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The Legal 500 Country Comparative Guides

Greece

PRIVATE CLIENT

Contributor

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This country-specific Q&A provides an overview of private client laws and regulations applicable in Greece.

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GREECE PRIVATE CLIENT



1. Which factors bring an individual within the scope of tax on income and capital gains?

Tax residence. Greek tax liability is triggered from an individual's tax residence in Greece. An individual's tax residence in Greece is determined based on the place of residence, habitual abode or vital interests (i.e., personal, financial ties) in Greece. Further, the law provides that an individual, who is present in Greece for a period exceeding one hundred and eighty-three (183) days in total and within the same tax year, is a tax resident of Greece from the day of first presence in Greece.

Greek tax residents are subject to Greek income tax on their worldwide income unless a Double Taxation Convention with the country of source provides otherwise. They are obliged to report income from both Greek and foreign sources in their annual income tax return and be taxed with the corresponding income tax.

Location of assets. Another factor that may bring an individual in the scope of Greek taxation is the ownership of Greek assets generating income and/or capital gains (e.g., rentals from Greek properties, interest from Greek deposits, capital gains from Greek shares or other investment products held in Greek portfolios). In this respect, individuals, who are non-Greek tax residents, may be liable to income tax on their Greek source income.

2. What are the taxes and rates of tax to which an individual is subject in respect of income and capital gains and, in relation to those taxes, when does the tax year start and end, and when must tax returns be submitted and tax paid?

Employment and business income. The tax scale for employment income (i.e., income from salaries and pensions) and business income (i.e., income earned by freelancers/entrepreneurs), which applies to both Greek

and non-Greek tax residents is the following:

Income in Euro	Tax rate of bracket (%)	Tax on bracket in Euro	Total income in Euro	Total tax in Euro
0-10,000	9%	900	10,000	900
10,001-20,000	22%	2,200	20,000	3,100
20,001-30,000	28%	2,800	30,000	5,900
30,001-40,000	36%	3,600	40,000	9,500
Excess	44%			

The tax imposed based on the abovementioned tax scale is reduced for Greek tax residents. The deduction is based on the number of children the taxpayer has. Further, Greek tax residents should make electronic payments for the purchase of goods and services (through credit/debit cards, bank account transfers). The minimum annual requirement of such e-payments is equal to 30% of the total amount of employment and/or business income and/or rental income for the respective year with a limit to the amount of Euro 20,000. In the event that the taxpayer does not meet the minimum e-payments requirement, the annual income tax to be assessed will be increased by 22% on the difference between the minimum requirement and the actual e-payments made.

Rental income. The tax scale for rental income applicable to both Greek and non-Greek tax residents has as follows:

Income in Euro	Tax rate of bracket (%)	Tax on bracket in Euro	Total income in Euro	Total tax in Euro
0-12,000	15%	1,800	12,000	1,800
12,001-35,000	35%	8,050	35,000	9,850
Excess	45%			

A deduction of 5% from the rental income applies for renovation, repairs and maintenance expenses. This deduction applies for both Greek and non-Greek tax

residents and it is recognized automatically irrespective of whether any expenses were made, or the amount of expenses made.

Capital gains

(i) Transfer of real estate property. The capital gain realised upon the sale of real estate property, or the establishment or transfer of real estate property related rights is subject to 15% capital gains tax. Payment of the said tax exhausts the relevant income tax liability of the seller. The tax in question applies with respect to gains from the disposal of real estate property and property rights taken place as of January 1, 2014. However, the application of real estate capital gains tax for sales taking place until the end of 2024 has been suspended.

(ii) Sale of other assets (securities, listed or non-listed shares, bonds, derivatives, treasury bills)

In principle, a 15% tax is imposed on capital gains earned by Greek tax residents upon the transfer of the following assets:

- Non-listed shares
- Listed shares in case the taxpayer holds more than 0,5% in the share capital of the company
- Holdings in partnerships
- Bonds (public or private) and treasury bills
- Derivatives

Capital gains earned by non-Greek tax residents are exempt from the above-mentioned capital gains tax on securities and other financial assets, provided that they reside in a country that has concluded an Agreement for the Avoidance of Double Taxation with Greece and they issue an official tax residence certificate.

Exemptions from 15% capital gains tax

- Listed shares in case the taxpayer holds less than 0,5% in the share capital of the company
- Corporate bonds issued by EU/EEA/EFTA companies
- Participations in EU/EEA/EFTA UCITS

Income from dividends, interest and royalties

Dividends are taxed at a final rate of 5% and interest at a final rate of 15%, whereas royalties are subject to a 20% income tax. The abovementioned tax exhausts the taxpayer's liability on this income.

