

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

In This Issue

Law 4864/2021 Introduces Tax Incentives on Strategic Investments in Greece

Law 4864/2021 Introduces Tax Incentives on Strategic Investments in Greece

1. Law 4864/2021 (the Law) aims to stimulate investments in the areas of circular economy, innovation, exports, cross-border trade and added value products.
2. Five categories of investments are provided for in the Law:
 - a. Strategic Investments 1;
 - b. Strategic Investments 2;
 - c. Emblematic Investments of Extreme Importance;
 - d. Fast-Track Strategic Investments; and
 - e. investments automatically included in the concept of Strategic Investments.
3. An Inter-Ministerial Committee is established to decide on which investments fall within the scope of the Law.
4. Investments qualifying as Strategic have the benefit of the following tax incentives:
 - a. Income Tax Rate Stabilization for a period of 12 years commencing from the completion of the investment; in the event of reduction of the income tax rate, the lowest tax rate will apply;
 - b. investments qualifying as Strategic may alternatively benefit from the following incentives:
 - i. a tax exemption in the form of a tax-free reserve to be taxed upon distribution; or
 - ii. accelerated tax depreciation of assets included in the investment plan;
 - c. investors must file an application in order for the above incentives to be approved by the Inter-Ministerial Committee.
5. The second type of incentive is a licensing fast track process to be completed within 45 days from the submission of the full investment file to the General Directorate of Strategic Investments by the investor. Special provisions apply for renewable energy projects and their relocation in cases where legal or substantial impediments prevent their establishment in their initial location.
6. The third type of incentive includes (such incentives may be provided cumulatively):
 - a. subsidies for the recruitment of disadvantaged or disabled staff in accordance with Articles 32 and 33 of Regulation 651/2014;
 - b. subsidies for R&D projects in accordance with Article 25 of Regulation 651/2014.
7. Emblematic Investments of Extreme Importance may benefit from the following incentives (which can be provided alternatively or cumulatively):
 - a. subsidies;
 - b. financial leasing allowance; and
 - c. subsidization of labour cost.

Contacts



Panayotis Bernitsas
Managing Partner
E pbernitsas@bernitsaslaw.com



Fotodotis Malamas
Counsel
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](#)