

SETTING UP BUSINESS IN GREECE



General Aspects

Location: South - Eastern Europe

Area: 132,049 sq. Km.

Neighbors: Greece is a country in southeastern Europe with thousands of islands throughout the Aegean and Ionian seas. It neighbors in the north with Albania, FYROM and Bulgaria, in the northeast with Turkey.

Capital city: Athens

Other major cities: Thessaloniki, Patras, Heraklion, Volos

Membership: in the European Union since 1981 and part of NATO since 1952

Population: 10,816,286 (2011 Hellenic Statistical Authority)

Religion: most Greek Orthodox Church, minority of Greek Catholics.

Climate: The climate in Greece is typical Mediterranean, mild and rainy winters, relatively warm and dry summers and, generally, extended periods of sunshine throughout most of the year

Natural resources: Bauxite, from which aluminum is produced, deposits of asbestos, nickel, magnesite, marble, black coal, and lignite (brown coal).

Form of Government: Parliamentary Republic. The President, elected by Parliament every five years, is Head of State. The Prime Minister is Head of Government. The Ministerial Council, consisting of the Prime Minister, Ministers, Deputy Ministers and Ministers without portfolio, is the collective decision-making body that constitutes the Government of Greece.

Currency: EURO

Gross Domestic Product (GDP): The gross domestic product (GDP) amounts to 44,188 million Euro in the 3rd quarter of 2016 and presented an increase of 1.8% compared to the 3rd quarter of 2015. (Hellenic Statistical Authority)

Unemployment rate: 23.1% in December 2016 according to Eurostat Statistics

Phone prefix: +30

National Holiday: October 28th The Ochi day, December 25th Christmas Day, December 26th Synaxis of the mother of God, January 1st New Years Day, January 6th Epiphany, February 27th Clean Monday (Movable), March 25th Independence Day, April 14 Orthodox Good Day (Movable) ,April 17 Orthodox Easter Monday (Movable), May 1st Labour Day, June 5th Holy Spirit Monday, August 15 Assumption Day.

Legal Forms of Business Entities

The most frequently used forms of enterprises in Greece

Legal form	Feature	Remarks
Anonimi Etairia (A.E.) (Societe Anonyme S.A)	The shareholder's liability is limited to the amount subscribed in the company's share capital. The minimum share capital is 24,000 Euro. The nominal value of a share cannot be less than 0.30 Euro. The number of shareholders of a Societe Anonyme can be at least one (1). The Members of the Board of Directors must be at least three (3). The shareholder's liability is limited to the amount subscribed in the company's share capital. The minimum share capital is 24,000 Euro. The nominal value of a share cannot be less than 0.30 Euro. The number of shareholders of a Societe Anonyme can be at least one (1). The Members of the Board of Directors must be at least three (3).	In principal a Societe Anonyme must be incorporated before a Notary Public. But, according to new Law, if the standard form of Articles of Incorporation is used, then a Notary Public is not required, except that it is otherwise provided for in the Law (in cases of contribution in kind of real-estate property etc.)
Private Capital Company (IKE)	The shareholder's liability is limited to the amount subscribed in the company's share capital. The minimum share capital is 1 Euro. The nominal value of a share cannot be less than 1 Euro. The number of shareholders of an IKE can be at least one (1) and the company can be administered by at least one (1) administrator.	The incorporation of an IKE is done by a Private Agreement, except as otherwise provided for in the Law (in cases of contribution in kind of real-estate property etc.)
Eteria Periorismenis Eythisis (EPE) (Limited Liability Company- Ltd)	The shareholder's liability is limited to the amount subscribed in the company's share capital. There is no minimum required share capital. The number of shareholders of an EPE can be at least one (1). The EPE can be administered by one (1) administrator.	In principal an EPE must be incorporated before a Notary Public. But, according to new Law if the standard form of Articles of Incorporation is used, then a Notary Public is not required except that it is otherwise provided for in the Law (in cases of contribution in kind of real-estate property etc.)
General Partnership (Omorithimi Eteria -O.E) / Limited Partnership (Eterorithmi Eteria -E.E)	The partners of a General/Limited Partnership must be at least two. In case of a General Partnership the partners are liable with their own personal property for the debts of the company, whereas in the case of an Limited Partnership only one partner may be liable with his personal property and the other only with his contribution in the company. There is no minimum share capital required. If the company remains with one partner then the company will be dissolved and provided that no new partner will enter the partnership and be published with the General Commercial Registry within two months.	

