

## INFORMATION - Greece

### Use and Enjoyment - VAT Directive 2006/112/EC - Article 59a

In Greece, there is a use and enjoyment rule applicable to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons. Accordingly, if the place of supply is a non-EU country (i.e. where the recipient is located or has his permanent/habitual residence outside Greece), but the service is used and enjoyed in Greece, it will be taxable in Greece. The service will be considered to be used and enjoyed in Greece, if the customer is in Greece at the time of supply. Reference to the above may be found in the Greek VAT Code - Article 14 para 13 & 15 of L. 2859/2000, as amended by art. 104 of L.4316/2014.

### Time of supply / chargeability - Deferment and Cash Accounting Scheme - VAT Directive 2006/112/EC - Article 66

In Greece, telecommunications, broadcasting and electronic services become taxable at the earliest of when the services are completed or when the respective record (i.e. invoice or retail receipt) is issued. Reference to the above may be found in the Greek VAT Code - Article 16 para 1&2 L.2859/2000. The cash accounting scheme does not apply to supplies towards retail customers, thus not to services under MOSS. Reference to the above may be found in the Greek VAT Code -Article 39B para 4 L.2859/2000.

### Time of supply / chargeability - Continuous supplies - VAT Directive 2006/112/EC - Article 64(2)

In Greece, continuous supplies of services are taxable at the earliest of when the relevant record (invoice or retail receipt) is issued or the supply is completed. For continuous supplies of services, a retail receipt should generally be issued when part of the consideration becomes due and for the part of the service already performed (e.g. on a monthly, quarterly etc. basis). An invoice should be issued up to the 15th day of the month following the period in which part of the consideration became due and for the part of services already supplied. Reference to the above may be found in the Greek VAT Code Article 16 para 2 of L.2859/2000 and article 13 of L.4308/2014 Greek GAAP Code.

### Re-valuation of services at open market value - VAT Directive 2006/112/EC - Article 80

Greece has not implemented provisions in its VAT legislation pursuant to which the taxable amount (of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons) may be deemed to be the open market value.

### Bad Debt relief - VAT Directive 2006/112/EC - Article 90

In Greece, bad debt relief is not available with respect to the supply of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

### Application of reduced VAT rates - VAT Directive 2006/112/EC - Article 98

Telecommunications, broadcasting and electronic services are subject to 24% VAT. However, in case of the supply of the above mentioned services where both the supplier is established in certain Greek islands (those belonging in the prefecture of Evros, Lesbos, Chios, Samos and Dodecanese, except from Rhodes and Karpathos) and the service is executed/materialised within these islands, VAT becomes chargeable at 17% (standard VAT rate reduced per 30%). Because of these two required conditions, in practice, such a rate may not apply to MOSS services. The increase of the standard VAT rate from 23% to 24% and of the special standard VAT rate from 16% to 17% is applicable as from 1 June 2016 onwards. Reference to the above may be found in the Greek VAT Code, Article 21 of L.2859/2000 & Law 4336/2015 and article 52 of Law 4389/2016 & Circular Pol. 1061/2016.

As regards the abolition of the reduced rates for the Greek islands, please refer to the section below.

### **Standard VAT Rate - VAT Directive 2006/112/EC - Article 96-97**

In Greece the standard VAT rate is 24%. A special standard VAT rate of 17% applies to certain Greek islands under certain conditions (Article 21 par. 4 of the Greek VAT Code).

However, this special standard VAT rate will be gradually abolished. In fact as from 1 October 2015 this special rate has been abolished for the first group of six islands (Mykonos, Naxos, Paros, Rhodes, Santorini and Skiathos). By virtue of a new law voted by the Greek Parliament on the 22 May 2016 (Law 4389/2016) and Circular Pol. 1061/2016 issued by the Greek Ministry of Finance, the application of the special (reduced by 30%) VAT rates for the second group of islands (namely Syros, Thasos, Andros, Tinos, Karpathos, Milos, Skyros, Alonissos, Kea (Tzia), Antiparos and Sifnos) have been abolished as from 1 June 2016 onwards and replaced with the rates of 6%, 13% and 24% that apply in the mainland. In principle, the special standard VAT rate would have been further abolished from 1 January 2017 for all remaining islands. However, the new par. 4 of the article 21 of the Greek VAT Code, as amended by art. 118, par. 1 of law 4446/22.12.2016 in force as from 1 January 2017, provides that until 31 December 2017 the special VAT rates will continue to apply on the islands belonging to the prefectures of Evros, Lesbos, Chios, Samos and Dodecanese, except from Rhodes and Karpathos.

