



Looking for an opportunity to live in Greece?

Well, now is your chance.

FAVORABLE TAX & RELOCATION INCENTIVES
FOR FOREIGN NON-DOM INDIVIDUALS, PENSIONERS,
EMPLOYEES AND THIRD-COUNTRY CITIZENS
RELOCATING TO GREECE



Are you a high-net-worth individual who wants to enjoy the fruits of your success in a world-renowned environment in the south of Europe and enjoy significant tax incentives? Do you happen to be self-employed working in Greece but having your tax residence abroad? Do you wish to establish your “family office” in Greece? Are you a retiree who dreams of enjoying the beauty of Greece and embracing the Greek way of life? Are you a private-sector employee living abroad but would love to work in Greece?

Do you happen to be a third-country citizen and you and your family wish to relocate to Greece through a program that grants you a residence permit with the prospect of renewal every 5 years, along with the ability to travel freely within all Schengen countries?

Follow Machas & Partners law firm through this **Easy-to-Follow Guide** with **step-by-step tips and insights** making all legislation changes accessible and clear, in an effort to help you identify the opportunities, the tax and relocation benefits of living in Greece, for you and your family.



**To make Greece
your living
destination.**

What are the favorable tax regimes

With consecutive laws enacted in 2019 and 2020, Greece has put into place four favorable alternative tax regimes aiming to attract high-net-worth individuals, pensioners, foreign employees and freelancers to relocate to Greece.

With these favorable measures the state aims to:

- **provide the possibility of alternative taxation of global income** for tax residents who make significant investments in Greece
- **provide alternative taxation to beneficiaries of foreign pensions** who transfer their tax residence to Greece
- **attract employees and the self-employed**, but also Greeks who left the country during the economic crisis

- **attract foreign investments and relocate skillful human resources in Greece** through Family Offices for serving the management of the family wealth and assets of high-net-worth individuals who are tax residents in Greece

- **grant foreign non-EU nationals Golden Visa** that allows free travel within all Schengen countries

If you identify yourself in the above categories, you are given the opportunity of transferring your tax residence to Greece and be subject to some tempting law provisions with reductions of up to 50% in your income tax.

Non-Dom Status Regime

Who is eligible?

Anyone, regardless of nationality or current tax residence, who was not a Greek tax resident for seven (7) of the eight (8) years prior to relocating to Greece is now eligible to return to the country under the Non-Dom Status Regime. The condition in this case is that you, directly or indirectly, or a relative has made an investment in Greece in real estate, business or securities of at least €500,000. And, this investment has to be made within three years from applying for the Non-Dom Status Regime.

Need to keep in mind:

the above investment obligation does not apply to applicants who already have a Greek Golden Visa with the right to reside and conduct business in Greece.

What are the Tax incentives?

- **you enjoy an annual flat tax of €100,000 plus €20,000** for each family member (including spouse) for all foreign source income, with no tax or reporting obligation in Greece for such foreign source income
- **no inheritance/gift tax** on assets located outside Greece
- **no taxation on own funds** being transferred to Greece from abroad
- **your Greek source income** is taxed at the national rates



When is the deadline to apply?

The deadline to file for the Non-Dom Tax Regime is 31 March of the respective fiscal year, whereas supporting documentation can be filed within two (2) months from the filing date. The Annual Flat Tax is paid in one lump sum by 31 July of each year.



For how long can I benefit?

You have a **maximum of 15 years** as this is the period set for the eligibility for the alternate tax regime from the first year. Important note, you retain the right to withdraw from the Non-Dom Tax Regime at any time.



Important insights

- **purchase of Greek assets** from close relatives is largely excluded from qualifying investments
- **the investment** should be retained throughout the total period of the Non-Dom Tax Regime
- **the retention of the investment** should be substantiated on an annual basis

Is the Non-Dom Tax Regime successful?

- in 2020, there were 18 individuals that applied for and received Non-Dom Tax Status in Greece and in 2021 there were 57 individuals
- applicants come from various countries: Australia, Argentina, Belgium, Canada, Cyprus, Czech Republic, France, Germany, Israel, Lebanon, Malta, Monaco, Oman, Panama, Russia, Senegal, Switzerland, the USA, the UAE and the UK

Pensioners Regime

Who is eligible?