Deemed income tax rules (based on living and capital expenditures)

Greek tax residents. The law requires that certain operating expenses which normally indicate a certain level of living and spending are justified by reference to the level of declared income. Such expenses include the ownership/use of certain items (e.g. main or secondary residence, cars and vehicles, yachts, aeroplanes or helicopters, swimming pools), the engagement of personnel (such as housekeepers, cleaners, drivers), as well as capital expenditures for the purchase of company shares, vehicles, real estate property, purchases of assets exceeding Euro 10.000 (per item), for the construction of a building or a swimming pool and for granting loans or gifts to third parties.

If the amount of income declared by the taxpayer does not suffice to substantiate the expenditures declared by him/her, the excess is taxed as deemed income (at a marginal tax rate of 44%). In this respect surplus income declared in prior years and not used for justification of expenses in previous years (unexpended capital), as well as proceeds from the liquidation of assets can be used in the above justification process.

Non-Greek tax residents. As regards the non-Greek tax residents, they are not subject to the deemed income rules, provided that they do not acquire any Greek sourced income. However, if they acquire Greek sourced income, the deemed income rules apply only as regards the capital expenditures and not then living expenditures. In order to comply with the above rules, non-Greek tax residents should justify the capital expenditures by reference to Greek sourced income of the year in question or previous years or by following a specific procedure of importation of funds in Greece.

Tax year and income tax return filing timeline

The tax year coincides with the calendar year. It starts on January 1st and ends on December 31st. The income tax return is filed on an annual basis from March to June of the year following the respective tax year. A one or two-month extension may be provided by means of a circular.

Income tax payment

Following the filing of the annual income tax return a tax assessment certificate is issued and the amount of tax should be paid either in lump sum or in eight (8) monthly instalments. A 3% deduction from the tax is provided in case of lump sum payment.

3. Are withholding taxes relevant to individuals and, if so, how, in what circumstances and at what rates do they apply?

The withholding tax procedure may apply to individuals based on the type of income received. More specifically, Greek sourced salaries and pensions, as well as dividends, interest and royalties are subject to withholding at the below tax rates by the person liable to pay them (e.g., the bank withholds 5% tax on Greek sourced dividends from listed shares or 15% withholding tax on interest from deposits to Greek bank accounts). Please see below a table indicating the withholding tax rates per case:

Withholding taxes	
Type of income	Tax rates %
Dividend	5%
Interest	15%
Royalties	20%
Fees for technical projects, management fees, consultancy and other related services	20%
Fees received by contactors of technical projects and lessors of public, municipal, association	3% on the value of the project

4. How does the jurisdiction approach the elimination of double taxation for individuals who would otherwise be taxed in the jurisdiction and in another jurisdiction?

The elimination of double taxation of Greek tax resident individuals is eliminated either by the application of the Double Taxation Conventions (DTCs) that Greece has signed with other countries or by the domestic law. Under the domestic law it is possible to set off the tax paid outside Greece against the Greek tax corresponding on the income in question provided that specific official documentation (e.g., certificate stamped, signed and apostilled by the foreign tax authorities confirming the amount of income and the corresponding tax paid by the individual) is available upon his/her income tax return filing.

It is noted that Greece has signed the Multilateral Convention to Implement Tax Treaty Measures to Prevent Base Erosion and Profit Shifting in 2017. However, in Greece, this Convention was entered into force in July 2021 following the submission of a list of reservations and notifications upon deposit of the

instrument of its ratification.

5. Is there a wealth tax and, if so, which factors bring an individual within the scope of that tax, at what rate or rates is it charged, and when must tax returns be submitted and tax paid?

In Greece there is no Wealth Registry or wealth taxes.

6. Is tax charged on death or on gifts by individuals and, if so, which factors cause the tax to apply, when must a tax return be submitted, and at what rate, by whom and when must the tax be paid?

Inheritance taxation

According to Greek inheritance tax law, the following assets are subject to Greek inheritance tax:

- (a)** the movable and immovable assets located in Greece (e.g. Greek real estate property, Greek deposits, Greek company shares), irrespective of the nationality and tax residence of the deceased.
- (b)** the movable assets outside Greece owned by a Greek tax resident, regardless of his/her nationality.

- (c)** the movable assets outside Greece owned by a Greek national, who has not been residing outside Greece for the last ten (10) years preceding the demise.

In all cases, real estate property located outside of Greece is exempt from Greek inheritance tax.

Inheritance tax burdens the heir(s). The applicable tax rates for inheritance taxation are determined by reference to the degree of kinship between the deceased and the heir, which is classified in categories (please see below more details on Category A, Category B and Category).

Gift taxation

According to Greek gift tax law, Greek gift tax liability may arise in the following events:

- (a)** movable or immovable property located in Greece is gifted (e.g., Greek real estate property, Greek company shares, funds from Greek bank accounts), irrespectively of the nationality and residence of the donor or the recipient of the gift.

- (b)** a Greek tax resident receives movable assets

located outside Greece.

