

# *Eurofast*

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Since 1978

**Greece:**  
A useful guide  
for foreigners



# Taxes in Greece: A useful Guide for Foreigners

Greece is becoming an, more and more, attractive destination for foreigners not only because of its beauties and wonderful weather but also due to the introduction of a series of tax friendly measures, which increased, undisputedly, the demand of staying in Greece.

Before deciding to buy a home, establish a company, or relocate to Greece for employment purposes, the following information should be taken into account.

## 1. General

An individual is subject to income tax on his/her total net income in Greece and abroad. Net income sourced in Greece is taxed irrespective of the residence of the individual. Income arising abroad is taxed only if the relevant individual is a resident of Greece. In other words,

*a non-resident, must pay taxes only on the Greek sourced income.*

As a general rule, an Individual is considered as tax resident of Greece if he/she spends more than 183 days in Greece, in any calendar year, and is subject to paying taxes in Greece if he/she obtains taxable income arising from Greece, such as income from:

- ✓ owning or renting real estate property in Greece;
- ✓ employment or professional activity in Greece;
- ✓ participating in corporations or an investment in Greece;
- ✓ owning a vehicle, motorcycle, boat, or plane in Greece;
- ✓ purchasing or developing a house in Greece;
- ✓ possessing a swimming pool in Greece.

Greece has signed Double Taxation Treaties with 57 states.

## 2. Types of Taxable Incomes in Greece

There are four main categories of taxes in Greece, such as tax on:

- ✓ Income from employment and pension
- ✓ Income from business activity
- ✓ Income from capital (dividends, interest royalties and real estate property)
- ✓ Income from capital gain transfer tax (transfer of share, securities etc)

Further types of taxes are:

- ✓ Valued Added Tax (VAT) on the country's products and services with the standard tax amounting to 24%
- ✓ Inheritance and gift tax,
- ✓ lottery gains tax
- ✓ luxury living taxes

### 3. Income from Employment



Employers in Greece are required to deduct the amount of tax and social insurance due, from their employees monthly. The employer contributes 22.29% of the employee's salary to social security, whereas the employee's contribution to social security is 13.87%.

Self-employed persons in Greece, must pay, on their own, the social security contributions and income taxes.

### 4. Tax Rates in Greece for Individuals

Below you can see the progressive tax rates for taxes in Greece:

#### 4.1 Individuals' business activity Income / employment and pensions income:

Taxable income in €	Rate
Up to €10,000	9%
€10,001 – €20,000	22%
€20,001 – €30,000	28%
€30,001 – €40,000	36%
Over €40,000	44%

#### 4.2 Tax Credits

Depending on the number of children, there are tax deductions ranging from €810, having one child, up to €1340, for parents with 4 children. Kids allowances are applicable only for Incomes not exceeding €20,000. For those parents who have more than 4 kids, the tax deduction is increased by €220 per child.

Other deductions:

- ✓ 20% credit on donations made via bank transfer to the State, the church and other non-profitable organizations (under conditions). The donated amount must not exceed 5% of the taxable amount of the donor.
- ✓ Since January 2022 and until 2025, 30% of a natural person's expenses up to €5,000 on specific sectors (plumbers', lawyers', taxi drivers' pay, etc.) will be deducted from the natural person's income.

Note: There are no Tax Credits for Individual's business activity

#### 4.3 Tax Return

Taxpayers who have reached the age of 18 are required to electronically declare all their income, whether taxable in any manner or exempt, to the Tax Administration. Income tax return filing dates are determined once a year. Generally, the tax return forms must be submitted by 30 June of the next tax year. However, due to the last years' constant changes of the deadlines, at this moment there is no specific final date for submitting them.



## 5. Income from Capital:

Capital income	WHT Tax rates
Dividends	5%
Interest	15%
Royalties	20%

## 6. Income from leased properties:

Taxable income in €	Rate
Up to €12,000	15%
€12,001 – €35,000	35%
Over €35,000	45%

## 7. Income from Capital Gains

Transfer of non-listed shares is subject to capital gain tax at the rate of 15%. Transfer of listed shares is again taxed at 15% unless specific conditions apply.

Pursuant to the Law 4646/2019, amended by the Law 4714/2020, significant changes regarding the tax treatment of stock option plans (SOPs) and free granted shares are applicable. In particular, any benefit arising from SOPs shall be exempted from employment income, provided that those are held for at least 24 months and will be taxed as capital gains at a rate of 15%. For Start-ups' SOPs the capital gain tax is 5% if certain conditions are fulfilled.

## 8. Other Incentives for Individuals

### 8.1 Non-Domicile Tax Regime for HNWIs

Following the practices of countries like Cyprus, Italy, Malta, Portugal, and the United Kingdom, Greece implemented a “non-domicile” tax regime for foreign individuals who wish to transfer their tax residency to Greece by paying an annual flat tax on their foreign income, regardless of the amount, and with no obligation to declare their foreign income in Greece.



