

GREECE

Name of the firm**Tax Support Ltd**

Address

Gounari 89

16561 Glyfada

Contact

Nikos Dimitrakopoulos

nikosd@taxsupport.gr

Tel. No. +30 2108981633

Partner

www.taxsupport.gr

AT A GLANCE

Name of the tax

Value Added Tax

Local name

Foros Prostithemenis Axias

Date introduced

1 January 1987

Date of membership in EU

1 January 1981

Administered by

Ministry of Finance (www.minfin.gr/portal/en)**VAT rates**

Standard

24%

Reduced

17%, 13%, 9%, 6%, 4%, 3%

Other

Exempt with and without credit supplies

VAT Number format

EL123456789

VAT return periods

Quarterly and in some cases monthly according to accounting's books category

Thresholds registration

No threshold

Recovery of VAT by non established

Businesses

Yes

HISTORY OF VAT

VAT was introduced in January 1987 in Greece. VAT Directives issued by EU were included to the Greek VAT legislation.

SCOPE OF VAT

- a) the supply of goods and provision of services, provided for taxation purposes within the country by a taxable person acting as such,
- b) the import goods into the country
- c) the intra-Community acquisition of goods is effected by taxation purposes within the country by a taxable person acting as such or non-taxable legal person where the vendor is a taxable person established in another Member State - State acting in that capacity and is not exempt from tax because of the realized annual turnover, according to the legislation of the country not covered by the provisions of paragraphs 2, 3 and 5 of Article 13.

Specifically, the intra-Community acquisition of new means of transport subject to tax, regardless of the status of the installed inside the country face

- d) the intra-Community acquisition of goods, which are subject to excise duty, effected by a taxable person or non-taxable legal person, provided they fall within the provisions of paragraph 2 of Article 11.

REGISTRATION

Entities that wish to start activities subject to VAT in Greece must submit a simple registration form prior the date of the first taxable activity. Relevant tax office will send to entity the Greek VAT number.

Non EU entities without a registered office, permanent place of residence or place of business in the European Union must appoint a tax representative in Greece. Tax representative is liable responsible for the tax liabilities of the taxpayers they represent.

Distance sellers to private individuals in Greece must be registered for VAT purposes when they exceed threshold of €35.000,00.

Group registrations is not acceptable.

VAT RATES

Standard VAT rate is 24%. The standard rate applies to all goods and services for which lower rates are not defined.

Reduced rate of 13% is applicable to following goods, among others:

- food

- water
- soft drinks without alcohol

Reduced VAT rate 6 % is applicable to following goods, among others:

- Drugs
- Books and magazines
- Theater and movie tickets
- Hotel services

Special reduced rates of 17%, 9%, 4% and 3% are applicable to specific Aegean islands

PLACE OF SUPPLY RULES

Supply of services

The place of supply of services for the provision of services to a taxable person is the place where the recipient being a taxpayer is established.

When the services are provided to a fixed establishment of the taxable person who is in a different place than the office, the place of supply of these services is a fixed place of business.

If the recipient does not have a seat or permanent place of business, the place of supply of services is the place where he has his permanent address or usually resides.

Exceptions:

- transport of passengers
- real estate services
- services in field of culture, art, sport and science
- catering services
- telecommunications services
- intangible services

Supply of goods

Generally in the case of supply of goods the principle of territoriality shall apply.

Where goods are not dispatched or transported, the place of supply shall be deemed to be the place where the goods are located at the time when the supply takes place.

Where goods are dispatched or transported by the supplier, or by the customer, or by a third person, the place of supply shall be deemed to be the place where the goods are located at the time when dispatch or transport of the goods to the customer begins.

TIME OF SUPPLY RULES

The tax liability is arising in the VAT period, when the supply or service will be performed. The date of delivery is when the customer is receiving the goods and the date of service is the end of the service.

EXEMPTIONS

The following services, among others, are exempted of VAT:

- Supply of medical and hospital services
- Supply of education services
- Supply of insurance and reinsurance services
- Supply of cultural services

RECOVERY OF INPUT VAT

Taxable persons established in another member state of European Union Greece are eligible for refund, from Greece, of any tax charged in respect of goods or services supplied to him by other taxable persons in the territory of the country as well as in respect of the importation of goods in that Member state.

Terms and conditions of refund

1. The applicant has to meet, during the refund period covered by the application, the following requirements:

- has had in the member state of refund neither the seat of his economic activity, nor a fixed establishment from which business transactions were effected, or, if no such seat or fixed establishment were existed, his domicile or normal place of residence,
- has supplied no goods or services, for which the place of taxation is in the Member state of refund, with the exception of the following transactions:
 - a) The supply of transport services and services ancillary thereto that are carried out in the member state of refund and which are exempted from value added tax as related to the import or export of goods or the international transports.
 - b) The supply of goods or services to a person who is liable for payment of VAT in accordance with the legislation of the member state of refund.
- Goods and services supplied to him are used for taxable transactions subject to value added tax in the member state of his establishment and for which would have a right of tax deduction, if they were carried out in the member state of refund or were used for the aforementioned transactions in (b) above.

