



Recent Developments on VAT Law 4446/2016

By virtue of Law 4446/2016 (Government Gazette A' 240/22-12-2016), important changes have been introduced to the Greek VAT Code (Law 2859/2000).

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Increase of reduced VAT rates on certain islands delayed

The planned increase in the special VAT rates that apply to certain Greek islands is postponed for one year until 1 January 2018.

The VAT rates on the islands of the prefectures of Chios, Lesbos, Samos & Dodecanese (besides Karpathos and Rhodes) currently are reduced by 30% of the standard VAT rates; this special treatment was due to expire on 31 December 2016. As a result of the postponement of the rate increase, the reduced

rates will continue to apply on these islands; for all other islands and the mainland, the standard rates will apply.

In light of the above, the rates as from 1 January 2017 will be as follows:

Area	Standard rate	Reduced rate	Super reduced rate
Mainland and all islands, including Karpathos and Rhodes (except those in the next box)	24%	13%	6%
Islands of the prefectures of Chios, Lesbos and Samos & Dodecanese (besides Karpathos and Rhodes)	17%	9%	4%

Changes to VAT remittance upon collection scheme

Several changes relating to the VAT remittance upon collection scheme are introduced, the most important being an increase of the upper threshold of the annual turnover of VAT payers that may be subject to the scheme, from EUR 500,000 to EUR 2 million.

VAT payers that opt for the VAT remittance upon collection scheme are subject to the following requirements:

- Must pay output VAT due to the State at the time consideration is received from the customer/ recipient of the invoice and not at the time the invoice is issued for the relevant supply of goods or services; and
- Must deduct the relevant input VAT incurred at the time the relevant invoices are settled with their suppliers instead of at the time the invoices are received.



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