(c) a Greek national donor gifts movable foreign assets

Immovable property outside Greece is out of the scope of the Greek gift tax rules, whereas exemptions apply for Greek nationals residing outside Greece for more than ten (10) years. More specifically:

(i) Non-Greek assets gifted by a Greek national residing abroad for more than ten (10) consecutive years are exempt from Greek gift tax

(ii) Non-Greek assets gifted by a Greek national residing abroad for at least a decade, who has recently become a Greek tax resident are also exempt from gift tax provided that the gifts are made within a 5-year period from his relocation to Greece. This exemption does not apply if the assets were acquired in Greece within the last 12 years and then transferred abroad.

The gift tax burdens the recipient of the gift (donee). The applicable tax rates for gift taxation are determined by reference to the degree of kinship between the donor and the donee, which is classified in categories.

For the kinship categories and the applicable tax scales for both inheritance and gift please see the tables below.

Category A: spouse, civil partners under a cohabitation agreement, parents, children and grandchildren, including children adopted or recognized by the father either voluntarily or judicially

Gift tax		Inheritance tax				
Bracket of asset value (in EUR)	Tax rate of bracket (%)	Bracket of asset value (in EUR)	Tax rate of bracket (%)	Tax on bracket (in EUR)	Total value of assets (in EUR)	Total tax (in EUR)
800,000	0	150,000	0	0	150,000	0
Excess	10	150,000	1	1,500	300,000	1,500
		300,000	5	15,000	600,000	16,500
		Excess	10			

Category B: other descendants and ascendants (including grandparents), siblings (including step siblings), other relatives of third degree (nephews/nieces and uncles/aunts), Stepparents, stepchildren, sons or daughters-in-law and parents in law.

Gift & Inheritance tax				
Bracket of asset value (in EUR)	Tax rate of bracket (%)	Tax on bracket (in EUR)	Total value of assets (in EUR)	Total tax (in EUR)
30,000	0	0	30,000	0
70,000	5	3,500	100,000	3,500
200,000	10	20,000	300,000	23,500
Excess	20			

The above tax scale does not apply to transfers of cash by reason of gift. Instead, a 20% flat tax applies without a tax-free threshold.

Category C: all others

Gift & Inheritance tax				
Bracket of asset value (in EUR)	Tax rate of bracket (%)	Tax on bracket (in EUR)	Total value of assets (in EUR)	Total tax (in EUR)
6,000	0	0	6,000	0
66,000	20	13,200	72,000	13,200
195,000	30	58,500	267,000	71,700
Excess	40			

The above tax scale does not apply to transfers of cash by reason of gift. Instead, a 40% flat tax applies without a tax-free threshold.

7. Are tax reliefs available on gifts (either during the donor's lifetime or on death) to a spouse, civil partner, or to any other relation, or of particular kinds of assets (eg business or agricultural assets), and how do any such reliefs apply?

The inheritance tax-free bracket for the surviving spouse and each underage child is Euro 400,000. For adult children the tax-free bracket is reduced to Euro 150,000.

With respect to gifts, persons of Category A (please see above) have the right to grant or receive a tax-free gift with a value up to Euro 800,000.

8. Do the tax laws encourage gifts (either during the donor's lifetime or on death) to a charity, public foundation or similar entity, and how do the relevant tax rules apply?

Donations in cash to non-for-profit entities pursuing religious, cultural, educational or any other charitable purposes are tax free for amounts up to Euro 1,000 per year per donor, whereas any excess amount is taxed at the favourable gift tax rate of 0,5%. Donations of other assets except for cash are taxable at the gift tax rate of 0,5%. The same rate applies for any assets or monetary amounts granted to these entities by means of inheritance.

In addition to the above, for any gift in cash exceeding Euro 100, a deduction equal to 20% of the gifted amount from the annual income tax assessed to the donor is provided. The deduction cannot exceed the 5% of the donor's total amount of income declared in his annual income tax return.

9. How is real property situated in the jurisdiction taxed, in particular where it is owned by an individual who has no connection with the jurisdiction other than ownership of property there?

The ownership rights on Greek real estate property are taxed on an annual basis irrespective of the tax residence or nationality of the owner individual.

As of 01.01.2014 ownership rights on real estate property located in Greece are subject to the annual Unified Real Estate Ownership Tax (hereinafter UREOT). For individuals UREOT is equal to the principal tax on each property, which is increased based on a scale ranging from 5% to 20% depending on the total value of the Greek properties held, if it exceeds Euro 500,000. The formula based on which the UREOT is determined is quite complex and the value of each property is affected by several parameters and coefficients (e.g. location of the property, use of the property, floor and facades of the property).

It is to be noted that the UREOT is imposed on real estate property rights (e.g. full/bare ownership, usufruct rights etc.) on properties located in Greece owned as at 1st January of each year, irrespective of potential amendments taking place during the year and any transfer of the ownership title.

In addition to the above, there is a municipality duty (which is called TAP in Greek) and is calculated by a certain rate determined by the municipal council in combination with the surface (square metres) and the nature of the property (plot or building). This duty is levied and paid through the electricity supply bills.

