



## MOF clarifies withholding tax treatment of salaries of crew on foreign flag vessels

Greece's Finance Ministry issued guidance on 8 April 2015 (Circular Pol. 1084) that amends and clarifies guidance issued in March (Pol. 1072/ 31.3.2015) on the withholding tax (WHT) imposed on salaries paid to officers and crew members of vessels. A 15% rate applies to the salaries of officers and a 10% rate applies to the salaries of crew.

The new guidance clarifies, in particular, that salaries paid by foreign flag vessels engaged in international transport under the management of a Greek company are considered foreign-source income, so Pol. 1072 no longer applies. As a result, no tax will be held on the salaries of Greek and nonresident officers and crew members.

Categories	Pol. 1072/ 31.3.2015	Pol. 1084/ 8.4.2015
<b>Greek flag vessels engaged in international transport</b>	<p>WHT applies to both Greek and nonresidents</p> <p>The Greek ship-owning company <i>or</i> the Greek management office is the withholding agent</p>	<p style="text-align: center;">✓</p> <p><b>Pol. 1072 continues to apply</b></p> <p>Foreign crew must obtain a Greek tax registration number and file an annual personal income tax return</p> <p>For FY 2014, the annual payroll certificate must be submitted to the relevant tax office using the individual's passport number, rather than the tax number</p>
<b>Greek or foreign flag vessels engaged in domestic transportation</b>	<p>WHT applies to both Greek and nonresidents</p> <p>The Greek ship owner <i>or</i> the foreign ship owner <i>or</i> the Greek management office is liable for withholding</p>	<p style="text-align: center;">✓</p> <p><b>Pol. 1072 continues to apply</b></p> <p>See above re foreign crew tax registration number obligation and submission of the payroll certificate for 2014</p>
<b>Foreign flag vessels engaged in international transport under the management of a Greek office</b>	<p>WHT applies only to Greek tax residents</p> <p>The Greek ship owner <i>or</i> the Greek management office is the withholding agent</p>	<p style="text-align: center;">✗</p> <p><b>The salary is considered foreign-source income, so the WHT treatment under Pol. 1072 ceases to apply</b></p>

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