Anyone, who was not a Greek tax resident for five (5) of the six (6) years before residing in Greece. In this regime we have two conditions that must be met: a. you are relocating to Greece from a country with which Greece has a valid administrative cooperation agreement on tax issues and, b. you are entitled to receive a pension from a foreign national or statutory social security scheme, occupational pension institution or collective retirement plan. Given that the above two conditions are met you are eligible to relocate to Greece under the Pensioners Regime.

What are the Tax incentives?

- **you enjoy an annual flat tax of 7%** on all foreign source income, unless such income is exempt by applying a Double Tax Treaty signed between Greece and the foreign source income country
- **your Greek source income** is taxed at the national rates



When is the deadline to apply?

The deadline to file for the Pensioners Regime is 31 March of the respective fiscal year whereas supporting documentation can be filed within two (2) months from the filing date. The Annual Flat Tax is paid in one lump sum by 31 July of each year.



For how long can I benefit?

You have a **maximum of 15 years** as this is the period set for the eligibility for the alternate tax regime from the first year. Keep in mind that you have the right to withdraw from the Pensioners Regime at any time.



Important insights

- **you will be requested to provide evidence for your foreign source pension income** and this may take the form of any document issued by a foreign social security institution or other public authority or occupational pension fund or private insurance company. All the above documents are important as they certify that you receive a pension by a foreign social security institution or another public authority or occupational pension fund
- **keep in mind that** the successful outcome of your application does not affect the tax residency status of your relatives, as this will be examined separately in a later stage

Is the Pensioners Regime successful?

- in 2020, there were 7 individuals that applied for and received Pensioners Tax Status in Greece and in 2021 there were 150 individuals
- applicants come from various countries: Austria, Belgium, Bulgaria, Cyprus, France, Germany, Hong Kong, Italy, Malta, Netherlands, Portugal, Romania, Russia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, Venezuela, the USA and the UK

Expatriate Regime

Who is eligible?

Anyone who was not a Greek tax resident for five (5) of the six (6) years before residing in Greece. Under this regime we have two conditions that must be met: a. you are relocating to Greece from a member state of the EU or the EEA or a country with which Greece has a valid administrative cooperation agreement on tax issues and, b. you are employed by a Greek company or a Greek branch of a foreign company for a new employment position or you registered as a free-lancer in Greece and will remain in Greece for at least two years.

What are the Tax incentives?

- **you enjoy an exemption from income tax** and special solidarity contribution for 50% of your employment income or income from individual business activity earned in Greece during the tax year
- **all other income** is taxed at the national rates



Extra tip

for the tax year 2021, the total income earned from salaried employment in the private sector is exempt from the special solidarity contribution.

When is the deadline to apply?

The deadline to apply for this regime is 31 July of the year during which you started working. The decision of the tax authorities that accepts or rejects the application is issued within 60 days as of the application date. Keep in mind that taxes on employment and business income are paid according to the general provisions of the Greek Income Tax Code.



For how long can I benefit?

You have a **maximum of seven (7) years** to benefit from the alternate tax regime since the first year.



Important insights

- **the favorable tax regime** applies only to new employment positions
- **all other income** (in and outside Greece) is taxed in accordance with the general provisions
- **the new tax regime** for expats has been introduced with effect for fiscal years starting as of 1.1.2021

Is the Expatriate Regime successful?

In its first year of application in 2021, more than 1,500 applications have been filed highlighting the dynamics and the great impact of the specific tax incentive.

Family Office Regime

Among the structural reforms that have been implemented with the aim to attract foreign investments and relocate skillful human resources in Greece, the Greek government has introduced the Family Office regime for serving the management of the family wealth and assets of high-net-worth individuals who are tax residents in Greece.

Family offices are special purpose vehicles that can be established under any of the legal forms referenced in the Greek Income Tax Code, except that of a non-profit nature, and whose exclusive purpose is to support the Greek tax resident individuals and their close family members with the management and administration of their family wealth and assets which are held either directly or indirectly through legal entities in which they participate.

Who is eligible?

Any Greek tax resident individual, their close family members (spouse, parents and unmarried or/underage children) as well as legal entities in which the above individuals and their family members participate, are eligible to participate in the Family Office as members.

The Family Office must meet the following conditions:

- **it must employ at least five (5) employees** within a period of twelve (12) months from its establishment and on an ongoing basis; it is noted that any individuals that are members of the Family Office cannot be employed by the family office
- **it must incur annual expenses of at least €1,000,000**

What are the Tax incentives?

