issued or revised until 31 December 2005, shall not be subject to V.A.T., regardless of the commencement time of the construction works or signing of the contractor's preliminary contract in case of quid pro quo ('antiparohi').

The delivery of immovables that are subject to V.A.T. shall not be subject to real estate transfer tax.

The delivery of immovables due to inheritance, gift or parental grant shall not be subject to V.A.T., however, the appropriate tax shall continue to be imposed.

The delivery of immovables shall be exempt from V.A.T. in the event that the purchaser is entitled to an exemption from real estate transfer tax when purchasing a first residence.

V.A.T. shall be imposed on the delivery of buildings given as quid pro quo by the constructor to the owner of the lot.

The value on which V.A.T. is calculated shall be the value of the buildings delivered to the owner of the lot, without taking into consideration the value of the ideal share of the lot.

8. Services related to health, education, culture or social welfare shall be exempt from V.A.T.

9. Any V.A.T. paid to the State without being due shall be refunded.

10. As regards their household effects transportation services, the individuals moving:

- from Greece to a third country and vice versa shall not pay V.A.T. in Greece.

- from Greece to another member-state shall pay V.A.T. in Greece.

- from another member-state to Greece shall pay V.A.T. in the other member-state.

11. The delivery of goods and the rendering of services shall be exempt from V.A.T. when they take place:

- in Greece for persons serving in another member-state.
- in another member-state for persons serving in Greece, as long as this is done either in the context of diplomatic and consular relations or for the needs of international organizations or within the framework of NATO.

V. GUIDELINES FOR ISSUES OF BOOKS AND RECORDS CODE

Every domestic or foreign, natural or legal person or society of civil code carrying on an activity in the Greek territory and aiming at gaining income from a commercial or industrial or handicraft or agricultural enterprise or from a liberal profession or any other enterprise, as well as the civil profit-making or non-profit company shall be characterized as a professional and shall have the rights and duties stipulated in the Books and Records Code (Books and Records Code, Presidential Decree 186/1992 Official Gazette 84 A').

In pursuance of the provisions of this statute, professionals shall, among other things, be obliged to:

(a) keep the basic tax books, where they shall enter within the provided deadlines the transactions stipulated by the pertinent provisions of this statute. The basic tax books shall be distinguished among three categories: (a) first category books (book of purchases), (b) second category books (book of receipts and expenses) and (c) third category books (accounting books according to the double entry method).

The classification of professionals in a book keeping category is made as from the commencement of their activities and depends either on their legal form or on the object of their activities or on the amount of their annual gross income of the previous accounting period, e.g. the domestic societies anonymes, as well as the domestic limited liability companies, on the basis of their legal form are classified exclusively in the third category of books, the newsagents on the basis of the object of their activities are classified exclusively in the second category of books, the operators of kiosks on the basis of the object of their activities are classified exclusively in the first category of books. On the contrary, the professionals who are not, at the commencement of their activities, classified exclusively in a category of books on the basis of their legal form or object of their activities, shall be classified, as a rule, at the commencement of their activities in the second category of books and in every following accounting period they shall be classified in the category of books that corresponds to their annual gross income in the previous accounting period, that is, in the second category of books if their annual gross income in the previous accounting period is up to 1,000,000 euro and in the third category of books if their annual gross income in the previous accounting period is over 1,000,000 euro. It should be noted that there are cases of professionals who are exempt from the obligation to keep books either by meeting requirements or not. For example, the state lotteries and games agents (PRO-PO, LOTTO and relevant games) are exempt from the obligation to keep books without any requirement, while the professionals rendering services, apart from the provided exceptions, shall be exempt from the obligation to keep books, if their annual gross income in the previous accounting period is up to 4,000 euro.

(b) keep additional tax books, if they carry on a specific activity, wherein they shall enter within the provided deadlines the data stipulated by the pertinent provisions of the aforesaid statute. For example, the operator of a hotel shall keep a clients book,

the operator of a school shall keep a students register, the operator of automotive works machinery shall keep a works book for each machine, etc.

(c) issue tax records of movement and value pursuant to the provisions of articles 11, 12, 13, 14, 15 and 16 of the Books and Records Code. More specifically, they shall issue a consignment note for every movement of goods to any consignee. Moreover, they shall have to issue a goods sale invoice or services rendering invoice in respect of the sales of goods and rendering of services to other professionals, and retail sale receipts or services rendering receipts through a tax cash register or a special electronic stamping device for records (EAFDSS) in transactions with individuals. In the event that a professional carries on one of the professions mentioned in article 48, Law 2238/1994 (liberal professions) or keeps an additional book pursuant to the aforesaid in paragraph (b), he/she shall always issue a services rendering receipt regardless of the capacity of the other party.

