

TAX BRIEFING

Recent Developments in Tax Legislation

Ministerial Circular POL. 1032/2015 was issued on 26 January 2015 (Circular) and provides further guidance on Law 4172/2013 (the Income Tax Code) with regard to the tax treatment of, inter alia, capital gains deriving from the transfer of securities made from 1 January 2014. This Bulletin provides an overview of the provisions of the Circular in so far as they affect individuals and legal entities who are not Greek tax residents.

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ABOLITION OF TAX ON CAPITAL GAINS DERIVING FROM THE TRANSFER OF CERTAIN SECURITIES BY LEGAL ENTITIES

Capital gains deriving from the transfer of the securities listed below made as of 1 January 2014 and earned by legal entities which have not been established in Greece and do not otherwise maintain a permanent establishment therein are not subject to Greek income tax.

This exemption applies to:

- Shares issued by Greek companies and traded on the Athens Exchange or a multilateral trading facility (MTF) operating in Greece (Listed Greek Shares).
- Shares issued by Greek companies which are not traded on the Athens Exchange or a MTF operating in Greece (Unlisted Greek Shares).
- Shares of shipping companies operating under the special tax regime for shipping companies (Shipping Companies Shares).

- Warrants issued by the Hellenic Financial Stability Fund (HFSF) underlying shares issued by any of Alpha Bank, National Bank of Greece and Piraeus Bank and held by the HFSF (Warrants).
- Bonds issued by Greek companies pursuant to Law 3156/2003 on corporate bonds and securitizations (Law 3156 Bonds).
- Bonds (other than Law 3156 Bonds) issued by Greek companies and traded on the Athens Exchange or a MTF operating in Greece, or on a regulated market or a MTF operating outside of Greece (together Listed Corporate Bonds).
- Bonds (other than Law 3156 Bonds) issued by Greek companies and that are not Listed Corporate Bonds (Unlisted Corporate Bonds).
- Bonds and Treasury Bills issued by the Hellenic Republic (GGBs and TBs, respectively).
- Bonds issued by the Hellenic Republic in the context of the Private Sector Involvement (PSI Bonds).
- Units in Greek UCITS.
- Derivatives, such as swaps, futures and forwards, entered into with Greek counterparties (Derivatives).

CHANGES TO TAX ON CAPITAL GAINS DERIVING FROM THE TRANSFER OF CERTAIN SECURITIES BY INDIVIDUALS

Capital gains deriving from the transfer of the securities listed below made as of 1 January 2014 and earned by individuals who are not Greek tax residents are subject to income tax at the rate of 15%, subject to the provisions of any applicable double taxation avoidance treaty providing for either 0% tax or a lower tax rate:

- Listed Greek Shares
- Unlisted Greek Shares
- Warrants
- Listed Corporate Bonds
- Unlisted Corporate Bonds
- Units in Greek UCITS
- GGBs and TBs
- Derivatives

Capital gains deriving from the transfer of the securities listed below made as of 1 January 2014 and earned by individuals who are not Greek tax residents are exempted from Greek income tax:

- Law 3156 Bonds
- PSI Bonds
- Shipping Companies Shares

This Briefing is intended to provide general information and is not meant to constitute a comprehensive analysis of the matters set out herein or to be relied upon as legal advice. It is not meant to create a lawyer-client relationship. Legal and other professional advice should be sought before applying any of the information in this Briefing to a specific situation.

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