

BEPS Actions implementation by country Greece



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On 5 October 2015, the G20/OECD published 13 final reports and an explanatory statement outlining consensus actions under the base erosion and profit shifting (BEPS) project. The output under each of the BEPS actions is intended to form a complete and cohesive approach covering domestic law recommendations and international principles under the OECD model tax treaty and transfer pricing guidelines. The G20/OECD output broadly falls into the following categories:

OECD categorisation	Definition
Minimum standard	All G20/OECD members are committed to consistent implementation
Revision of existing standard	Common approaches to facilitate convergence of national practices
Common approach	Guidance drawing on best practices
Best practice	

It is now for governments to digest and introduce the necessary legislation. The table below sets out a summary of the expected local country implementation and timing in Greece.

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Action	OECD categorisation	Notes on local country implementation	Expected timing
VAT on business to customers digital services (Action 1)	Common approach	The EU VAT directive applies and is already implemented into domestic law.	1 January 2015
Hybrids (Action 2)	Common approach	<p>Anti-avoidance measures included in the EU Parent Subsidiary Directive have been incorporated into domestic law.</p> <p>As an EU member state, Greece is subject to the two EU anti-tax avoidance directives (ATAD and ATAD 2) and, therefore, is required to implement the directives into its domestic law. The ATAD and ATAD 2 include anti-hybrid rules that cover hybrid mismatches between EU member states, and between EU member states and non-member states, respectively. Member states are required to adopt the domestic legislation necessary to comply with the directives by 31 December 2019 (with an extension until 31 December 2021 for the reverse hybrid provisions).</p>	Applicable as from 1 January 2016 1 January 2020 (1 January 2022 for reverse hybrid provisions)
CFCs (Action 3)	Best practice	<p>As an EU member state, Greece is subject to the ATAD, which must be implemented into its domestic law by 31 December 2018. The ATAD includes a CFC rule.</p> <p>Greece introduced a CFC regime in 2014. It is not yet known whether the rules need to be strengthened as a result of the Action 3 conclusions and the ATAD.</p>	Not yet known
Interest deductions (Action 4)	Common approach	<p>As an EU member state, Greece is subject to the ATAD, which must be implemented into its domestic law by 31 December 2018. The ATAD includes an interest limitation provision to discourage artificial debt arrangements designed to minimise taxes, although a transition period may apply for member states that already have national, targeted rules for preventing BEPS that are equally</p>	1 January 2019, unless the transitional rules apply to the existing regime, in which case 1 January 2024

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effective as Action 4.			
Greece already has rules relating to the deduction of interest expense, including a maximum deductible interest rate, a limitation based on an EBITDA ratio and transfer pricing rules. It is not yet known whether these rules will be qualify for the transitional period under the ATAD or whether they will need to be revised.			
Harmful tax practices (Action 5)	Minimum standard	Greece already has a GAAR.	1 January 2014
		The anti-avoidance provision regarding the application of the EU parent-subsidiary directive was introduced into Greek law in March 2016 to disallow the dividend income exemption and a withholding tax exemption in the case of artificial transactions.	1 January 2016
Prevent treaty abuse (Action 6)	Minimum standard	Not yet known.	Not yet known
Permanent establishment status (Action 7)	Revision of existing standard	The tax authorities take a strong position in determining whether a PE exists in Greece. It is not yet known whether Greece's domestic rules will be changed as a result of the Action 7 conclusions.	Not yet known
Transfer pricing (Actions 8-10)	Revision of existing standard	The existing transfer pricing rules refer to the OECD guidelines, so any changes to the guidelines are likely to be effective immediately.	Not yet known
Disclosure of aggressive tax planning (Action 12)	Best practice	Not yet known.	Not yet known
Transfer pricing documentation (Action 13)	Common approach	Not yet known.	Not yet known

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CbC reporting (Action 13)	Minimum standard	Greece is one of the countries that signed a multilateral competent authority agreement for the automatic exchange of CbC reports. Not yet known
Dispute resolution (Action 14)	Minimum standard Complemented by best practice	A new article has been included in the Procedural Tax Code to implement the MAP, which is in line with Greece's tax treaties concluded and the EU Arbitration Convention. 28 November 2016
Multilateral Instrument (Action 15)	Applicable across all four categories	Not yet known. Not yet known

Unilateral BEPS Actions

There are no particular actions directly related to BEPS, but Greece is expected to adopt BEPS actions by legislative reforms, particularly given that such measures likely would broaden the country's tax base.

Other Tax Developments

No other tax developments to note.

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