It must be pointed out that, as a rule, the tax records shall be authenticated (punched) in case they are issued manually, unless they are issued electronically by a computer, when as a rule they shall be stamped through a special electronic stamping device for records, as stipulated in particular by the provisions of the Books and Records Code, Law 1809/1988 and the relevant Ministerial Decisions enacting exemptions from authentication and/or stamping of tax records.

(d) submit every year, through Internet, consolidated lists of clients and suppliers pursuant to case (a), paragraph 1, article 20, Books and Records Code.

(e) maintain the books, records and other supporting documents for the entries, for the time period stipulated by the provisions of article 21, Books and Records Code.

VI. GUIDELINES FOR THE GRANTING OF TAX REGISTRATION NUMBER(A.F.M.) COMMENCEMENT – CHANGE – STOPPAGE OF BUSINESS

GRANTING OF TAX REGISTRATION NUMBER (A.F.M.)

1. SUPPORTING DOCUMENTS REQUIRED AS THE CASE MAY BE: NATURAL PERSONS

- Passport or
- Identity Card (for residents of the European Union)

In case a third person appears, the relevant authorization and a certified photocopy of the Identity Card shall be required.

2. COMPETENT LOCAL TAX OFFICE (D.O.Y.) FOR THE GRANTING OF TAX REGISTRATION NUMBER

The Local Tax Office for Residents Abroad shall be competent to grant tax registration numbers to residents abroad, whose representatives fall, in respect of income tax, within the jurisdiction of any local tax office in the Prefecture of Attiki.

The Local Tax Office in the capital of the prefectures in the other areas of the country shall be competent to grant tax registration numbers to residents abroad, whose representatives fall, in respect of income tax, within the jurisdiction of any local tax office in that prefecture.

If there is more than one local tax office in the capital of a prefecture, the 1st Local Tax Office in the capital of that Prefecture shall be competent, except for the

Prefecture of Thessaloniki, where the 9th Local Tax Office of Thessaloniki shall be competent.

In the islands of the Prefectures of Attiki, Dodecanese, Lesvos, Magnissia, Kavala, Corfu, Cephallonia, Cyclades and Samos, except for the islands where the capital of those prefectures is, for such issues competent shall be the local tax office of that island in respect of the residents abroad, whose representatives fall within its jurisdiction respectively, for income tax purposes (Decision by the Minister of Finance 1005748/1441/A0006/19-1-2001).

COMMENCEMENT – CHANGE – STOPPAGE OF BUSINESS

Every natural or legal person or union of persons that intends to carry on a profession shall submit to the competent local tax office, for the commencement of their activities, the following supporting documents as the case may be:

1. NATURAL PERSONS

(a) A document showing their domicile (e.g. property title, lease contract, lease agreement).

(b) Certification of registration or exemption issued by the appropriate insurance organisation.

(c) Certification of registration in a Chamber, where required by the relevant provisions.

The foreign natural persons who are nationals of states that are not members of the European Union shall also submit the following, in addition to the supporting documents mentioned in (a), (b) and (c):

- Residence permit for work.

2. LEGAL PERSONS

In addition to the supporting documents of case (a) they shall submit:

- Published articles of association

- Official Gazette where the establishment of the company was published

- Approving decision by the Prefecture and announcement thereof (in case of a societate anonyme).

The following are required for the participation of foreign natural persons in domestic legal persons:

- Residence permit for work in Greece for nationals of states that are not members of the European Union, provided that the foreign natural persons are general partners in unlimited general partnerships and limited partnerships, appointed as administrators of limited liability companies or as legal representatives.

The legal persons, at the time of actual stoppage of their business, shall submit:

- The dissolution articles of association;

- A solemn statement as per article 8, Law 1599/1986, whereby they shall state that there are no stocks of the enterprise, whether fixed or marketable.

The foreign enterprises that intend to carry on a profession in Greece shall submit the following, as the case may be:

A. FOREIGN CORPORATIONS SETTING UP BRANCHES IN GREECE

- Lease contract for the registered office of the Branch.

- Articles of association officially translated, in case of personal companies.

- The Official Gazette, wherein the branch establishment permit of the foreign enterprise has been published, in case of a societate anonyme or a limited liability

company. If at the time of filing of the return, the Official Gazette has not been printed, then the decision by the Prefecture, a receipt of dues collection for the Personnel Insurance Fund of the National Printing Office (T.A.P.E.T.) and a solemn statement as per article 8, Law 1599/1986 by the representative shall be submitted, in which he/she shall state that the Official Gazette will be produced as soon as it is issued.

- A certified copy of the power of attorney for the appointment of a legal representative or agent, officially translated.
- A certificate issued by the competent authority of the country where the registered office of the legal person is, showing the existence of the company.