Branch Office	<p>Branches are corporate entities with no legal status, set up by Greek or foreign companies. The branches of foreign entities are subject to registration with the competent Commercial Registry, Chamber of Commerce and the Tax Authority.</p> <p>Branches do not have their own share capital. They shall appoint at least one legal representative in Greece, must draw financial statements, pay taxes in Greece for income arising from their activities in Greece, their profit may be credited or remitted to the parent company without being subject to WHT and in general are part of the parent company.</p>
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Organizational Questions

Topic	Feature	Remarks
Commercial Register	Companies of all legal forms of the Greek legislation with legal personality must be entered in the commercial register. The commercial register is administered, with some exceptions, in electronic form (http://www.businessportal.gr/).	
Chamber of Commerce	Every company will have to be registered with the respective Chamber of Commerce according to its activities and place of seat and will have to renew the subscription annually if it needs its services.	
Bank Account	To open a bank account, companies need to submit full legalization documents, such as , an excerpt from the commercial register for the incorporation and the representation of the company, the articles of association of the company etc.	Due to the capital control measures in Greece there are limited reasons for which a company may open a bank account and a cash deposit of 10,000 euro from abroad is required.
Capital Controls	Greece is subject to capital controls which are progressively loosening. The bank transfer of capital within Greece is unlimited, whereas several restrictions apply for the outward transactions.	For the time being a company may make an outward payment of up to 10,000 euros per day by submitting all the supporting documentation and without the approval of the Committee for Bank Transactions .
Visa, Residence and work permit	<p>All EU citizens can set up a business in Greece.</p> <p>Non-EU nationals may get a work and residence permit in Greece, amongst others, upon obtaining VISA D, if they are shareholders and /or BoD Members and/or executives of a company established in Greece by foreign shareholders or in case of a branch of a foreign company. The durations of the permits differ according to the category permit for which each individual applies.</p>	

Employment

Topic	Feature
Labour law	<p>In Greece there is detailed employment legislation .</p> <p>In general ,a minimum of 20 days of paid holidays a year is guaranteed, if working 5 days a week, in addition to public holidays. Normal working hours are 8 hours per day and 40 hours per week. In certain professions there are statutory limits on working time due to health and safety regulations.</p> <p>There are also flexible working solutions like part time work, definite term employment (provisional work, seasonal work), secondment solutions mainly within group of companies , secondment solutions from employment agency, job rotation, on-call work etc.</p>
Social System	<p>Basic Social Security Contributions within the framework of employment:</p> <p>Main Pension Contributions : 20% applied on the monthly gross salary (6.67% paid by employees and 13.33% paid by employer)</p> <p>Health Fund Contributions – 7.10% applied on monthly gross salary (2.55 % paid by the employee and 4.95 paid by the employer);</p> <p>The Unemployment special contribution rate is 5% (3.7% payable by the employer and 1.83 % by the employee)</p> <p>There are some categories of professions where the social security contributions differ or are subject to additional contribution categories, like supplementary social security contribution fund and contributions for the one-off funds</p>

