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***Most important Tax amendments introduced by  
Law 4465/2017***

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Published in the Official Government Gazette 47 / A' / 4.4.2017, Law 4465/2017 which inter alia concerning both domestic and cross border restructurings introduces the adjustment of Greek legislation to European rules and more specific to EU Directive 2014/92 governing the comparability of fees related to payment accounts, the changes of payment account and access to payment accounts with key features and other provisions.

The most significant tax amendments are summarized as follows:

1. The provisions of article 52 of the Income Tax Code (ITC) are amended as regards the tax treatment of the transfer of assets by a transferring company in exchange of shares of the receiving company. The transferring company is finally tax exempted for any goodwill arising from the asset transfer. Moreover, the transferring company values the securities received on their market value. The obligation of the transferring company keeping the securities acquired from the contribution of assets for a period of at least three (3) years is abolished. However, in case that the transferring company more further transfers the acquired securities within a period of three years from the completion of the assets transfer, as taxable base for the acquisition cost of the securities received by the transformation would be considered the value which the contributed assets had immediately prior to the contribution (Article 32).

The Ministerial Circular 1057/2017 clarifies the conditions for the application and the tax benefits granted within the context of domestic restructurings (effected between domestic entities) and cross-border restructurings (between domestic and EU entities), provided in articles 52-55 of the Greek Income Tax code, namely:

- contribution of assets;
- exchange of shares;
- mergers and demergers;
- transfer of the registered seat of a Societas Europaea to an EU member country.

The Ministerial Circular clarifies that the framework for the restructurings referred to in articles 52-55 of the Income Tax Code is equally applicable to companies operating as Private Companies (IKE).

It is confirmed that for domestic corporate restructurings the enterprises can opt between the provisions of ITC Law 4172/2013 and either L.2166/1993 or L.D. 1297/1972.

Moreover, it is clarified that for cross-border corporate restructurings, the L.2578/1998 are still in force and apply in parallel with the provisions of the ITC.

2. There is a legal correction in the Tax Procedure Code (TPC) in respect of imposing fines on anyone who violates or fails or intervenes in any way in the operation of tax electronic mechanisms (Article 33).

3. The control of the implementation of the provisions of Law 4264/14 concerning the operation of public markets and open trade does not fall within the jurisdiction of the Customs Authorities (Article 34).

4. The existing tax exemptions applicable to the European Bank for Reconstruction and Development are broadly extended to its operations and transactions, whereas under the current framework applied to loan, credit, guarantee or other forms of finance, repayment, interest payment or commissions on them, etc. (Article 35)

5. The relevant provisions of article 111 of Law 4446/2016 relating to the short-term lease of real estate in the context of the sharing economy, entry into force a month after the publication of the envisaged provision. (Instead of 1.2.2017 provided) (Article 36).

6. It is clarified that as the net income, for the imposition of the extraordinary solidarity contribution levy on foreign airlines for the financial years 2009 and 2010, is considered the 10% of the gross income from the carriage of passengers, goods, etc. according to paragraph 8 of article 105 of Law 2238/1994 (Article 41).

**Provisions for anti tax avoidance and tax evasion:**

1. Every time that the tax inspection will detect that sales invoices or receipts have not been issued or issued mistakenly in order to avoid tax payment the authorities might impose the suspension of the operations of the business premises in respect the tax audit was carried out and impose fine and penalties.

In particular the following applies:

- a) For not issuing more than ten (10) sales invoices/receipts or not issuing sales invoices for an amount exceeding 500 €, a fine of the range of 1.000 € up 2.500 € will be imposed **or alternatively** the tax authorities will be able to suspend the operation of the business for 48 hours.
- b) In case that a future tax inspection will detect that three or more invoices/receipts were not issued within the same or the next tax year from the initial audit, the tax authorities will be able to imposed either a 96hour suspension of operation or a fine ranging from 2.501€ to 5.000 €.
- c) For any similar offense that will be detected by the tax authorities within the two following tax years or in case of preventing the audit, will be imposed a 10day suspension of operation or a 5.000 € fine .

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