10. Does your jurisdiction have any specific rules in relation to the taxation of digital assets?

Currently, there is no Greek legislative framework for the taxation of cryptocurrencies or NFTs.

However, Greek tax resident individuals may have the obligation to report income deriving from the purchase and sale of cryptocurrencies and NFTs in their annual income tax return based on the interpretation of a new circular issued in 2023. Such tax guidelines provide that the capital gains resulting from a single transaction or systematic sale of assets (e.g. investment products, cryptocurrencies, gold) acquired for the purpose of "making a profit" may be taxed as business income at a maximum rate of 44%. As "systematic sale", it is defined as the execution of at least three similar transactions within a six-month period.

Further, a recent decision issued by the Dispute Resolution Directorate confirmed that income from the transfer of cryptocurrencies does not constitute income from capital gains from the sale of investment products taxable at 15%.

Irrespective of the above and considering that the popularity of transactions with cryptocurrencies is increasing during the last years, explicit tax provisions regarding their taxation in Greece should be introduced.

11. Are taxes other than those described above imposed on individuals and, if so, how do they apply?

Private loans executed in Greece and rentals deriving from business leases are subject to stamp duty of 3,6%. The person liable to pay the stamp duty is determined in the loan/lease agreement.

Further, the individual to purchase Greek real estate property is burdened with a transfer tax of 3,09% on the consideration or the statutory value of the property, if the latter is higher than the purchase price.

12. Is there an advantageous tax regime for individuals who have recently arrived in or are only partially connected with the jurisdiction?

Currently, three (3) special tax resident regimes apply for individuals who relocate and transfer their tax residence to Greece; the lump sum tax resident regime for High Net Worth Individuals, the special tax resident

regime for pensioners and the special tax resident regime for employees/freelancers relocating in order to work in Greece.

Lump sum tax resident regime_ High Net Worth Individuals

This regime refers to High Net Worth Individuals, non-Greek tax residents for at least seven (7) out of the last eight (8) years, who wish to relocate and invest the amount of Euro 500,000 minimum in Greece within a period of three (3) years from the submission date of their application to enter the regime. The tax incentives involved under this regime are the following: (a) payment of a lump sum tax of Euro 100,000 annually in exchange of no reporting of foreign sourced income and assets located outside Greece, (b) no tax, conditions or any restrictions to importation of funds for the period the HNWI is under the regime and up to 15 years, (c) exemption from inheritance and gift tax for the assets located outside Greece.

Pensioners' tax resident regime

This regime aims to attract pensioners, who have been residing outside Greece for at least five (5) years out of the last six (6) years. Under this special regime, pensioners will be subject to an annual flat tax rate of 7% on their foreign source income, whereas only their Greek sourced income will be taxed at the ordinary tax rates. In addition, Double Taxation Conventions (DTCs) will apply giving the pensioners the right to be favoured on the basis of the DTCs (application of lower rates, tax credits or exemptions). The duration of this regime cannot exceed fifteen (15) years.

Employees/Freelancers' tax resident regime

Employees, who have been non-Greek tax residents for at least five (5) years out of the last six (6) years and participate in this special tax regime, are exempt from **(i)** income tax for 50% of their Greek sourced employment income (salaries) and **(ii)** the living expenditures of their residences and cars in Greece for seven (7) consecutive years provided that they will be employed in Greece at a new employment position. As regards their Greek sourced income (except employment income) and income from foreign sources, they are taxed based on the ordinary tax rates.

13. What steps might an individual be advised to consider before establishing residence in (or becoming otherwise connected for tax purposes with) the

jurisdiction?

Individuals, who consider relocating in Greece, prior to their relocation should (i) proceed to the relevant actions as to exit from the country of their former tax residence, (ii) notify the banking institutions about their relocation for CRS purposes, (iii) request for pre-immigration advice (visa residence permit or EU registration card) in case they have no Greek nationality and (iv) receive legal and tax advice on the applicable rules with respect to their relationships, participations and assets.

14. What are the main rules of succession, and what are the scope and effect of any rules of forced heirship?

Under Greek inheritance law, an individual becomes an heir either by means of a Will or where there is no Will (intestate), according to the law and the system of the classes (please see below).

In case there is a Will, upon its publication by the District Court, the Will dictates the inheritance to the extent that the forced heirship rules (as analysed below) are not violated.

In case a person dies without leaving a Will (intestate), there are six (6) classes, which determine the heirs and the order in which they will be called upon to inherit. The main rules in this case are the following: The classes follow the degree of kinship with the deceased person. If a person from the first class is called upon to inherit, the persons belonging to the following classes are excluded from the inheritance. In case the heirs of one class renounce the inheritance, the heirs of the next class will inherit.