### **Release from payment of insignificant amounts of VAT - VAT Directive 2006/112/EC - Article 212**

Any debit balance arising upon submission of the periodic VAT return is payable to the Greek State when higher than EUR 30. When lower than EUR 30, the balance is carried forward to the following tax period. However, in accordance with the newly introduced provision, such relief is not available with respect to services under MOSS.

Reference to the above may be found in 38 para. 6 of L.2859/2000, 47b para. 8 and 47c para. 6 of the Greek VAT Code.

### **Invoicing Obligations - Obligation to issue an invoice - VAT Directive 2006/112/EC - Articles 217-249**

In Greece, generally speaking, an invoice should be issued for any type of supplies. With respect to services (including telecommunications, broadcasting and electronic services) provided to non - VAT taxable persons, the relevant law states that a retail receipt may be issued instead (or any other record with the same content). In practice, a special "Billing Note" is issued with respect to such supplies which includes the mandatory details of a retail receipt.

No specific guidelines regarding services reported under the MOSS have been issued to date.

Reference to the above may be found in Article 8 and 12 of L.4308/2014 Greek GAAP Code.

### **Invoicing Obligations - Content of an invoice - VAT Directive 2006/112/EC - Articles 217-249**

Retail receipts issued in Greece must contain the date of issuance, the sequential number, the supplier's tax identification/VAT number and his full personal particulars (i.e. name and address), the gross sale value and the corresponding VAT rate. In particular the retail receipts relating to the provision of telecommunications services should also include the customer's name, address and tax identification number or the number of police identification in the absence of a tax identification number. Retail receipts can be in any language, but it should be expected that a translation in Greek may need to be provided promptly upon request of the competent tax authorities.

Reference to the above may be found in Article 3 par.7 , 5 par. 17 and 12 par. 2 of L.4308/2014.

### **Invoicing Obligations - Time limit for issuing an invoice - VAT Directive 2006/112/EC - Articles 217-249**

With respect to services, a retail receipt is issued upon completion of the supply. In case of continuous services (telecommunications, broadcasting and electronic services) a retail receipt may be issued when the consideration becomes partially due for the part of the supply that has already been performed but no later than completion of the entire supply.

No specific guidelines regarding services reported under the MOSS have been issued to date.

Reference to the above may be found in Article 13 of L.4308/2014.

### **Invoicing Obligations - Summary Invoices - VAT Directive 2006/112/EC - Articles 217-249**

In Greece no summary retail receipts can be issued for the supply of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

### **Invoicing Obligations - Electronic invoices - VAT Directive 2006/112/EC - Articles 217-249**

Retail receipts can be issued and delivered electronically in Greece. The authenticity of origin and the integrity of content must be secured from issuance to end of mandatory archiving period.

Reference to the above may be found in Article 14 L.4308/2014 of the Greek GAAP Code.

### **Invoicing Obligations - Batch of electronic invoices - VAT Directive 2006/112/EC - Articles 217-249**

Upon conditions, it is possible to issue batches of electronic retail receipts in Greece with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Reference to the above may be found in Article 14 para. 4 L.4308/2014 Greek GAAP Code.

### **Additional obligations deemed necessary for collecting VAT and preventing evasion (anti-avoidance measures) - VAT Directive 2006/112/EC - Article 273**

Article 38 of the new Tax Procedures Code (L. 4174/2013) introduced in the Greek tax legislation, a general anti-avoidance rule. According to this rule, the Tax Administration may disregard any artificial arrangements or series of arrangements that aim to tax avoidance and lead to a tax benefit. Although, no guidelines have been issued so far by the Tax Administration as to the content and application of the provision, the rule is quite general and it would appear to cover a series of schemes aiming to tax avoidance.

### **Stand-still scheme - Derogations for States which were members of the Community on 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391**

N/A

### **Stand-still scheme - Derogations for States which acceded to the Community after 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391**

There are no provisions which are applicable under a Stand-still Scheme in the Greek VAT legislation or subject to common practice in Greece that may be relevant for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

### **VAT Treatment of vouchers**

The Greek VAT code includes specific provisions merely regarding prepaid telecommunication (phone) cards and similar cases. In particular, the taxable amount in this case shall be the retail price (the nominal value) reduced by the VAT amount due. The VAT due shall be remitted to the Greek State by the telecom operator at the time the cards are supplied. The intermediary supplies made by other taxable persons should be regarded as VAT exempt with input VAT recovery right.

Reference to the above may be found in Article 19 para. 9 of L.2859/2000 of the Greek VAT Code.