B. FOREIGN CORPORATIONS ESTABLISHING AN OFFICE OF BUSINESS COMPANY IN GREECE PURSUANT TO THE PROVISIONS OF EMERGENCY LAW 89/1967 AND EMERGENCY LAW 378/1968

- Lease contract for the registered office of that Office.
- Articles of association officially translated, in case of personal companies.
- The Official Gazette, wherein the office establishment permit of the foreign company has been published. If at the time of filing of the return, the Official Gazette has not been printed, then the decision by the Minister of Economy and Finance on the approval of the office establishment in Greece, as well as a certification that the company is subject to the provisions of Emergency Law 89/1967 (Official Gazette 132/A') as currently in force, a receipt of dues collection for the Personnel Insurance Fund of the National Printing Office and a solemn statement as per article 8, Law 1599/1986 by the legal representative or agent shall be submitted, in which he/she shall state that the Official Gazette will be produced as soon as it is issued.
- A certification by the Ministry of Economy and Finance or certified copy of the power of attorney officially translated, which shall show its legal representative or agent in Greece.
- A certificate issued by the competent authority of the country where the registered office of the legal person is, showing the existence of the company.

C. FOREIGN LEGAL PERSONS PARTICIPATING IN DOMESTIC LEGAL PERSONS

- Articles of association officially translated.
- A certified copy of the power of attorney for the appointment of their legal representative or agent in Greece.
- A certificate issued by the competent authority of the country where the registered office of the legal person is, showing the existence of the company.

D. FOREIGN LEGAL PERSONS HAVING A CONTRACT OF WORK IN GREECE

- Contract of work.
- Articles of association officially translated.
- A certified copy of the power of attorney for the appointment of their legal representative or agent in Greece.
- A certificate issued by the competent authority of the country where the registered office of the legal person is, showing the existence of the company.

E. FOREIGN LEGAL PERSONS OWNING REAL ESTATE IN GREECE

- Contract of real estate purchase or solemn statement as per article 8, Law 1599/1986 stating that the contract will be produced as soon as it is executed.
- Articles of association officially translated.
- A certified copy of the power of attorney for the appointment of their legal representative or agent in Greece.

- A certificate issued by the competent authority of the country where the registered office of the legal person is, showing the existence of the company.

VII. GUIDELINES FOR ISSUES RELATED TO THE ISSUANCE OF TAX CLEARANCE CERTIFICATE, SETTLEMENT OF PAYMENT ORDERS AND DEBTS TO THE STATE

TAX CLEARANCE CERTIFICATE

A. The basic Decisions by the Minister of Economy and Finance stipulating the cases and requirements for the granting of the said certificate are: (a) 1109793/6134-11/0016/24.11.1999 POL 1223 Official Gazette 2134 B', (b) 1012015/685-11/0016/03.02.2000 POL 1036, (c) 1102258/7766-11/0016/22.12.2004 POL 1147, (d) 1092634/6908-11/10.11.2004 Official Gazette 1755 B'.

More specifically, the tax clearance certificate is required to be produced by:

- the beneficiary of money collection from the State and other entities mentioned in paragraph 1, article 1, Decision by the Minister of Economy and Finance 1109793/6134-11/0016/24.11.1999 POL 1223 Official Gazette 2134/1999 B', when the amount exceeds 1,500 euro.
- the borrower for the conclusion of loan contracts granted with the guarantee of the Greek State, except for the loans that concern the restoration of damages due to emergencies
- the person who transfers immovables through sale, gift or parental grant
- the person who grants real right in an immovable
- for the participation in lowest bidding tenders for State projects, when this is provided by the pertinent stipulations
- it is not required to be produced by Greek expatriates who repatriate to Greece, in respect of the collection of any kind of care and housing benefits thereof
- it is not required to be produced by foreign enterprises, natural or legal persons, that do not have a permanent establishment in Greece, in accordance with the provisions on income tax
- it is not required to be produced by permanent residents abroad, whether foreigners or Greek expatriates, who were born abroad and maintain their Greek nationality, provided that they do not earn income in Greece.

B. On the simplification of the procedures for the granting of the said certificate and servicing of citizens, the following Ministerial Decisions have been issued:

1. No. 1051976/3187-11/0016/05.06.2000 (POL 1186) 'Tax clearance status shown in the settlement note of income tax of natural persons'.
2. No. 1039904/2430/0016/25.04.2000 (POL 1144) 'Dispatch of fax confirming the tax clearance status of persons having transactions with certified entities, services and persons'.
3. The Decision by the Minister of Economy and Finance 1064332/POL 1191/26.07.2001 stipulated that the citizens service centres can grant tax clearance certificates by fax through the Computer Centre of the Ministry of Finance (KE.P.Y.O.) to all taxpayers, as it happens with the certified entities (as long as the requirements are met).
4. The provisions of article 18, Law 2753/1999 (Official Gazette 249/1999 B') and the relevant decision by the Minister no. 1109793/6134-11/0016/24.11.1999 (POL 1223)

(Official Gazette 2134/1999 B') stipulate that the said certificate may be issued by any local tax office.

