

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

In This Issue

A. Law 4611/2019 (Government's Gazette A' 73/17.05.2019) Introduces Reduced VAT Rates on Goods and Services

B. Circular A. 1160/2019 Updates the List of Jurisdictions Under The Multilateral Competent Authority Agreement for Automatic Exchange of CRS Information

C. Circular E. 2080/2019 Provides Guidelines on Tax Depreciation in Cases of Financial Leasing

A. Law 4611/2019 (Government's Gazette A' 73/17.05.2019) Introduces Reduced VAT Rates on Goods and Services

1. Law 4611/2019 (the **New Law**) amends the VAT Code (Law 2859/2000) and provides for the implementation of a reduced VAT rate on goods and services.
2. Annex III of the VAT Code is amended extending the list of goods and services that will be subject to reduced VAT rates of 13% and 6% from now on.
3. The provisions of this Article are effective as of 20 May 2019.

B. Circular A. 1160/2019 Updates the List of Jurisdictions under the Multilateral Competent Authority Agreement for Automatic Exchange of CRS Information

1. On 19 April 2019 and within the framework of the Multilateral Competent Authority Agreement (the **MCAA**), the Independent Authority of Public Revenues (**AAΔE**) issued Circular A. 1160/2019 updating the list of the jurisdictions for automatic exchange of CRS Information.
2. The updated list of jurisdictions is as follows:

LIST OF JURISDICTIONS FOR THE FIRST EXCHANGE OF INFORMATION FOR 2017

JURISDICTIONS	JURISDICTION CODE
Anguilla	AI
Argentina	AR
Bermuda	BM
British Virgin Island	VG
Cayman Islands	KY
Colombia	CO
Faroe Islands	FO
Guernsey	GG
Iceland	IS
India	IN
Isle of Man	IM
Jersey	JE
Korea	KR
Mexico	MX
Montserrat	MS
Netherlands (in respect to BQ ISO code territories: the islands of Bonaire, Sint Eustatius and Saba)	NL
Norway	NO
Seychelles	SC
South Africa	ZA
Turks and Caicos Islands	TC

LIST OF JURISDICTIONS FOR THE FIRST EXCHANGE OF INFORMATION FOR 2018

JURISDICTIONS	JURISDICTION CODE
Antigua and Barbuda	AG
Aruba	AW
Australia	AU
Azerbaijan	AZ
Bahamas	BS
Bahrain	BH

Barbados	BB
Belize	BZ
Brazil	BR
Canada	CA
Chile	CL
China	CN
Costa Rica	CR
Cook Islands	CK
Curacao	CW
Greenland	GL
Grenada	GD
Hong Kong, China	HK
Indonesia	ID
Israel	IL
Japan	JP
Lebanon	LB
Macao, China	MO
Malaysia	MY
Marshall Islands	MH
Mauritius	MU
Nauru	NR
New Zealand	NZ
Niue	NU
Pakistan	PK
Panama	PA
Qatar	QA
Russian Federation	RU
Saint Kitts and Nevis	KN
Saint Lucia	LC
Saint Vincent and the Grenadines	VC
Samoa	WS
Saudi Arabia	SA
Singapore	SG
Sint Maarten	SX
Turkey	TR
United Arab Emirates	AE
Uruguay	UY
Vanuatu	VU

LIST OF JURISDICTIONS FOR THE FIRST EXCHANGE OF INFORMATION FOR 2019

JURISDICTIONS	JURISDICTION CODE
Ghana	GH
Kuwait	KW
Nigeria	NG

LIST OF JURISDICTIONS FOR THE FIRST EXCHANGE OF INFORMATION FOR 2020

JURISDICTIONS	JURISDICTION CODE
Albania	AL
Kazakhstan	KZ

LIST OF JURISDICTIONS FOR AUTOMATIC EXCHANGE OF CRS INFORMATION WHICH HAVE NOT YET DETERMINED THE EXACT DATE OF INITIATING THE EXCHANGE OF INFORMATION

JURISDICTIONS	JURISDICTION CODE
Liberia	LR
Ecuador	EC

C. Circular E. 2080/2019 Provides Guidelines on Tax Depreciation in Cases of Financial Leasing

- On 16 May 2019, the Independent Authority of Public Revenues (**AADE**) issued Circular E.2080/2019 providing guidelines on tax depreciation in cases of financial leasing.
- According to the provisions of Law 4308/2014 (**Greek Accounting Standards**) financial leasing is defined as a lease that substantially transfers all the risks and rewards of ownership of a fixed asset, the title of which may or may not eventually be transferred to the lessee at the end of the term of the lease.
- Law 4172/2013 (**Income Tax Code**), Article 24 par. (b) 1 determines the criteria which individually or in combination could result in a lease being classified as financial. Indicatively, these criteria may include:
 - the transfer of the title of ownership of the asset to the lessee at the end of the lease term;
 - the option to purchase the asset at a substantially lower price than the fair value on the date the option becomes exercisable;
 - the extension of the lease for the greater part of the economic life of the asset, even if the title of ownership is not transferred.
- In practice, when performing the tax depreciation of the assets, the lessee recognizes the property as an asset in their books by crediting an equivalent liability towards the lessor and the fixed asset is treated as property of the lessee. The market value of the asset is posted by the lessor in its books as a claim against the lessee.
- At the end of the lease term, the balance of the non-amortized value of the asset is transferred to the tax results of that tax year.
- In cases where the criteria set by the Law are not met, the

tax depreciation will be effected by:

- a. the lessor, if the lessor is a leasing company subject to Law 1665/1986 (**Law on Financial Leasing**);
 - b. otherwise in accordance with the provisions of Article 24 of the Income Tax Code.
7. The above guidelines are effective for contracts concluded from 1 January 2018 onwards. For amendments to contracts concluded prior to this date, the provisions of Article 24 of the Income Tax Code will apply as they were in force at the time of the conclusion of the initial lease.

Contacts



Panayotis Bernitsas
Managing Partner
E pbernitsas@bernitsaslaw.com



Fotodotis Malamas
Senior Associate
E fmalamas@bernitsaslaw.com

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.

Bernitsas Law Firm is a partnership of attorneys regulated by Presidential Decree 81/2005 and Law 4194/2013, as currently in force, with its registered address at 5 Lykavittou Street, Athens 106 72, Greece.

If you no longer wish to receive Briefings from us, please click here to [Unsubscribe](#)