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Machas & Partners
Law Firm

Tax & Relocation Incentives

Make Greece
your living destination



Looking for an opportunity to live in Greece?



Discover Greece as an ideal destination for professional success, lifestyle, and opportunity.

Whether you are a high-net-worth individual seeking a world-renowned environment with attractive tax benefits, a self-employed professional working abroad, or a retiree wishing to embrace the Greek way of life, the country offers an environment well-suited to these objectives.

If you are considering establishing a family office or developing your business, Greece offers the ideal environment where business potential and quality of life are perfectly aligned.

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.

What are the favorable tax regimes

With consecutive laws enacted in 2019 and 2020 Greece established three favorable tax regimes that have been widely utilized in recent years. These regimes aim to attract high-net-worth individuals, including international investors, pensioners, foreign employees and freelancers to relocate to Greece, offering them advantageous tax environments. 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 selfemployed, 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 highnetworth individuals who are tax residents in Greece.

If you identify yourself in the above categories, you enjoy substantial tax benefits.

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.

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 or 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. Important note, you retain the right to withdraw from the NonDom Tax Regime at any time.

Is the Pensioners Regime successful?



- Since the implementation of the Pensioners Tax Regime in 2020, more than 1.500 individuals have applied for and received Pensioners Tax Status in Greece.
- Applicants come from the following countries: the UK, Austria, Belgium, Bulgaria, Cyprus, France, Germany, Hong Kong, Italy, Malta, Netherlands, Portugal, Romania, Russia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, Venezuela and the USA.

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.

Expatriate Regime

Who is eligible?

Anyone who was not a Greek tax resident for five (5) out of the six (6) years before residing in Greece and meets the following conditions:

- A. Is 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. Is employed by a Greek company or a Greek branch of a foreign company for a new employment position or is 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 for 50%** of your employment income or income from individual business activity earned in Greece during the tax year.
- **All other income** is taxed according to the national rates.

When is the deadline to apply?



- If you started working in Greece until the 2nd of July of a given year, you can apply until the end of that year and the application is considered for your inclusion in the expat regime for that same year. However, you may also submit your application during the next year, but the application will be considered for your inclusion in the expat regime for the next year.
- If you started working in Greece after the 2nd of July of a given year, you can apply until the end of the following year and the application is considered for your inclusion in the expat regime for the year following the commencement of the employment/ business activity in Greece.

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.

Is the Expat Regime successful?



Since 2021, when the provisions took effect, over 4,000 applications have been filed, highlighting the dynamics and the great impact of the specific tax incentive.

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.

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, in 2021 the Greek government also introduced the "Family Offices" regime for serving the management of the family wealth and assets of high-networth 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 cumulatively 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 €500,000.

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%)

Non-Dom Status Regime

Who is eligible?

Anyone, irrespective of nationality or current tax residence, who was not a Greek tax resident for seven (7) of the eight (8) years preceding their redomiciling to Greece, is now eligible to relocate to the country under the Non-Dom Status Regime. In this case, the requirement specifies that you, directly or indirectly through a legal entity, or a relative, invest a minimum of €500.000 in Greek real estate, Greek legal entities or securities.

Need to keep in mind:

The above investment obligation does not apply to individuals who already have a Greek golden visa with the right to reside and conduct business in Greece.

Extra tips:

Anyone, irrespective of nationality or current tax residence, who was not a Greek tax resident for seven (7) of the eight (8) years preceding their redomiciling to Greece, is now eligible to relocate to the country under the Non-Dom Status Regime. In this case, the requirement specifies that you, directly or indirectly through a legal entity, or a relative, invest a minimum of €500.000 in Greek real estate, Greek legal entities or securities.

What are the Tax incentives?



- **You enjoy an annual flat tax of €100,000** for all foreign sourced income (regardless of the actual amount of income earned abroad). The Non-Dom status can also be extended to family members for an additional €20,000 per family member (spouses, parents, and children).
- **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 NonDom Tax Regime at any time.

Where are the most applicants from?



Most applicants come from the following countries: the UK, Australia, Argentina, Belgium, Canada, Cyprus, Czech Republic, France, Germany, Israel, Lebanon, Malta, Monaco, Oman, Panama, Russia, Senegal, Switzerland, the USA, and the UAE.

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.

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