Analysis of the classes' system: The first class includes the deceased's children as well as the surviving spouse. The second class includes the deceased's parents, his/her siblings, their children and the grandchildren. The latter inherit per stirpes, which means that children of any pre-deceased brother/sister exclude any grandchildren from their inheritance rights. The third class includes the grandparents of the deceased or their children or grandchildren. The fourth class includes the great-grandparents of the deceased.

The spouse has rights to the surviving spouse's Estate. These rights depend on the following factors: whether or not there are children, whether or not there are other relatives, what the degree of kinship of the relatives with the deceased was, whether or not there is a pending divorce action, whether or not he/she is entitled to any assets necessary for his/her further survival, etc.

In case there are children, the surviving spouse is entitled to $\frac{1}{4}$ of the inheritance and the children inherit the remaining $\frac{3}{4}$ of the inheritance in equal shares. In case there are no children, the surviving spouse is entitled to 50% (half) of the inheritance and the other relatives inherit the remaining 50% of the inheritance. In the third case where there are no children and no other relatives, the surviving spouse is entitled to 100% of the inheritance (i.e., the spouse is an heir to the entire inheritance).

Additionally, the surviving spouse is entitled to some other assets regardless of the class by which he/she is called. These assets include the furniture, utensils, cars, clothing and other such household effects and household goods used either by the surviving spouse alone or by both spouses.

Forced heirship rules may apply in two cases: (a) where there is a Will and according to it, the relative who would inherit according to the above mentioned system of the classes does not inherit or inherits less than the minimum forced inheritance share and (b) in the case where some person dies intestate and the existing assets of the inheritance do not suffice to cover the minimum forced inheritance share, due to gifts that the decedent made while living or due to restrictions that have been placed by the Will.

The minimum forced inheritance share equals to half of the inheritance share each of the relatives would be entitled to, if the decedent died intestate (according to the above mentioned system of the classes). Any contributions, however, that the deceased may have gifted to each of the above heirs while living, may be counted against the minimum forced inheritance share that the heir will be entitled to upon the decedent's death. The minimum forced inheritance share only applies when those entitled to it would inherit, if no Will existed.

Therefore, for instance, the parents of the decedent do not have a claim to a minimum forced inheritance share, if the decedent had a wife and children (because if no will existed, only the wife and children would inherit as first class heirs, and not the parents that are only called to inherit if no children exist as second class heirs). Furthermore, grandchildren have a minimum forced inheritance share claim if their parents are excluded from the inheritance. Furthermore, for a decedent who had three children and a spouse, the following apply: the intestate share (system of the classes) of each child is $\frac{1}{4}$ of the estate, and the minimum forced inheritance share $\frac{1}{8}$ of the estate.

Finally, regarding the legal consequences of not bequeathing the minimum forced inheritance share in

the event of a Will, it must be noted that this constitutes the Will invalid as far as the minimum forced inheritance share is concerned. This can be raised by anyone who has a valid right in the minimum forced inheritance share and is examined by the competent Court.

15. Is there a special regime for matrimonial property or the property of a civil partnership, and how does that regime affect succession?

The spouses may select the system of communal ownership of the property by signing a notarial deed either before or during the marriage or civil partnership. The assets included in this system are dictated by the spouses as expressed in the notarial deed and they are considered to be owned in equal parts ($\frac{1}{2}$ each spouse). There are two options: (a) the communal ownership of all the assets, including all assets either pre-existing of the marriage or acquired during the marital relationship, (b) the communal ownership of all movable property pre-existing at the time of the marriage and all movable and immovable property acquired during the marital relationship.

In case the spouses have chosen the system of communal property for the settlement of the matrimonial property, and in the event of the death of one of them, the provisions of the dissolution of the community and the distribution of community shall apply. This means that each spouse may claim their part of the communal property and the rest will be distributed according to the general succession rules.

The system of communal ownership of the property shall terminate automatically after the dissolution of the marriage. Upon the termination, the following will apply.

The claim for participation in the acquisitions applies automatically when the above mentioned system is not selected or when it is terminated upon the dissolution of the marriage. According to this claim, after the dissolution of the marriage by an irrevocable court decision (divorce), the spouses may raise a claim for participation in the acquisitions if the following conditions are fulfilled:

- (a) dissolution (divorce) or annulment of the marriage or completion of three years of separation of the spouses,
- (b) an increase in the property of one of the spouses during the period between the marriage and its dissolution by divorce,
- (c) there is a contribution in any way by one spouse to the increase in the property of the other spouse; and
- (d) there is a causal link between the contribution of one spouse and the increase in the other

spouse's property.

The law states that the contribution of one spouse is presumed to be 1/3 unless it is proved to be more or less or no contribution at all. This claim shall not be inherited, in the event of death, in the name of the heirs of the deceased spouse.

It has to be clarified that the above-mentioned provisions which apply for spouses also apply for civil partnership parties.

In practice, the system of communal ownership of the property is not widely applicable since most of the spouses/civil partnership partners do not opt for it.