### **Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (E-learning activities)**

As per Annex VII and Article 21 para 1 of the Greek VAT Code L.2859/2000, e-learning services are included in the indicative list of the electronically supplied services and therefore are treated as such and are subject to the standard Greek VAT rate.

E-learning services are exempt from VAT when they refer to pre-school, school and university education and vocational training provided by bodies governed by public law or by other organisations recognised by the greek competent authority. E - learning services are also exempt when they refer to foreign languages and computer education. They are not exempt when they are recreational or amateur in nature. E-learning services supplied by private institutions may be exempt upon strict conditions.

Reference to the above may be found in article 22 of the Greek VAT Code L.2859/2000.

### **Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (Gambling activities)**

As per Annex VII and Article 21 para 1 of the Greek VAT Act L.2859/2000, gambling activities are included in the indicative list of the electronically supplied services and therefore are treated as such and are subject to the standard Greek VAT rate. E-Gambling activities can be exempted from VAT with no right to deduct input VAT, as long as they are performed by bodies, regulated by the Gambling Committee [The Gaming Supervision and Control Commission (GSCC)], in accordance with the Greek Act on Gambling.

Reference to the above can be found in art. 22 of the Greek VAT Code.

There is no written guidance in Greece as regards the VAT treatment of bonus points/credits earned in relation to e-gambling activities.

## Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (General)

There are no further exemptions in the Greek VAT legislation under which the supply of telecommunications, broadcasting and electronic services provided to non-VAT taxable persons may fall.

## VAT Registration Process

Registration under the MOSS can be made via the portal of the Greek Tax Authorities (TaxisNet).

Registration applications can be submitted online, following the links below:

Union scheme (direct link) : <https://www1.gsis.gr/sgsisapps2/moss-web/>

Non-Union scheme (direct link) : <https://www1.gsis.gr/sgsisapps2/moss-web/public/ldapRegistration.html>

or through the MOSS application link : [http://www.gsis.gr/gsis/info/gsis\\_site/Services/Epixeiriseis/moss.html](http://www.gsis.gr/gsis/info/gsis_site/Services/Epixeiriseis/moss.html)

Validation of the registration applications will be forwarded to the competent tax authority for final review and approval.

## Access to web-portal and contact details of the local VAT Authorities

Access point: [www.gsis.gr/gsis/info/gsis\\_site/Services/Epixeiriseis/moss.html](http://www.gsis.gr/gsis/info/gsis_site/Services/Epixeiriseis/moss.html)

General Contact:

Independent Authority for Public Revenue

General Directorate of Tax Administration

Directorate of Implementation of Indirect Taxation

Section A' "VAT"

e-mail: [dfpa.b1@1992.syzefxis.gov.gr](mailto:dfpa.b1@1992.syzefxis.gov.gr)

tel: 0030 210 3645848, 0030 2103645832

fax: 0030 210 3645413

Contact VAT MOSS return obligations and reimbursements :

Independent Authority for Public Revenue

General Directorate of Tax Administration

Directorate of Audits

Section VI' "Administrative Cooperation and exchange of information in the field of VAT"

Sina 2-4

106 72 Athens

e-mail: [el.moss@mofadm.gr](mailto:el.moss@mofadm.gr)

webpage: [http://www.gsis.gr/gsis/info/gsis\\_site/Services/Epixeiriseis/moss.html](http://www.gsis.gr/gsis/info/gsis_site/Services/Epixeiriseis/moss.html)

tel: 0030 210 3640076

## Appointment of a VAT Agent

In case the supplier registers for MOSS in Greece, the appointment of a VAT representative is not required. Since MOSS registration is not mandatory, if the supplier, established elsewhere in the EU, is not MOSS registered, he will be obliged to acquire a VAT number in Greece either through the appointment of a VAT representative or electronically. In the case of non-EU supplier, if he is not MOSS-registered, he should appoint a VAT representative.

## Penalties for non-compliance (Failure to register and late registration)

For late (voluntary) registration for VAT purposes, a penalty equal to the amount of EUR 102,40 (i.e. EUR 100 plus a surcharge of EUR 2,40) applies.

For non-registration the penalty is EUR 2,500. Since registration under MOSS is not mandatory this penalty is actually imposed due to failure to register for VAT purposes in Greece.

Reference to the above may be found in Article 54 of L.4174/2013 (Greek Tax Code of Procedures).

Apart from the above, a penalty equal to the 50% of the non-paid VAT amount is imposed if failure to register for VAT purposes in Greece is traced *in the course of a tax audit* (Reference to article 58A par. 3 of Law 4174/2013).

For violations of the same nature it is the higher of the above penalties that applies (Reference to article 62 par. 6 of L.4174/2013).