SETTLEMENT OF PAYMENT ORDERS

(According to the Decision by the Minister of Economy and Finance 1113502/6435/0016/7-12-2001 (POL 1283) – Supporting documents for payment)

The settlement of payment orders is made to the persons themselves or to their authorized representatives (up to 5,000 euro) – proxies (over 5,000 euro), in case of natural persons. Moreover, it can be made through a transfer order of the amount to their accounts with a domestic or foreign bank, after the account and the presenting bank in Greece have been stated in the beneficiary's application, in case the account is kept with a bank abroad.

The beneficiaries, natural or legal persons, shall undertake to cover the relevant expenses required for the transfer of the amounts to a foreign country.

If the beneficiary is a legal person (company, etc.), the order shall be paid compulsorily through a transfer order of the amount to his/her account kept with a domestic or foreign bank, after, in the second case, the presenting bank has been stated in his/her application.

In respect of legal persons under dissolution which do not have an account with a bank, required shall be the supporting documents that entitle the person who presents himself/herself to collect, as well as copies of the provisions of the legal framework in force in their country, which prove the above (all of them must be duly translated and certified).

In case the local tax offices cannot draw conclusions or doubt about who is entitled to collect, they shall forward the relevant correspondence to the 16th Directorate of the Ministry of Finance in order to receive instructions.

When the natural persons (beneficiaries) present themselves at the local tax offices, they must show their identity card or passport or the relevant provisional certification by the competent authority, if they are Greek nationals, the passport if they are aliens or other document on the basis of which they are permitted to enter the country or their residence permit for Greece or their identity card if they are residents of countries of the European Union.

HOW CAN YOU PAY YOUR DEBTS TO THE STATE?

A. Any debt

1. By checks, whether bank or personal, for any amount of money.
2. In cash, the professionals and legal persons up to 500 euro and the natural persons who are not professionals up to 1,000 euro.
3. By credit or debit cards up to the limit of your card, at the 180 biggest local tax offices of the country that have the relevant machines and accept most cards which are used in Greece and have been issued by banks having branches in Greece (VISA, Mastercard, etc.).

B. Income Tax of Natural Persons for the current year

1. By the selection of one of the three aforementioned ways, at the local tax offices.
2. By paying cash at many contracting banks, through the production of the pre-issued computerized receipt.
3. By charging an account kept with contracting banks.

C. V.A.T. by the filing of a return electronically

Through the account of the liable person kept with many contracting banks.

VIII. GUIDELINES FOR ISSUES OF CAR CIRCULATION DUES AND STAMP DUTY

STAMP DUTY

1. STAMP DUTY ON REAL ESTATE RENTALS

The rentals obtained by Greeks living abroad from immovables located in Greece shall be subject to stamp duty (3.6%), even if such immovables have been acquired with foreign exchange.

Half such duty, unless otherwise agreed, shall be borne by the owner – Greek living abroad (lessor) and half by the renter (lessee), except for the case where the renter is exempt from stamp duty (State, Municipality, Community, etc.), so the entire duty (3.6%) shall be paid by the owner.

The entire stamp duty shall, in any case, be paid to the State by the owner (lessor) through the annual income tax return.

2. STAMP DUTY ON OTHER CONTRACTS AND DEEDS

Greeks living abroad shall not be exempt from stamp duty (proportional or fixed) in respect of various contracts or other deeds for which stamping is provided for, even if they cover such deeds with foreign exchange.

CAR CIRCULATION DUES

1. ANNUAL CIRCULATION DUES ON PRIVATE PASSENGER CARS PAID THROUGH THE PROVISION OF A SPECIAL STICKER

Private passenger cars of Greeks living abroad which are used in Greece having Greek number plates shall not be exempt from circulation dues.

Such dues shall be paid through the provision of a special sticker by the owners of the cars.

The amount determined every year shall be paid for the provision of the relevant sticker.

The following amounts are currently required:

- For cars with an engine capacity up to 300 cubic centimetres, 15 euro
- For cars with an engine capacity of 301 – 785 cubic centimetres, 38 euro
- For cars with an engine capacity of 786 – 1,357 cubic centimetres, 93 euro
- For cars with an engine capacity of 1,358 – 1,928 cubic centimetres, 168 euro
- For cars with an engine capacity of 1,929 – 2,357 cubic centimetres, 372 euro
- For cars with an engine capacity of 2,358 cubic centimetres and over, 483 euro.

2. DEADLINE FOR THE PROVISION OF THE STICKER – FINES FOR OVERDUE PROVISION

The sticker must be obtained from 1 November to 31 December of the year preceding the one for which it has been issued.

In case of overdue provision of the sticker, a fine shall be imposed in the amount of the circulation dues corresponding to the engine capacity of the vehicle and, in respect of vehicles up to 785 cubic centimetres, in the amount of 30 euro.

