

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

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Law 5036/2023 Introduces New Tax Provisions, Including Circular E. 2042/2023 Which Provides Clarifications and Guidelines on Administrative Cooperation in the Field of Taxation

1. By way of Circular E. 2042/2023 (the **Circular**), the Independent Authority for Public Revenue (**IAPR**) provides clarifications and guidelines with regard to the application of Article 29 of Law 4987/2022 (Code of Tax Procedure – **CTP**) on administrative cooperation in the field of taxation.
2. In order to improve the quality of requests and assist foreign authorities in their timely response, the Circular describes in detail the conditions for sending requests for exchange of information to other jurisdictions.
3. Moreover, the role of administrative assistance on the exchange of information on request as the final means of targeted research is clarified in practice.
4. Article 29 of the CTP stipulates that the provisions of Directive 2011/16/EC and the Convention of the Council of Europe and the OECD (as transposed into Greek legislation) on administrative cooperation in the field of taxation apply.
5. The Directorate of International Tax Affairs of the General Directorate of Taxation is designated as competent authority for the implementation of administrative cooperation.
6. The forms of exchange of information provided for by the Circular, are the following:
 - a. exchange of information on request;
 - b. automatic exchange of information;
 - c. spontaneous exchange of information;
 - d. feedback;
 - e. administrative notification of documents;
 - f. simultaneous controls;
 - g. presence in administrative offices and participation in administrative enquiries by officers of the competent authority; and
 - h. Mutual Assistance in the collection of taxes.
7. For the purposes of the exchange of information, the requested information should be foreseeable as relevant.
8. Information is considered to be foreseeable as relevant if, at the time the request is made, the requesting authority considers that, in accordance with its national laws, there is a reasonable possibility that the information will be relevant to the tax affairs of one or several taxpayers, whether identified by name or otherwise, and be justified for the purposes of the investigation.
9. Where an exchange of information request is made, the authority receiving the request shall provide the information as quickly as possible and in any case within 6 months from the date of its receipt. If the authority which has received the request is unable to respond within this time limit, it shall inform the requesting authority immediately, and in any event within three months of its receipt. This must include the reasons for its failure to provide the information requested, as well as the date by which it considers it might be in a position to respond.

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10. Under the spontaneous exchange of information, the competent authority in Greece must provide the information to the foreign tax authority within one month of becoming aware of the information.
11. In this case, the competent Greek authority may request feedback from the foreign tax authority, which must respond within a period of 3 months.
12. The Circular provides templates for the 7 documents required for exchange of information with non-Greek tax authorities.
13. Peer reviews with other tax authorities will be performed to evaluate the need for potential future changes to the entire exchange of information process.

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