



Greece implements Country-by-Country Reporting

The Greek Parliament on 28 July voted to approve the adoption of EU Directive 2016/881 regarding the mandatory automatic exchange of tax-related information into Greek legislation. This directive amends the previous Directive 2011/16, which had been incorporated into Greek law by L.4170/2013. The new law adds Article 9AA to L.4170/2013, which provides the scope and requirements for the compilation and filing of the country-by-country (CbC) report in Greece by multinational enterprises. The most significant provisions of the new law are outlined below.

Contact

Maria Trakadi

Tax Partner
mtrakadi@deloitte.gr
Tel.: +30 210 6781260

Eftichia Piligou

Tax Partner
epiligou@deloitte.gr
Tel.: +30 210 6781294

Fotis Tsamparlis

Tax Principal
ftsamparlis@deloitte.gr
Tel.: +30 210 6781271

Significant provisions

The obligation for annual filing of the CbC report arises for multinational enterprise (MNE) groups for fiscal years beginning from 1 January 2016 onwards, provided the group's total consolidated revenues exceeded EUR 750 million in the fiscal year preceding the reporting fiscal year.

The CbC report must be submitted within 12 months from the last day of the reporting fiscal year.

The entity required to file the CbC report is the ultimate parent entity of an MNE group that has tax residence in Greece (or any other surrogate entity in Greece).

Greece, as a competent authority receiving CbC reports, undertakes the obligation to share those reports via the mechanism of automatic exchange of information within 15 months from the last day of the reporting fiscal year, with any jurisdiction in which one or more constituent entities of each group are incorporated (according to the information provided in the CbC report). Especially for the first year of application -- the fiscal year beginning from 1 January 2016 -- the exchange of information will be completed within 18 months from the last day of the reporting year.

The CbC report must include the following information, which will be provided and exchanged using standard tables:

- A) Aggregated data relating to revenue, profit (loss) before income tax, income tax paid, income tax due, share capital, accumulated profits, number of employees, and tangible assets other than cash or cash equivalents for each jurisdiction the group operates in.
- B) Identification documents for the jurisdiction where each constituent entity has its tax residence, and in case the latter differs from the jurisdiction of tax residence, the jurisdiction under which this constituent entity is organized and the nature of its primary business or businesses.

The source of information for the CbC report -- which may be financial statements, statutory financial statements, and internal management accounts -- should be used in a consistent way, the same data sources year on year. There is no requirement that differences in accounting standards from jurisdiction to jurisdiction must be adjusted.

It is also not necessary to reconcile differences in revenue, profits, and taxes between the CbC report and the consolidated financial statements.

The penalty for failure to submit the CbC report is EUR 20,000, while in cases of late submission or inaccurate disclosure the penalty is EUR 10,000.

Any constituent entity that is a tax resident of Greece and does not submit the CbC report is obligated to notify the Greek tax authorities of the identity and tax residence of the reporting entity no later than the last day of the reporting fiscal year. For the first year of application, the

deadline is extended to the last day of submission of the CbC report.

The information contained in the CbC report will be shared between jurisdictions through the mechanism of automatic exchange of information, and it will be used by the authorities to evaluate possible areas of concern in relation to the pricing of intragroup transactions and other risks associated with erosion of the tax base and profit shifting. The law explicitly provides that price adjustments of intragroup transactions will not be based on information provided by the CbC report.

However, the Greek law states that the information in the CbC report may be used as the basis for further scrutiny regarding the group's pricing arrangements or other tax issues in the context of a tax audit; hence, appropriate adjustments of a constituent entity's taxable income may occur. This statement is not included in BEPS Action 13 or in the OECD transfer pricing guidelines.

Practical issues

To summarize the deadlines that must be taken into account for the first year of application of the CbC reporting requirement, a relevant example is presented below.

An MNE group with a parent entity in Greece and two subsidiaries, one of which is a Greek tax resident, has a fiscal year starting on 1 January 2016 and ending on 31 December 2016. The Greek parent entity must submit the CbC report for the year 2016 by 31 December 2017 with information on the group's income, tax, and business activities per jurisdiction. The same deadline applies for the notification that the Greek subsidiary must make to the Greek tax authorities regarding the reporting entity of the CbC report for fiscal year 2016 and for fiscal year 2017.

The information included in the aforementioned CbC report must be communicated by the Greek tax authorities to the EU member states by 31 August 2018.

The Independent Authority of Public Revenues is expected to provide details regarding the submission process soon.



[Get in touch](#)



as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte Network provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte Network serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte Network's approximately 225,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

In Greece, "Deloitte Certified Public Accountants S.A." provides audit and risk advisory services, "Deloitte Business Solutions S.A." financial advisory, tax and consulting services and "Deloitte Accounting Compliance & Reporting Services S.A." accounting outsourcing services. With a staff of more than 600 and offices in Athens and Thessaloniki, Deloitte Greece focuses on all major industries including financial services, shipping and ports, energy and resources, consumer business, life sciences and health care, manufacturing, technology, media and telecommunications, real estate and public sector services. Deloitte Greece clients include most of the leading private and public, commercial, financial and industrial companies. For more information, please visit our website at www.deloitte.gr.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

3a Fragkoklissias & Granikou str., 151 25 Maroussi, Attika – Greece, Tel: +30210 6781100

© 2017 All rights reserved.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.