2. No right for refund is granted:

- In the case that in the member state of his establishment the applicant,

- is not a taxable person for VAT purposes,
- carries out only supplies of goods or of services which are exempt of VAT without deductibility of input tax,
- Is covered by the exemption for small enterprises,
- Is covered by the common flat-rate scheme for farmers.
- For amounts of VAT due ,
 - on supplies of goods that are exempted or should be exempted as intra-Community acquisitions or as exports (supplies of goods out of the Community),
 - on goods or services for which no right of deduction is granted in the member state of refund
 - expenditures that are not related to the economic activity of the applicant.
- For amounts of VAT which have been incorrectly invoiced.

3. VAT is refunded to the extent that goods and services are used by the applicant for taxable transactions subject to value added tax or transactions that are entitled to input tax deduction in the member state of his establishment. In the case that the applicant uses the goods and services for transactions giving rise to a right of deduction and transactions not giving rise to a right of deduction in the member state of his establishment , only such proportion of VAT may be refunded as is attributable to transactions giving rise to a right of deduction. 4 Article 5

Refund application

1. Mode of submission

a) The taxable person who is established in Greece submits the application only via the electronic network TAXISnet, by using the passwords that he/she has received for another application related to electronic returns. If the person has not received such passwords, he/she must submit an application for the issue of passwords to the electronic network TAXISnet prior to the refund application.

b) The taxable person who is established in another member-state submits the application via the electronic portal set up by the member-state of establishment, which forwards it to Greece (member-state of refund).

2. Period covered by the application

The refund period covered by the application must not exceed one calendar year or be less than three calendar months, unless the application relates to a period corresponding to the remainder of the calendar year, which is considered as one calendar year in this case.

3. Ceiling for the requested amount

If the application relates to a refund period of one calendar year, the requested refund amount cannot be less than 50 euro and if the application relates to a period of less than one calendar year but not less than three months, the requested refund amount cannot be less than 400 euro.

4. Type and content

The type of the refund application shows up as an electronic form and contains the following information: a) name of the applicant, address of his/her business activity and address for contact

by electronic means, b) tax identification number (AFM) in the member-state of establishment for the purposes of VAT, c) code number for the business activity of the applicant (KAD) and the description thereof, d) period covered by the refund application, e) member-state of refund f) bank account details including the IBAN and BIC codes, g) declaration by the applicant that he/she has not supplied any goods and services within the member-state of refund which are deemed to have been supplied within that member-state, except for the supply of transport services and services ancillary thereto which are exempted from tax, as well as the supply of goods and services to a person who is liable for payment of the VAT. h) details of the representative (in case there is one)

5. Expenditure documents

In addition to the information specified in paragraph 4, the refund application includes the following details for each invoice or importation document, per member-state of refund: a) name and full address of the supplier, b) tax identification number (AFM) of the supplier in the member-state of refund for the purposes of VAT, c) number and date of the document, 5d) amount of VAT expressed in the currency of the member-state of refund, e) amount of deductible VAT which has been identified based on the deductible proportion, f) percentage of the deductible proportion (pro-rata percentage), g) description of the type of goods or services and classification based on special codes used by the member-state of refund, which can be found in the webpage for the submission of the application.

Deadline for the submission of the application

The refund application is submitted to the member-state of establishment at the latest on 30 September of the calendar year following the refund period.

COMPLIANCE OBLIGATIONS

The quarterly VAT return must be submitted until the last working day of month following quarter. At the same day payment of VAT must be executed.

Penalty for late payment of VAT is 8,5% per year. Penalty for late submission of VAT return when no VAT is payable is 100€.

No specific rules in relation to the content of the invoices except VAT number which must always be on the invoices.

The obligatory storage period for invoices is the same as the period for prescription of the right of the State to impose the tax, which is currently six years.

SPECIAL CASES

Special VAT regime apply to tour operators, dealers in second hand goods and objects with artistic or archaeological value, goods sold through auctions. Also a special optional regime apply to small entities having an annual turnover less than 10.000€ but the regime does not apply to taxable persons that are not established in Greece.

RIGHTS OF THE TAX PAYER AND THE VAT AUTHORITIES

The tax payers has the right to:

- file an appeal against a decision
- make an adjustment of VAT return
- apply for tax refund

The rights and powers of the VAT authorities:

- checking the timeliness of VAT returns and tax payments
- verifications of the documents (invoices etc.)
- audit.

EU DECLARATIONS

Intrastat declarations have to be filed until the 26th of the following month, if there is something to declare. The threshold for arrivals is €200.000 and for dispatches is €90.000 (2025). If sales or purchases of goods or services are performed to/from other EU companies, an EU sales or purchase list as must be filed on a monthly basis and until the 26th of the following month.