

Greece publishes draft proposal to implement Mandatory Disclosure Rules

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Executive summary

On 7 July 2020, the Greek Government circulated draft legislation implementing the European Union (EU) Directive on the mandatory disclosure and exchange of cross-border tax arrangements (referred to as DAC6 or the Directive). Under DAC6, taxpayers and intermediaries are required to report cross-border reportable arrangements from 1 July 2020. However, reports will retrospectively cover arrangements where the first step is implemented between 25 June 2018 and 1 July 2020.¹

The draft Greek legislation also provides for a six-month deferral to the reporting deadlines under DAC6 following the adoption on 24 June 2020 by the Council of the EU of amendments to the Directive.² This amendment permits Member States an option to defer for up to six months the time limits for the filing and exchange of information on cross-border arrangements under DAC6.

The draft legislation was subject to public consultation and comments on the proposals were requested by 14 July 2020. The Greek draft legislation will now be subject to the formal legislative process and is likely to be amended before final enactment.

If implemented as currently proposed, the Greek Mandatory Disclosure Rules (MDR) legislation will be broadly aligned to the requirements of the Directive.

Key Highlights

The key highlights of the Greek draft legislation are summarized below.

- ▶ The scope of taxes covered follows those covered by the Directive.
- ▶ Key definitions including “reportable cross-border arrangement,” “intermediary” and “relevant taxpayer” also broadly follow those of the Directive.
- ▶ The proposed Hallmarks included in the Greek draft legislation are in line with those provided in the Directive.
- ▶ The Greek draft legislation exempts intermediaries from reporting if the obligation to report constitutes a breach of their legal professional privilege (LPP). Intermediaries that are exempt from reporting owing to LPP are however obliged to notify other intermediaries or, if there is no other intermediary, to notify other relevant taxpayers, without delay, of their reporting obligations.
- ▶ For intermediaries and relevant taxpayers, penalties for failures to report up to a maximum of €100,000 are expected to apply.
- ▶ Regarding the deferral of the reporting deadlines, if implemented as currently proposed, the reporting timelines for Greece would be as follows:

- With respect to reportable cross-border arrangements which are made available for implementation, or are ready for implementation, or where the first step in respect of such arrangements is made between 1 July 2020 and 31 December 2020, the 30-day deadline for filing information shall begin from 1 January 2021.
- The deadline for filing information on “historical” cross-border arrangements, the first step of which was implemented between 25 June 2018 and 30 June 2020, is amended to 28 February 2021.
- The first periodic report in the case of marketable arrangements shall be made by 30 April 2021.
- The first exchange of information in respect of reportable cross-border arrangements between Greece and other Member States shall be made by 30 April 2021.

Next Steps

Determining if there is a reportable cross-border arrangement raises complex technical and procedural issues for taxpayers and intermediaries. Taxpayers and intermediaries who have operations in Greece should review their policies and strategies for logging and reporting tax arrangements so that they are fully prepared for meeting these obligations.

A detailed Global Tax Alert is forthcoming.

Endnotes

1. See EY Global Tax Alert, [EU publishes Directive on new mandatory transparency rules for intermediaries and taxpayers](#), date 5 June 2018.
2. See EY Global Tax Alert, [Council of the EU adopts amendments for deferral of MDR filing deadlines](#), dated 24 June 2020.

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EYG no. 004911-20Gbl

1508-1600216 NY
ED None

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