- **the gross income of the Family Office** deriving from the provision of the qualifying services shall be determined on a cost plus 7% basis, with said profit mark-up being applied on all expenses and their depreciation, with the exception of the income tax expense
- **the taxable income of the Family Office** shall be determined following the deduction from the gross income of all costs on which the 7% mark-up has been applied
- **the taxable income of the Family Office** will be subject to the corporate income tax rate (currently 22%)



When is the deadline to apply?

The Family Office regime is effective for the tax year 2021 and onwards.



Greece Golden Visa Program

The Greek government in 2013 introduced the Golden Visa program, one of the most competitive Golden Visa Programs in the European Union, a scheme with great appeal for non-EU citizens as it enables them to obtain a residence permit by investing in some form of assets of €250,000 or over. This attractive investment scheme grants third-country citizens (including their spouse or partner, unmarried

children up to the age of 21 and parents), a residence permit with the prospect of renewal every 5 years, along with the ability to travel freely within all Schengen countries. The Greece Golden Visa Program is considered one of the most affordable residence-by-investment programs that provide access to Europe. Successful applicants and their families can benefit within two months of applying.

Qualifying options

- **Investment, direct or indirect, in Real Estate** in Greece of at least €250,000
- **Concluded an agreement for at least 10-year lease for hotel accommodation**, of a value of at least €250,000
- **Concluded time-sharing agreement for hotel accommodation**, of a value of at least €250,000
- **A capital contribution with a minimum value of €400,000 to a company** that has its registered office or establishment in Greece (with the exception of portfolio investment companies and real estate investment companies) for the acquisition of shares in a share capital increase or bonds that are, at the time of issue, admitted for trading on regulated markets or multilateral trading mechanisms that operate in Greece
- **A capital contribution with a minimum value of €400,000 to a real estate investment company** that will invest exclusively in Greece, for the acquisition of shares in a share capital increase
- **A capital contribution with a minimum value of €400,000 to a closed-end investment company** for the acquisition of shares or to a closed-end mutual for the acquisition of shares, provided that the aforementioned alternative

investment institutions have the intention to invest exclusively in companies that have headquarters or establishments in Greece

- **Purchase of Greek government bonds with a minimum acquisition value of €400,000** and residual maturity of at least three years at the time of purchase, via a credit institution established in Greece, which will also act as the custodian of these bonds
- **Purchase of shares or corporate bonds with a minimum acquisition value of €800,000**, which are admitted for trading or/are traded on regulated markets or multilateral trading mechanisms, operating in Greece
- **Purchase of units with a minimum value of €400,000 of a mutual fund** incorporated in Greece or another country and with the intention to invest exclusively in shares, corporate bonds, and/or Greek government bonds that are admitted for trading or are traded on regulated markets or multilateral trading mechanisms, operating in Greece
- **Purchase of units or shares with a minimum purchase value of €400,000 of an alternative investment fund** established in Greece or another country of the EU, which intends to exclusively invest in immovable property in Greece.

Processing time

One-two months from submission of the application to approval

Key benefit

The right of free movement to Greece and Europe's Schengen Area

Key advantages

visa-free travel within Europe's Schengen Area

no requirement to reside in Greece

residence permits can be acquired within 30-60 days

unlimited expiry date of residence permit

opportunity to rent out the investment property

residence applicable to the whole family (married spouse, children under 21 years old, and parents of the main applicant and spouse)

eligibility to apply for citizenship after seven (7) years of residence

ability to hold shares and receive income from the dividends of a company registered in Greece (but not to be employed in Greece)

Understanding & Anticipating YOUR needs

At Machas & Partners we aim to be a catalyst for Greece's transformation to an investment-friendly venue that will serve as an attractive home to high-net-worth individuals. We do so by working closely with our clients, **understanding and anticipating their unique needs**, and proposing practical, tailor-made solutions to optimize the benefits of their relocation to Greece, adding value for our clients and benefiting the nation as a whole.

If you are considering relocating to Greece and have questions, **don't be shy, our team of experts have the answers.**

Contacts

Machas & Partners Law Firm

8, Koumpari str., 106 74, Athens, Greece

T: +30 210 7211100

info@machas-partners.com

 Machas & Partners Law Firm

www.machas-partners.com