Taxation

Tax	Feature	Remarks										
Corporate Income Tax	The standard corporate income tax rate is 29% on all taxable earnings of the corporations. Mainly this tax rate applies to S.A., EPE, IKE, OE , EE and other legal entities.											
Personal Income Tax	<p>The Personal Income Tax Rates (employees, freelancers, individual business, pensioners) are the following:</p> <table border="1"> <thead> <tr> <th>Income (€)</th> <th>Tax Rates %</th> </tr> </thead> <tbody> <tr> <td>0,00-20,000.00</td> <td>22%</td> </tr> <tr> <td>20,000.01-30,000.00</td> <td>29%</td> </tr> <tr> <td>30,000.01-40,000.00</td> <td>37%</td> </tr> <tr> <td>40,000.01-</td> <td>45%</td> </tr> </tbody> </table>	Income (€)	Tax Rates %	0,00-20,000.00	22%	20,000.01-30,000.00	29%	30,000.01-40,000.00	37%	40,000.01-	45%	The employees get a deduction of 1900 euro minimum (depending on the no of dependants) from the payable tax if the total annual income does not exceed the 20,000.00 euro. For annual income exceeding the 20,000.00 euro the deduction is decreased by 10 euro for every 1000 euro more income.
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Personal Income Tax	<p>Special Solidarity Contribution is imposed on the individuals total net income, as following:</p> <table border="1"> <thead> <tr> <th>Income in Euro</th> <th>Solidarity Contribution Rates %</th> </tr> </thead> <tbody> <tr> <td>0.00-12.000</td> <td>0%</td> </tr> <tr> <td>12,001-20,000</td> <td>2%</td> </tr> <tr> <td>20,001-30,000</td> <td>5.00%</td> </tr> <tr> <td>30,001-40,000</td> <td>6.50%</td> </tr> <tr> <td>40,001-65,000</td> <td>7.50%</td> </tr> <tr> <td>65,001-220,000</td> <td>9.00%</td> </tr> <tr> <td>>220,000</td> <td>10.00%</td> </tr> </tbody> </table>	Income in Euro	Solidarity Contribution Rates %	0.00-12.000	0%	12,001-20,000	2%	20,001-30,000	5.00%	30,001-40,000	6.50%	40,001-65,000	7.50%	65,001-220,000	9.00%	>220,000	10.00%	<p>The special solidarity contribution is imposed on the total income arising from employment and pensions, business activity, capital, transfer capital gain, taxable or exempted, real or presumptive. Persons with at least 80% disability, blind persons and unemployed people are exempted from the Special Solidarity Contribution.</p>
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Withholding Tax (WHT)	<p>Dividends : 15%</p> <p>Interest : 15%</p> <p>Royalties: 20%</p>	<p>Dividends distributed by Greek company to a foreign shareholder are not subject to WHT if the shares are maintained by the shareholder at least 24 months and the participating percentage is above 10%</p>																
Value Added Tax (VAT)	<p>Standard VAT rate : 24% (as of June 2016 from 23%);</p> <p>Low VAT rate: 13% still applies to raw products (meat, chicken, fish, milk, fruits, vegetables etc), pharmaceutical products, electricity, gas, books (6%), theatre tickets (6%), hotel services, home care services etc;</p> <p>There was a 30% reduction on all of the above VAT rates for the islands of the prefectures of Dodecanese, Chios, Cyclades, Lesvos, Samos, the Aegean islands of Thasos, Samothraki, Skyros and Northern Sporades, if certain conditions are met. After the 30% reduction and rounding, the main VAT rate is 16% (17% as of 1 June 2016) and the reduced rates are 9% and 4%. The 30% reduction is, however, gradually being abolished. More specifically, the reduction no longer applies to the islands of Mykonos, Naxos, Paros, Rhodes, Santorini and Skiathos as of 1 October 2015, and to the islands of Syros, Thasos, Andros, Tinos, Karpathos, Milos, Skyros, Alonisos, Kea, Antiparos and Sifnos as of 1 June 2016. From 1 January 2017, it also no longer applies to remote islands.</p> <p>Imports are subject to VAT at the same rates as the domestic supply of those products. When the imported products are re-exported, VAT is refunded.</p>																	



Real Property Tax	a) Income of individuals from real estate property (€)	Tax Rates %
	0.00-12,000.00	15%
	12,000.01-35,000.00	35%
	35,000.01-	45%
	b) Income tax rate of companies from real estate property :	29%
	c) Transfer Tax Rate of Real Estate Property:	3% on the agreed price or on the regulated price , whichever is higher. The tax burdens the buyer.
	d) ENFIA	
	The new annual unified real estate tax (ENFIA) applies, as from 1 January 2014 to any individual or legal person with some exceptions. The ENFIA is imposed annually on real estate property in Greece, owned by individuals and legal persons. The legal rights that are subject to the ENFIA are the following:	
	<ul style="list-style-type: none"> • full and bare ownership; • usufruct; • preserved occupation; • surface rights; • exclusive use of a parking spot, auxiliary space and pool; and • (in exceptional situations) possession and occupancy rights. 	
	In cases of co-ownership, each owner pays according to his/her percentage. In the case of a usufruct, the allocation of tax is defined according to the age of the bare owner and the beneficiary of the usufruct. If the beneficiary of the usufruct is not an individual, the tax attributable is equal to 80% of the full ENFIA.	
	ENFIA is calculated based on coefficients relating to the surface, the usage, the age and the location of the real property (regulated rates per area). There is also supplementary tax imposed on the total value of the real estate property at a rate of 0.55%.	
Non-resident Taxation	Non-resident individuals and companies in Greece receiving income generated in Greece are subject to Greek Income Tax Code. In case of application of Double Taxation Treaties taxation of this income maybe avoided according to the provisions of each DTT between Greece and the other countries.	

This material has been prepared by Antea Alliance of Independent Firms. It is intended as general guide only. Accordingly, we recommend that readers seek appropriate professional advice regarding any particular problems that they encounter. This information should not be relied on as a substitute for such an advice. While all reasonable attempts have been made to ensure that the information contained herein is accurate, Antea Alliance of Independent Firms accepts no responsibility for any errors or omission it may contain whether caused by negligence or otherwise, or for any losses, however caused, sustained by any person that relies upon it.

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