Note that the above applies under the current legislation. Each case, especially when it entails historic exposure, must be examined on an ad hoc basis.

### **Penalties for non-compliance (Non-payment and late payment of VAT)**

There is no penalty for late payment of VAT (penalty has been waived through article 19 of law 4321/2015). In case of late payment or non-payment of the VAT due, the taxpayer must pay interest calculated on the VAT due from the end of the statutory deadline until the date of payment. The applicable interest rate is determined in relation to the European Central Bank's main refinancing operations interest rate plus 8,51 points annually (Ministry of Finance documents ΔΠΕΙΣ 1198598 ΕΞ 31.12.2013). Currently the applicable rate is 8,76% annually (0,73% monthly) and it applies for tax obligations, tax periods, accounting periods, cases or tax years as from 1 January 2014 onwards.

Reference to the above may be found in Articles 53 of L.4174/2013 (Greek Tax Code of Procedures) and article 1 of Section II of Circular Pol. 1252/2015. Note that the above applies under the current legislation. Each case, especially when it entails historic exposure, must be examined on an ad hoc basis.

### **Penalties for non-compliance (Non-submission and late submission of VAT returns)**

In case of late or non-submission of VAT returns, a procedural penalty applies depending on the books kept by the business (250 EUR for single entry books and 500 EUR for double entry books) per violation. The penalty is reduced to EUR 102,40 (i.e. EUR 100 plus a surcharge of EUR 2,40) when no VAT becomes due from the VAT Return. No penalty is imposed for late submission of an amending VAT return in case the initial VAT return was submitted on time.

Reference to the above may be found in Article 54 of L.4174/2013 (Greek Tax Code of Procedures).

Moreover, in case of non-submission of a VAT return, a penalty equal to the 50% of the VAT amount due on the basis of the non-submitted VAT return will be imposed (article 58A par. 2 of Law 4174/2013). This penalty applies only when assessed in the course of a tax audit.

For violations of the same nature it is the higher of the above penalties that applies. (Reference to article 62 par. 6 of Law 4174/2013)

Note that the above applies under the current legislation. Each case, especially when it entails historic exposure, must be examined on an ad hoc basis.

### **Penalties for non-compliance (Incomplete and incorrect VAT returns)**

In case of inaccurate VAT returns resulting in the non-payment or reduced/partial payment or deduction of larger VAT amounts, a penalty equal to 50% of the VAT amount due calculated on the difference (between the VAT amount paid and the VAT amount due on the basis of the corrective tax assessment act) is imposed (Article 58A par. 2 of Law 4174/2013). This penalty applies only when assessed in the course of a tax audit.

The submission of a late amending VAT return does not give rise to a procedural penalty in case the initial VAT return was timely submitted. Interest for late payment may be incurred.

Note that the above applies under the current legislation. Each case, especially when it entails historic exposure, must be examined on an ad hoc basis.

### **Penalties for non-compliance (Non-compliance with invoicing and accounting obligations)**

The changes captured by the Law 4337/2015 were embodied in the Law 4174/2013. As a consequence, in case of violations related to the non-issuance or inaccurate issuance of tax records (invoice or retail receipt) committed up to 16 October 2015, a procedural penalty of EUR 250 or EUR 500 depending on the books kept by the entity (single or double entry) applies per violation (article 54 L.4174/2014). These penalties apply until 16 October 2015. In cases of repeated violations (i.e. traced in two or more tax audits) additional penalties may be imposed (article 54 par. 3 of Law 4174/2013) This only applies to violations as mentioned above, that have been committed up to 16 October 2015 and their penalties depended on art.54, regardless the time of the detection of the violations.

After that date (as of 17 October 2015), there is no penalty depending on article 54 L.4174/2013 as it stands (min fin doc: ref.number:ΔΕΛ Ζ ΚΦΑΣ 1160867 ΕΞ 14.12.2015), as mentioned in the section, but only the penalties for VAT purposes depending on art.58A par.1 L.4174/2013 as it stands. In cases of non-issuance or inaccurate issuance of records (invoice or retail receipt), a penalty for VAT purposes is imposed, i.e. 50% of the VAT on the non-issued record and 50% of the difference between VAT mentioned on the issued record and the VAT that ought to have been mentioned on the issued record (art.58A par.1 L.4174/2013). This cannot be less than €500 for double entry accounting books or €250 for single entry books in total for every tax audit. Such penalty is imposed only if traced in the course of a tax audit.

Note that the above applies under the current legislation. Each case, especially when it entails historic exposure, must be examined on an ad hoc basis.