

Sep

New tax incentives to facilitate corporate reorganizations targeted to Small and Medium sized Enterprises (SMEs)

A new set of tax incentives, primarily target to SMEs, is introduced aiming to aid and facilitate corporate reorganizations and the "collaboration" of enterprises (i.e. establishment of a new venture of two or more unrelated parties). The tax incentives offered include, inter alia, an exemption from corporate income tax for 30% of the eligible income, exemption from certain indirect taxes and expanded deduction rights for expenses related to the acquisition of corporate participations. Most of the incentives are applicable for reorganizations starting from 26 May 2022 Review your local group presence in order to assess whether the local entities may benefit from the new tax incentives granted, in case that your group opts to proceed with a reorganization. Analyze whether there is potential for "collaborations" with other local entities that may fall within the scope of the new incentive rules. Assess the thresholds set to be eligible for the new incentives.

Amendment to thin capitalization rules

Aug

onwards.

A taxpayer - member of a consolidated group for accounting purposes, may either:

- Fully deduct its exceeding borrowing costs if it can demonstrate that the ratio of its share capital over its total assets is equal to or higher or less (max. 2%) than the equivalent ratio of the group, provided that all assets and liabilities are valued using the same method as in the consolidated financial statements or
- Deduct exceeding borrowing costs at an amount in excess of what it would be entitled to deduct under general rules. This higher limit refers to the consolidated group in which the taxpaver is member and is calculated in two steps: (i) the group ratio is determined by dividing the exceeding borrowing costs of the group vis-à-vis thirdparties over the group's EBITDA; and (ii) the group ratio is multiplied by the EBITDA of the taxpayer

The above provision is applicable from 28 March 2022 onwards.

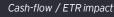
Assess how the amendments may affect the capacity of your local group entities to fully or partially deduct exceeding borrowing costs.

Oct Compliance



Risk management







No.	Fact	:	Action	
9	New guidance relating to family offices and permissible activities The services that may be offered by Greek family offices, as well as certain other practical aspects relating to their operation were clarified. Broadly speaking, services connected to the private and social life of the relevant family members, administrative support, as well as other financial management, strategic planning and consulting services may be offered.		To the extent that setting up a family office in Greece is under consideration, assess and define the perimeter of eligible services to be offered in such context.	• • •
10	Electronic books (MyDATA) myDATA (my Digital Accounting and Tax Application) is the new electronic platform by which the Independent Authority for Public Revenue introduced electronic books into the daily lives of Greek businesses. For calendar year 2021, the required data (tax records) relating to revenues had to be transmitted to MyDATA by 30 June 2022. For calendar year 2022, transmission of data both for revenues and expenses is mandatory. The obligation for Customers - Suppliers Lists' filing for calendar year 2021, is fulfilled through the 2021 data transmission in myDATA platform. Any deviations relating to expenses of calendar year 2021 are transmitted by 31 October 2022. From calendar year 2022 onwards, the liable entities, will not have to file Customers - Suppliers Lists, since the obligation to file the relevant information is fulfilled by transmitting data to myDATA.		Review your tax accounting and compliance processes in order to safeguard the timely transmission of all required data. Perform reconciliations between e-books, accounting books and tax returns to identify any gaps and divergencies to be resolved.	• • •
11)	VAT on construction, addition or improvement costs on leased properties Based on recent developments, it has been clarified that expenses incurred for constructions, additions and improvements in leased properties should in principle be deductible for VAT purposes, irrespective of the duration of the lease agreement (till now, a nine-year minimum threshold period applied).		Review the expenses incurred on leased properties in order to assess the potential to recover the input VAT paid.	• •
12	Administrative guidance on the definition of "exporter" for customs purposes The Independent Authority for Public Revenue has adopted the definition of the "exporter" for customs purposes, as provided for in article 1 (19) of the Commission Delegated Regulation (EU) No 2015/2446 and published long-awaited instructions on the mandatory intermediation of an "exporter" established within the customs territory of the EU in the context of completion of customs export formalities.		Safeguard that the prerequisites set out in the relevant guidelines are met.	• •
13	Guidelines for the implementation of the Quick Fixes transposed in the VAT Code Circular E.2019/2022 provides clarifications for Quick Fixes relevant to call-off stock arrangements, chain transactions, VAT exemption of intra-community supplies of goods and proof of transport in the intra-community supplies of goods.		Safeguard compliance with the relevant formalities in order to secure the proper VAT treatment.	• •
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