16. What factors cause the succession law of the jurisdiction to apply on the death of an individual?

According to the Greek Civil Code the applicable law (lex hereditatis) in inheritance relations is the lex patriae of the deceased i.e., "the law of the country of nationality of the deceased at the time of death shall govern the succession". This means that even if the assets are located abroad (outside of Greece), if the deceased's nationality is Greek, then the Greek law is the applicable law of the inheritance relations. According to the principle of unity of the inheritance, all the inheritance assets are ruled by the succession law of the same jurisdiction. The Greek Civil Code does not distinguish between movable and immovable assets.

However, in practice, Regulation (EU) 650/2012 of the European Parliament and of the Council of 4 July 2012 on jurisdiction, applicable law, recognition and enforcement of decisions, recognition and enforcement of authentic instruments in matters of succession and the creation of a European Certificate of Succession applies, which entered into force in Greece on 17th August 2015 (temporal scope) and brought significant changes in the field of cross-border succession law.

The Regulation as part of European Law enjoys priority over national laws dealing with cross-border succession issues. Pursuant to this Regulation, the law of last habitual residence of the deceased is the one determining both the competent jurisdiction of the deceased and the jurisdiction to rule on the entire succession, and the law applicable to the succession regardless of where the assets are situated.

It also establishes the right to select (professio juris) the law of one of the States of which the person is a national as the law applicable to the succession.

17. How does the jurisdiction deal with conflict between its succession laws and those of another jurisdiction with which the deceased was connected or in which the deceased owned property?

As mentioned above, Regulation (EU) 650/2012 of the European Parliament and of the Council of 4 July 2012 applies in Greece, which establishes the law of last habitual residence of the deceased as the one determining both the competent jurisdiction of the deceased and the jurisdiction to rule on the entire succession, and the law applicable to the succession regardless of where the assets are situated.

However, in cases where third countries are involved (non-EU Member States and Denmark, and Ireland who have not adopted it), they continue to apply their own private international law rules.

18. In what circumstances should an individual make a Will, what are the consequences of dying without having made a Will, and what are the formal requirements for making a Will?

If an individual wishes to designate his heirs, the assets to be inherited by them and the percentages, as well as the conditions under which they will inherit, then he/she should proceed to the drafting of a Will. There are three (3) types of wills, the holographic will, which is handwritten by the testator himself and it is kept by him or a trusted person, the public will, which is drafted before a notary and three witnesses and the secret will, which is written by the testator and is handed to the notary in the presence of three witnesses, in order for the notary to keep it safe and secret by the time of the testator's demise.

Irrespective of the type of the will, all wills are published before the competent District Court from the person to have them at hand (e.g., an heir, a trusted lawyer, a notary).

In case there is no will, the assets will be inherited intestate and according to the succession rules of the country where the deceased had his habitual residence or of which the deceased had the nationality (if the Regulation EU 650/2012 does not apply).

19. How is the estate of a deceased individual administered and who is

responsible for collecting in assets, paying debts, and distributing to beneficiaries?

According to the Greek inheritance law, the heirs (intestate or by will) are responsible for collecting in assets, paying debts and taxes due in the name of the deceased. However, the deceased has the right to appoint an executor through his will, who will be responsible to satisfy his wishes and will have an overview of the estate.

20. Do the laws of your jurisdiction allow individuals to create trusts, private foundations, family companies, family partnerships or similar structures to hold, administer and regulate succession to private family wealth and, if so, which structures are most commonly or advantageously used?

The trust is a common law concept which is based on the distinction between legal ownership and equitable ownership. Greece is a civil law country following the continental law system and thus the above distinction is not recognised or accepted by the Greek law. Therefore, a trust cannot be considered a separate legal entity being able to directly hold Greek assets.

The same applies for the private foundations. Their concept does not exist under Greek law. However, in comparison to a trust, a foundation is a separate legal entity and as such it is considered the owner of any assets held by it.

Even though both trust and foundations are not recognized by the Greek law, in 2017 the Greek tax authorities have issued guidelines regulating their tax treatment.

Family companies and partnerships are very common in Greece; however, their structure cannot serve the succession needs of the family. Therefore, it is very common for high-net-worth Greek resident individuals to establish trusts or foundations under other countries' laws for the purpose of their succession or/and the administration of their private wealth. Further, these structures are used as vehicles, which can serve the special needs of incapable family members.

21. How are these structures constituted and what are the main rules that govern them?

As mentioned above, Greek law does not include any provisions for trust and private foundations. Any trusts or foundations serving the interests and needs of Greek tax resident individuals are established outside Greece and hold non-Greek assets. Therefore, the rules governing them are those of the country of their establishment.

22. What are the registration requirements for these structures and what information needs to be made available to the relevant authorities? To what extent is that information publicly available?

N/A

23. How are such structures and their settlors, founders, trustees, directors and beneficiaries treated for tax purposes?