With this law, high-net-worth individuals might profit from the non-dom tax regime if they follow the Greece tax residency rules and relocate their tax residency to Greece. Also, investors pay a flat tax of €100,000 every tax year, regardless of their total foreign income. This regime is in effect for a maximum of 15 fiscal years.

To be eligible for the non-dom regime:

- ✓ You must have not been a tax resident of Greece for seven of the past eight years before moving your tax residence to Greece
- ✓ You must confirm that you have invested at least €500,000 in real estate, business, transferable securities, or shares in legal companies in Greece. As long as you own the majority of the shares, the investment can be made by a legal entity.

Investment may be made at any time between the implementation of the non-dom tax system for high-net-worth individuals and three years following the submission of the application.

There will be no additional tax obligation for income generated overseas if you pay this fixed tax, and you will be free from inheritance or gift tax on properties situated abroad if you pay this fixed tax.

## **8.2 Non domicile regime for Employees**

It is widely known that brain drain is the worst threat to a country's prosperity. The Greek government announced legislative initiatives to reverse this phenomenon, to attract foreign investment and to invite foreign nationals to settle and work in Greece. The legislative initiatives provide for a 50% reduction in income tax for the next 7 years if the interested individuals settle as self-employed or even as employees covering new positions of employment in Greece.

Eligible to apply for this special non-dom regime are:

- a) individuals who were not tax residents of Greece for the previous five (5) out of the six (6) years prior to the transfer of their tax residence to Greece;
- b) individuals who transfer their tax residency from an EU member state or of the E.E.A. or by a state with which an administrative cooperation agreement in the field of taxation with Greece is in force,
- c) individuals who provide services in Greece in the context of an employment relationship for a new job position or commence business activities as self-employed; and
- d) individuals who declare that they will remain in Greece for at least two years.

## **8.3 Non-Domicile for Pensioners**

Beneficiaries of pension income arising from abroad and wishing to transfer their tax residency to Greece, are subject to an alternative method of taxation for the income that arises abroad, if cumulatively:

- a) they were not tax residents of Greece in the previous five (5) out of the six (6) years prior the transfer of their tax residency to Greece, and
- b) they transfer their tax residency from a state, which has in force an agreement on administrative cooperation in the field of taxation with Greece.

Once accepted to be included in the alternative way of taxation for income arising abroad, then the individual shall pay, once-off, a tax at a rate of seven percent (7%) on the total of his income obtained abroad, each year.

With the payment of this tax in Greece, every tax liability of the individual for the income arising abroad is considered to be paid in full.

## 8.4 Digital Nomads

Non-EU nationals may work remotely from Greece if they are holders of Digital Nomad Visa and upon arrival in Greece, they apply for the Digital Nomad Residence Permit.

Entitled are those who

- ✓ Work remotely with employers or clients having their seat strictly outside Greece using Information and Communication Technologies
- ✓ have a monthly income not less than €3,500. This amount is increased by 20% for the spouse or civil partner and 15% for each child.

The Digital Nomad Visa is valid for a period of up to 12 month and renewable for every two years. Family members are also eligible to apply for the Digital Nomad Residence Permit for the same period as the Digital Nomad, without right to employment or exercising any independent business activity in Greece.

## 9. Double Taxation Treaty in Greece

Individuals who invest in foreign states may face “Double Taxation issues. This can take place when the country of origin and the country of tax residency charge individuals on the same income source.

Based on the bilateral agreements between Greece and the other contracting state each time, physical persons can avoid being taxed twice for the same revenue.

Many nations around the world have signed Double Taxation Treaties with Greece. It has income and capital treaties with 57 nations, those being:

Albania, Armenia, Austria, Azerbaijan, Belgium, Bosnia-Herzegovina, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Hungary, Iceland, India, Ireland, Israel, Italy, Korea, Kuwait, Latvia, Lithuania, Luxembourg, Morocco, Mexico, Malta, Moldavia, Netherlands, Norway, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, San Marino, Serbia, Slovakia, Slovenia, South Africa, Singapore Sweden, Spain, Switzerland, Turkey, Tunisia, Ukraine, United Arab Emirates, United Kingdom, United States, and Uzbekistan.

Greece also has inheritance, estate, and gift agreements with Germany, Italy, Spain, and the United States.

## 10. Frequently Asked Questions

### Is Greece tax-friendly?

In Greece, our three non-domicile tax regimes for HNWIs, employees and pensioners demonstrate the efforts of Greek Government to attract citizens living abroad to come and live in Greece.

### Is Greece a tax haven?

Not really. However, the non-dom regimes, the low corporate tax and dividend rates, make it worth to relocate into this country.

### How can non-residents of Greece comply with their tax returns' obligations?

Non-Greek residents can file their tax returns through their accountant or through the tax representative who can submit the tax returns to the Foreign Residents Tax Authority. Non-Residents must appoint a Greek tax representative who will act as a contact person with Greek tax authorities.

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