In case the car is used without having the sticker, the number plates and registration licence shall be taken away.

3. IMMOBILITY OF CARS

Greeks living abroad who have a car in Greece with Greek number plates must obtain the sticker, even if the vehicle is not going to be used.

In order not to have to obtain the sticker, they must declare, at the local tax office that is competent for their income tax, that the car has been immobilized prior to the beginning of the calendar year, handing over at the same time the registration licence, the number plates and a solemn statement as per Law 1599/1986 that the immobilization site is a privately-owned indoor fenced space and the car will remain immobilized for the whole year. In this case, if the immobilization stops, the sticker shall be granted without fine prior to the use of the car.

4. WHERE AND HOW IS THE STICKER PROVIDED?

The sticker shall be granted by the persons designated each time as competent to grant it (local tax offices or other entities, e.g. banks, Hellenic Post and Postal Savings Bank) to the owner of the vehicle or to other person upon the production of the stipulated supporting documents (registration licence or photocopy thereof, notification letter, etc.)

IX. GUIDELINES FOR TAX EXEMPTIONS ABOUT PERSONS REPATRIATING TO GREECE OR COMING TO GREECE TEMPORARILY

A. REPATRIATES

1. WHO ARE THE BENEFICIARIES?

Beneficiaries shall be the persons who have their usual residence abroad at least during the last two (2) twelve-month periods and transfer it to Greece. A person is considered to have his/her usual residence abroad when he/she ordinarily resides there, that is, for at least one hundred and eighty-five (185) days per twelve months due to personal and professional bonds or, in case of a person without professional bonds, due to personal bonds wherefrom close ties between such person and the place of residence arise. A person staying abroad for studies at a university or other school or sent abroad to render services (to work) for a fixed period shall not be considered to have his/her usual residence in that country.

2. WHAT CAN THEY BRING WITH THEM AND ON WHICH TERMS AND CONDITIONS?

The beneficiaries may receive duty free their household effects and transport means, that is, a private passenger car or an automotive caravan, a trailer (a trailer may not be delivered, if an automotive caravan has already been delivered and vice versa), a motorbike or motorcycle, a pleasure boat and a private aircraft.

The said transport means, in order to be exempt due to the transfer of usual residence, must have been owned and used by the persons concerned at the place of their previous residence for at least six (6) months prior to the issuance of the repatriation certificate.

When the beneficiary repatriates from the continents of America, Africa and from the States of Australia, Iraq, Jordan, Kuwait, Saudi Arabia, Bahrain, Qatar and United Arab Emirates, he/she may bring, instead of the car he/she used at the place

of his/her usual residence, a brand new private passenger car of new anti-pollution technology.

3. EXTENT OF EXEMPTIONS

Household items shall be fully exempted from duties and other taxes. For the passenger cars, automotive caravans and motorcycles, tax relief is provided, as well as relief from duties (vehicles coming from third countries) and VAT. In the cases where importation of a new private passenger car is permitted, the V.A.T. shall be paid in Greece. The extent of tax relief amounts to 80% of the registration tax, on cars up to 2000 c.c. If the passenger car for private use or the automotive caravan that is imported has an engine capacity above 2000 cubic centimeters, tax relief is limited to 50% of the registration tax.

The above exemptions shall be granted once to the family (spouses and single children).

4. PROCEDURE

In order that the person concerned to be granted this tax relief, he must produce to the customs house the transfer of normal residence certificate issued by the competent Greek Consulate in his place of residence, which may be issued no later than twenty-four (24) months after his arrival in Greece or whether the person is retired it should be issued within 36 months from the date of his arrival in Greece.

The transport means and the household items must be brought into Greece for customs clearance no later than twelve (12) months from the date of issuance of the transfer of normal residence certificate. Transport means must be brought to the customs house for clearance within one (1) month from their entry in Greece.

It is pointed out that, if the cars do not meet the last effective Community Directive, with regard to the exhaust emissions, or they are of conventional technology, the persons concerned must contact the Ministry of Transports and Communications (Tel.: 210-6508438) in order to ascertain whether they can be registered.

B. TRANSFER OF INVESTMENT GOODS

Investment goods and other equipment (machinery, instruments, appliances, etc.) transferred into our country from another country shall be exempt from the Value Added Tax (V.A.T.) and the import duty (in case of their importation from a country that is not a member of the Community), as long as the said goods belong to an enterprise (industrial, handicraft, agricultural, etc.) that has stopped its business definitely in the country of its establishment in order to carry on similar activities in our country.

1. CONDITIONS

The duty exemption shall be granted if the following three (3) requirements in respect of the transferred goods are met in each case:

- They have been actually used by the enterprise, to which they belong, for at least twelve (12) months prior to the date of stoppage of the enterprise's business in the country wherefrom it is transferred
- They are intended for the same use after their transfer
- They are proportional to the type and size of that enterprise.