From a tax point of view, until recently, the sole Greek provision referring to the common law trust was included in the Greek Inheritance and Gift tax code, referring exclusively to testamentary trusts. In 2013, the Greek Income Tax Code was revised and in the context of such revision, an explicit reference was made to trusts and foundations mentioning them in the definition of legal entities (for tax purposes), whereas in 2017 the Greek tax authorities issued for the first time guidelines regulating the tax treatment of trusts and foundations.

Based on these guidelines, the trustees of a trust and the directors (board) of a foundation are out of the scope of the Greek (income, inheritance and gift) taxation.

Tax treatment of Settlor/Founder

In principle, no gift or income tax liability arises at the time when the settlor or founder settles assets into a trust or foundation. In case that bankable assets are settled by a Greek tax resident into a trust or foundation, capital gains tax may be triggered at his/her level under specific conditions (remote risk).

To the extent that the settlor/founder receives part of the initial assets settled into the trust/foundation under his capacity also as beneficiary of the structure, such distribution is considered as capital refund and it is not taxable. If, however, the settlor or founder receives part of the profits generated in the structures, such distribution is considered distribution of dividend and it is taxed at a flat tax rate of 5%. In order for the settlor/founder to be able to substantiate the distribution as return of capital or dividend, it is strongly recommended for these structures to have financial

statements.

Tax treatment of beneficiaries of Trusts/Foundation

(i) Distributions to the beneficiaries during the settlor's/founder's lifetime

For Greek tax purposes, distributions made to the beneficiaries of a trust during the settlor's/founder's lifetime are treated as taxable gifts, whereby the settlor/founder is the donor and the beneficiary receiving the assets is the donee. The gift tax liability is triggered if the settlor is a Greek national or the beneficiary is a Greek tax resident or a Greek national. The gift tax liability arises at the time of the distribution and the applicable tax rate depends on the kinship relationship between the settlor/founder and the beneficiary (10% or 20% or 40%). Both the settlor/founder and the beneficiary have to file a joint gift tax return within six (6) months from the date that the distribution took place. The person liable to pay the gift tax is the beneficiary/donee.

(ii) Distributions to the beneficiaries following the settlor's/founder's demise

Distributions made to the beneficiaries of a trust/foundation following the demise of its settlor/founder are subject either to inheritance tax or to gift tax mortis causa depending on the provisions of the Trust deed/Foundation regulations.

The beneficiaries will be taxed as heirs or donees causa mortis (by reason of death) upon the settlor's/founder's death for the assets existing upon the latter's demise regardless of whether they have been received or not. More specifically, if the trust deed/foundation regulations provide that the beneficiaries are entitled in or in part to the assets of the trust upon the settlor's/founder's demise, they will be taxed as heirs/donees upon the settlor's/founder's demise for the assets held in the trust/foundation on the date of demise. In case that there is a reference to a specific time set in the trust deed/foundation regulations to receive the distributions following the demise of the settlor/founder, the beneficiaries will be taxed upon receipt of such amounts.

The tax liability arises based on the kinship relationship between the settlor/founder and the beneficiary (10% or 20% or 40%).

24. Are foreign trusts, private foundations, etc recognised?

As mentioned above, the concept of the trust is not recognized by the Greek law. According to the prevailing

opinion of Greek scholars, trusts should be considered under Greek law as legal entities with no legal personality.

Greek courts tend to recognize the legal effects arising from trusts in the country of their establishment provided that they have been validly established under the foreign law (as opted by the settlor). In this context, Greek jurisprudence seems to treat the trustee as the legal owner of the assets settled into the trust by the settlor and court proceedings regarding the trust's assets could be brought against him/her.

As regards the foundation, despite the fact that this concept does not exist in the Greek law, the foundation being a legal entity, it will be considered the owner of the assets held in the foundation.

25. How are such foreign structures and their settlors, founders, trustees, directors and beneficiaries treated for tax purposes?

Please refer above under question 22.

26. To what extent can trusts, private foundations, etc be used to shelter assets from the creditors of a settlor or beneficiary of the structure?

To the extent that trusts and foundations are not regulated by the Greek law, their concept is not recognized and there is no relevant jurisprudence safely confirming their legal status and effects in case of creditors' claims, these structures are not widely opted for asset protection, but for succession purposes.

27. What provision can be made to hold and manage assets for minor children and grandchildren?

In case that assets are granted to minor children or grandchildren, their parents are by law the persons to manage them until the children/grandchildren reach the age of 18 years old. If there are no parents or they are not able to exercise these rights, a guardian is appointed through court proceedings. Any disposal actions are not allowed unless there is a court decision ruling otherwise.

If there are provisions in trusts or foundations for distributions to minor children/grandchildren their tax treatment is the same as described above under question 22, however the respective filings and tax payments should be made by their parents or their

appointed guardian on their behalf.

28. Are individuals advised to create documents or take other steps in view of their possible mental incapacity and, if so, what are the main features of the advisable arrangements?

