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***Law 4484/2017: Implementation in domestic
legislation of EU Directive 2016/881 concerning
mandatory automatic exchange of information by
Country by Country Reporting (CbC)***

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Published in the Official Government Gazette A' 110/01.08.2017, Law 4484/2017 which inter alia provides new transfer pricing documentation requirements, introduces in Greek legislation the provisions of EU Directive 2016/881 on mandatory automatic exchange of information by Country by Country Reporting (CbC) in the field of taxation. The new tax requirements follow the guidance provided under Action 13 of the OECD's Base Erosion and Profit Shifting (BEPS) initiatives. Such reporting enables Greek tax Authorities to perform potential transfer pricing risks and other risks related to base erosion and profit shifting.

The new provisions of Greek CbC reporting as set forth in Law 4484/2017 and Circular 1131/2017 provide the following:

The CbC report applies to Multinational group of entities (MNEs) headed or operating in Greece, with a consolidated group turnover exceeding €750 million in the fiscal year preceding the fiscal year to which the CbC report applies. The CbC Report is filed by the ultimate parent company of every liable MNE Group that has its tax residence in Greece. The first fiscal year to be reported is the one starting on or after January 1st, 2016 and the filing should take place within 12 months from the lapse of said fiscal year and any subsequent year to the extent that the EUR 750 million threshold is exceeded. Especially for the CbC Report of the first fiscal year beginning on or after January 1st, 2016, an extension has been provided and the CbC Reports may be exchanged within 18 months following the last day of the fiscal year said reports refer to.

Greek ultimate parent entities controlling a multinational group of entities (MNEs) with annual total consolidated group revenues exceeding €750 million, shall file CBC reports with the Greek tax authorities. Under certain conditions, Greek entities part of multinational groups without a Greek resident ultimate parent company may also be designated to file a CbC Report or in any case to proceed with the required notifications regarding the indemnity of the group entity obliged to file the CbC Report and its tax jurisdiction. The deadline for the filing of the notification relating to CbC Report for the reported year expires the last day that the CbC Report should be filed. Exceptionally for the fiscal year 2016, such notification shall be submitted by the end of the year 2017.

More specific, a Greek tax resident group entity may be subject to the report filling, even if it is not the ultimate parent entity if the qualifying MNE, in case one of the following criteria are met:

1. The group ultimate parent entity is not obliged to file the CbC report in its tax resident jurisdiction.
2. The jurisdiction of the ultimate parent entity has not entered into a Qualifying Competent Authority Agreement with Greece for information exchange on CbC reports.
3. The ultimate parent company has entered into an information exchange agreement with Greece on CbC Reports but such automatic exchange has been suspended or there is a systematic failure.

With respect to the content of the CbC report, the Law requires aggregated tax information to be included for each jurisdiction in which the MNE group is active. This includes information relating to revenues (from related and unrelated parties,) earnings before income tax, income tax paid, income tax accrued, shared capital, accumulated earnings, number of employees, tangible assets (other than cash and cash equivalents) as well as the nature of the main business activity or business activities of the group entity.

Penalties for non-compliance with the CbC reporting requirements:

Provided that a Greek entity is subject to CbC report filling in Greece a penalty of the region of € 20,000 shall be imposed in case of non-filing, whereas a penalty of € 10,000 shall be imposed in case of inaccurate or late filing.

Following to Circular 1131/2017, the Public Revenue Authority is going to publish an updated circular providing clarifications concerning the implementation of the provisions of Law 4484/2017.

Accelerated procedures for income tax and VAT refunds requests up to the amount of €10,000.

Published on 24th of August 2017, Circular 1132/2017 provides clarifications with regard to the tax refunds requests.

The provision is applicable only to corporate income tax requests and VAT requests of both individuals and legal entities, filed before the publication of Law 4484/2017.

Following to the abovementioned circular VAT and corporate income tax requests not exceeding € 10,000 will be directly carried out, provided that a preliminary tax assessment has not been issued.



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