The importation of the goods in our country must be made within twelve (12) months from the date when the enterprise, to which they belong, stopped its business in the country wherefrom it is transferred.

This exemption may not be granted in case of:

- transport means that are not used for goods production or services rendering (e.g. passenger cars of the entrepreneur or his/her employees)
- any kind of supplies intended for human consumption or animal feeding
- fuel and stocks of raw material or finished or semi-finished products
- animals possessed by livestock dealers.

2. SUPPORTING DOCUMENTS

The customs house for the importation of the investment goods shall grant the aforementioned duty exemption, provided that the entrepreneur concerned has submitted the following supporting documents thereto:

- a solemn statement in which he/she will state that his/her enterprise stopped its business definitely in the country of its establishment, that the imported investment goods had been used in the enterprise for at least twelve (12) months, etc.
- certification by the chamber of commerce or other chamber of the country of previous establishment of the enterprise or proof of sale of its premises or other comparable official proof evidencing that the enterprise concerned stopped its business in the country of its previous establishment and evidencing the time of stoppage of such business. In cases where the transferred enterprise belongs to a Greek repatriate, a relevant certificate by the appropriate Greek consular authority may be produced by him/her instead of the above proofs
- certification by the competent local tax office of our country confirming that the person concerned has declared to it the commencement of his/her business.

The above shall also apply proportionally to the investment goods and other equipment belonging to self-employed persons who transfer their business from another country to our country.

C. TEMPORARY IMPORTATION

The system of temporary importation-use permits, without collection of the corresponding duties and taxes, the importation-transfer by individuals visiting Greece of private use transport means and personal effects (as regards personal effects from a third country, given that they are free from taxes and duties within the community) intended for remaining temporarily in Greece and then re-exported – resent abroad within the time-limit stipulated as the case may be and determined by the competent customs house.

Along with the transport means, the temporary importation-use of the usual spare parts, accessories and equipment borne by each transport means shall be permitted pursuant to the traffic regulations in force (they must be imported together with the transport means).

1. BENEFICIARIES

Persons with usual residence abroad.

Usual residence is the place where someone resides ordinarily, that is, for at least one hundred and eighty-five (185) days per twelve months, due to personal and professional bonds.

The right of temporary importation-use is granted to such category for transport means and personal effects on the following particular terms:

- the person has his/her usual residence outside Greece
- he/she comes to Greece temporarily
- he/she has the transport means and personal effects for personal use.

Duration – Circulation Dues

The duration of stay under the system of temporary importation-use shall be six (6) months, whether consecutive or not, per twelve (12) months.

More specifically, the passenger cars imported-transferred temporarily by persons having their usual residence abroad, if they are not re-exported – resent upon the expiry of the six-month period, must be immobilized by the competent customs authority at the request of the beneficiary and remain immobilized for at least six (6) months and no longer than twenty-four (24) months.

In order for someone to be entitled to use anew the immobilized passenger car, he/she must, during the last twelve (12) months prior to the unsealing of the vehicle, prove that his/her usual residence was abroad, that is, he/she stayed abroad for at least one hundred and eighty-five (185) days after the sealing of the vehicle.

If the above period of twenty-four (24) months of customs immobilization lapses without the beneficiary having ensured the settlement of the vehicle in any legal manner, then, the vehicle shall be declared unclaimed.

Circulation dues, as stipulated by the pertinent provisions in force, shall be paid for the passenger vehicles bearing a valid provisional registration licence issued by another country, as from the day of their subjection to the system of temporary importation. Circulation dues, as stipulated by the pertinent provisions in force, shall also be paid for the passenger vehicles bearing a valid ordinary registration licence issued by another country, which are not re-exported – resent upon expiry of the initial six-month period of use, for the period of their use beyond the initial six-month period.

The importation of a second vehicle by the same person shall be permitted under the system of temporary importation–use, provided that the vehicles bear a valid ordinary registration licence issued by another country.

2. OTHER SPECIAL CATEGORIES

The right of temporary importation–use shall be granted also in the following cases:

(a) to persons having their usual residence abroad and coming to Greece temporarily, only in order to study at higher educational institutions. This right shall be granted for one passenger vehicle and the personal effects. The duration of stay shall be limited to the actual period of study

(b) to persons having their usual residence abroad and coming to Greece temporarily, only for postgraduate studies or specialization at higher educational institutions or training schools belonging to legal persons of public law or university clinics. This right shall be granted for one passenger vehicle and the personal effects for a period of four (4) years from the commencement of the postgraduate studies or specialization