Before a person reaches the point of becoming unable to take care of his/her personal affairs due to a mental incapacity, they are advised to draft a power of attorney before a public notary, authorising the persons to act on their behalf regarding their legal, tax or other affairs.

At the point where a person is unable to take care of his/her personal affairs due to a mental or intellectual disorder (also due to a physical disability or due to drug addiction and alcoholism), this person may be placed under "conservatorship", which means that the court will rule that for this person another person needs to be appointed in order to act as his/her legal representative. Given the serious consequences of placing a person under such restrictions, the power to decide this has been placed on the judicial authorities, following an application filed by the following eligible persons: The person himself, the spouse of the person, the parents of the person, the children of the person, the Public Prosecutor and the Court.

The application must describe the legal acts to be attempted by the legal representative or by a court representative in the name and on behalf of the person in need. These acts concern the management of the property and the administration of his/her affairs (for example: renting out property, payment of debts, pension/benefit administration, representation before the authorities, pension/ insurance institutions, etc.).

There are acts that the legal representative appointed by the court will be able to perform without requiring the permission of the court or the supervisory board (e.g., placing the person's securities and valuables in a bank or other appropriate credit institution, paying debts and collecting debts such as rent). There are transactions that the legal representative can only attempt with the permission or approval of the supervisory board (e.g., the placement of funds, the leasing or renting of property)

Lastly, there are acts for which an opinion of the supervisory board and permission of a court is required, e.g. the disposal of the person's property in whole or in part, the sale of his property, the sale of securities (shares, bills, bonds) and valuable objects, the undertaking of any construction on his property whose

expenditure exceeds the amount determined by the supervisory board for his annual expenditure, the establishment of a new business, the renunciation of inheritance, the acceptance of a donation involving burdens).

As regards decisions about medical treatment and nursing homes, for example when a person's condition requires involuntary hospitalisation in a mental health facility, this is done with the prior permission of the court and in accordance with the provisions of special Greek laws.

After the filing of the above-mentioned application, the case is discussed in camera, where the judge, not being bound by the requests of the parties, decides a) whether the applicant should be granted legal support/aid, b) for which acts and c) who will carry out the necessary legal actions on his behalf. The person who is entrusted with this power is called the "court representative", while the body that "supervises" him is called the "supervisory board". The procedure is completed by the adoption of the court decision, which decides on the above-mentioned issues.

Depending on the individual case, the court may place the person in full conservatorship if it is considered that he or she is totally unable to take care of himself or herself and his or her property and that he or she cannot perform any legal acts in person, or in partial conservatorship if it is considered that he/she is unable to perform certain legal acts by himself/herself (e.g. to make a will).

Any legal act attempted by the person under conservatorship by himself/herself (in the case of full conservatorship) or without the consent of the legal representative (in the case of subsidiary conservatorship), this act will have no legal effect.

29. What forms of charitable trust, charitable company, or philanthropic foundation are commonly established by individuals, and how is this done?

Greek law recognizes foundations and unions/associations as the most common forms of non-profit entities established by individuals.

(a) Union/association: An association is a non-profit entity established by at least 20 persons (natural or legal) with a non-profit/charitable purpose and with a legal personality. For its establishment, the following rules apply: An application for registration together with the Association's Statute is submitted at the District

Court of the Association's seat and if approved the documents of the association are filed at the special registry for associations kept at the Court of First Instance. The association is considered registered upon approval of its application for establishment by the District Court and upon its filing with the Court of First Instance.

Greek charitable associations are formed for the purpose of *"...providing material and moral support to individuals or groups of persons who are temporarily or permanently in a state of need"*, which is mentioned in their Association's Statute.

(b) Foundation: Under Greek law, a foundation is created by a disposition of assets under a deed of establishment, which can be made either inter vivos or by the means of a Will, *causa mortem*. If created inter vivos, a foundation must be established by a notarial deed. A foundation created by a Will is established pursuant to provisions regarding testamentary dispositions set forth in the Civil Code. The deed of establishment must state the purpose of the foundation and the assets being dedicated thereto. Establishment of a foundation requires approval by the ministry overseeing its area of social concern and issuance of a Presidential Decree published in the

Government Gazette.

30. What is the jurisdiction's approach to information sharing with other jurisdictions?

Greece has signed the Convention on Mutual Administrative Cooperation in Tax matters, as well as the protocol/amended convention in 2013, whereas in September 2017 Greece became a signatory in the CRS Multilateral competent authority agreement on automatic exchange of financial account information.

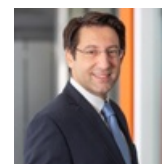
31. What important legislative changes do you anticipate so far as they affect your advice to private clients?

At the end of 2023 a new government bill was voted aiming to reduce tax evasion. The new law provisions include measures for the expansion of electronic transactions, the restriction of the use of cash, the modernization of the framework for short-term leases and the introduction of new tax rules for the taxation of freelancers (under special deemed income rules).

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