(c) to aliens having their usual residence abroad and coming to Greece temporarily, in order to work under a fixed-term contract with the Greek state, public law organization, legal persons supervised by the State, at foreign chambers of commerce or industry or foreign state organizations and institutes established in our country, which offer particularly specialized temporary work. This right shall be granted for one passenger vehicle and the household effects for the duration of their employment contract

(d) to aliens having their usual residence abroad and coming to Greece temporarily, in order to work under a fixed-term contract as teaching personnel at higher educational institutions of our country or institutions operating in Greece on the basis of bilateral educational agreements. This right shall be granted for one passenger vehicle and the household effects for the duration of their employment contract

(e) to Greek diplomatic, consular and other officers of the Ministry of Foreign Affairs and to officers equated with them, who return temporarily to Greece in order to discharge duties. This right shall be granted for one passenger vehicle and the household effects for a period of five (5) years from their arrival in Greece in order to discharge duties.

The five-year period shall be extended to cover the entire period of the officers' stay in Greece for the discharge of duties, provided that their stay at the Central Service is not due to their request but to official needs, which must be certified by the competent Public Service. An extension beyond the five (5) years shall be granted in parts for twelve (12) months each time, until the completion of the officer's stay at the Central Service

(f) to persons having their usual residence in Greece, who stay and work abroad for at least six (6) months per twelve months.

This category shall include:

- Greek nationals, residents of Greece who stay and work abroad for at least six (6) months per twelve (12) months
- persons whose spouses have repatriated to Greece, as long as they continue to actually stay abroad after the repatriation of their spouses
- aliens married to Greeks who are permanent residents of Greece, as long as they continue to actually stay abroad after their marriage.

This right shall be granted for one passenger vehicle and the personal effects for a period of six (6) months, whether consecutive or not, per twelve (12) months;

(g) to Greek nationals having their usual residence in Greece, who study abroad as undergraduate or postgraduate students at foreign schools, provided that they stay for studies outside Greece for the biggest part of the academic year.

This right shall be granted for one passenger vehicle for a period of three (3) months, whether consecutive or not, per calendar year.

(h) to Greek crews of merchant ships of overseas lines. This category shall include Greek nationals enlisted in merchant ships of overseas lines for at least six (6) months per twelve (12) months. This right shall be granted for one passenger vehicle for a period of six (6) months, whether consecutive or not, per twelve (12) months

(i) to persons repatriating to Greece.

This right shall be granted for one passenger vehicle for the purpose of its customs clearance for a period of one (1) month, provided that such period does not exceed the time-limit within which the vehicle's clearance must be completed pursuant to the provisions for repatriates.

(j) to repatriated Greeks and Greek expatriates who are political refugees. This right shall be granted for one passenger vehicle for the purpose of its customs clearance for a period of six (6) months, provided that such period does not exceed the time-limit within which the vehicle's clearance must be completed pursuant to the provisions for repatriates.

(k) to diplomatic and consular officers of foreign diplomatic missions, to foreign personnel of the Intergovernmental Committee for European Migration, the American Mission for Aid, the U.S. forces, NATO, 7206 American Unit, the NATO Missile Firing Installation of Crete, officers of the European Union, international organizations recognized in Greece (United Nations, etc.), foreign correspondents of foreign press and foreign personnel of foreign Archaeological Schools.

Circulation dues stipulated by the provisions in force shall be paid, as from the importation, for passenger vehicles used under the system of temporary importation—use by the persons mentioned in cases (a), (b), (c), (d) and (e), except for those

persons of case (a) who have their usual residence in a member- state of the EEC and have imported a passenger vehicle bearing ordinary number plates of the member-state that has issued the registration licence.

Detailed information on the special categories of the aforementioned persons may be obtained from the locally competent customs services or the Ministry of Finance.

For the area of Attiki, in respect of passenger vehicles, competent is the Directorate of Monitoring and Control of Suspensive Status (DI.P.E.A.K. – Akti Kondyli 32, Piraeus, Tel.: 210-4623963, 210-4625884), while for the area of Thessaloniki, competent is the A' Customs House of Thessaloniki (Port, Tel.: 2310-547525).

3. TRANSPORT MEANS

- Passenger cars having up to nine (9) seats, including the driver, or automotive caravans with their trailers
- Motorcycles or motorbikes
- Private use pleasure boats
- Private use aircrafts
- Saddle horses.

4. CONDITIONS

Passenger vehicles, on their entry into our country, must bear official (valid) ordinary or provisional number plates of the country that has issued their registration licence.

Moreover, they must be accompanied by the registration licence issued by the country wherein they have been registered, and they must be insured.

If on their entry into the country the provisional registration licence is not valid, then, they will not be subject to the system of temporary importation- use.

Further, they may not be used or remain in the country under the said system, beyond the expiry date of the provisional registration licence. In order that the vehicles continue to be subject to the said system, the owners must obtain from the competent customs authority Greek number plates and a provisional registration licence.

The beneficiary must have a driving licence for passenger vehicles.

The private passenger cars from member-states of the European Union, in order to be subject to the system of temporary importation-use and be used in our country, must have been acquired on the general taxation terms in force in the internal market of the member-state where they were acquired, that is, the required taxes must have been paid in this country or there must have been a lawful exemption therefrom, and they must have not enjoyed, due to their exportation from that state to other community or third countries, any exemption or refund of duties and other taxes, including V.A.T.

The transport means acquired in a state of the European Union shall be excluded:

- within the framework of diplomatic and consular relations
- within the framework of recognized international organizations
- within the framework of facilitations from NATO.

It should be pointed out that individuals possessing and using a car under the system of temporary importation–use, must prove to customs authorities that they meet the requirements stipulated by the pertinent provisions, as the case may be.

In case of doubt with regard to the evidencing of requirements meeting, the competent customs authorities may request supplementary information or proofs.

5. RESTRICTIONS

The transport means subject to the system of temporary importation-use must be re-exported– resent no later than the expiry date of the time-limit prescribed, as the case may be, and determined by the customs authority.

Trailers must be re-exported – resent together with the main vehicle towing them.

Example: if a private passenger vehicle has been temporarily imported together with a trailer, they must be re-exported – resent together, otherwise fines shall be imposed.

The transport means may not:

- be transferred
- be let
- be the subject of a pawn or commodate
- their use may not be assigned to third persons
- be used (as transport means) not even once by third persons, regardless of whether the beneficiary is responsible for that or not.

Exceptionally, other persons, in addition to the beneficiary, may drive transport means upon authorization by the customs, provided that the other persons are entitled to a temporary importation-use of transport means on the same terms and conditions as the beneficiary who imported the transport means in his/her name.

In order to obtain the authorization by the customs, the beneficiary must declare the third persons whom he/she wishes to allow to drive his/her car and such third persons must present themselves at the customs house and prove that they have exactly the same right as the beneficiary. The authorization by the customs for driving such transport means shall not be required when it concerns the spouse, children and parents of the beneficiary, provided that such relatives have the same right as the beneficiary.

If someone has received a passenger vehicle under the system of temporary importation–use and prior to the expiry of the time-limit for re-exportation – resending determined by the customs authority, the beneficiary travels abroad without the vehicle, then, the immobilization of the vehicle by the customs shall not be compulsory.

However, the beneficiary must ensure the timely re-exportation – resending of the vehicle, prior to the expiry of the time-limit for that, otherwise fines shall be imposed.

D. TAX-EXEMPT IMPORTATION – RECEIPT OF A PASSENGER CAR BY A DISABLED GREEK IMMIGRANT

1. CONDITIONS

Disabled Greek immigrants and workers abroad who have stayed and worked (abroad) for at least two (2) years, may receive duty-free a passenger car brought and intended for personal use according to their needs.

2. SUPPORTING DOCUMENTS

Positive judgement by the First Degree Health Committee of the Prefectural Self-administration at the place of the beneficiary's permanent residence in Greece, showing that walking is hindered due to the nature of his/her disability.

3. EXTENT OF EXEMPTION

The exemption granted shall cover the registration duty. V.A.T. at the time of importation and the import duty (in case of importation of a car from a country that is not a member of the European Union) shall be paid regularly.

4. PROCEDURE

The exemption shall be granted by the Customs Authority that is competent for the importation of the car upon:

- production of the positive judgement by the competent committee
- compliance with the required customs formalities (submission of the relevant application, customs declaration and solemn statement that no other car is possessed pursuant to the provisions for exemption).

On the receipt of the car, the persons concerned must produce to the customs house of importation, in addition to the above, a certificate issued by the competent Greek Consular Authority at their place of work, which shall contain full particulars of the imported car and certify their continuous stay and work abroad for at least two (2) years, the cause of their disability and that they return to Greece for definite establishment.

5. REMARKS

The car received duty-free must have an engine capacity of up to 1,650 cubic centimetres. Exceptionally, paraplegic and disabled persons with a disability percentage of 100% shall be entitled duty-free to a car of a higher engine capacity.

The disabled persons who are entitled to a car of an engine capacity up to 1,650 cubic centimetres, may receive a passenger car of a higher engine capacity, upon paying a percentage of the registration duty corresponding to such cars (30% for cars over 1,650 cubic centimetres and up to 2,000 cubic centimetres, and 58% for cars over 2,000 cubic centimetres).

The car received may be also driven by other persons (one or two), provided that the disabled person is a passenger of the car, upon authorization by the Customs Authority issued at his/her request, wherein he/she must declare the persons whom he/she wishes to allow to drive the car and who should not live far from his/her house.

The car may be driven even without the disabled beneficiary being a passenger, when the use of the car is made for exceptional or urgent reasons or exclusively for the satisfaction of the needs of the disabled person.