

## Voluntary Disclosure Program: practical guidelines for implementation

**The Independent Authority for Public Revenue issued two Circulars (POL.1006/17.01.2017 and POL.1009/19.01.2017) that provide guidelines for the implementation of the voluntary disclosure program (“VD Program”), introduced by virtue of Law 4446/2016 (please refer to our Tax Newsletter dated 23 December 2016).**

### Key points on the implementation process

- All tax returns should be filed in handwritten form before the competent tax office with the exception of the real estate tax forms (E9) which in principle should be filed electronically (except for E9 tax forms for demised individuals).
- Tax returns should be accompanied by supporting documentation in line with the requirements applicable at the time of the initial filing obligation. In the absence of such supporting documents, tax returns may be accompanied by any other available evidence or material.
- It is clarified that any income resulting from unknown sources may also be reported. Such income will be taxed according to the tax rates that were applicable during the relevant year (in the case of individuals, such income will be treated either as freelancer’s income or business income, depending on the year of acquisition thereof).
- For tax years 2014 onwards, late payment interest (currently calculated at an 8.76% rate) is assessed on the amount of income tax due. The same late payment interest applies to inheritance or gift tax due, to the extent that the deadline for the initial filing expired after 31.12.2014.
- Specific reference is made to procedural matters concerning cases that are currently going through a tax audit. In this context, it is clarified that taxpayers, for whom a tax audit order has been issued, but has not been served (or it will be issued until 31.05.2017), may receive a special invitation by the Greek tax authorities to participate in the VD Program within a 90-day deadline following such invitation.
- The deadline for participation in the VD Program has been extended from 23.01.2017 to 07.02.2017 for taxpayers who were served with a temporary tax assessment until 12.12.2016.

### Unresolved matters

- (i) Limitations regarding which years may be subject to the VD program are not clearly set taking into account the statutes of limitation. However, pursuant to Circular POL. 1009/19.01.2017,

taxpayers have the right to file tax returns under the VD Program regardless of the applicable rules on statute of limitation.

- (ii) It is not clear whether non-Greek entities with Greek beneficial owners are eligible to participate in the VD program.

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## Recent developments regarding the upcoming Wealth Registry

The Ministry of Economy and Development announced that, following ESF funding, the procedure for the implementation of the Wealth Registry may be initiated. According to said announcement, ESF funds will be released for the creation of an electronic platform where taxpayers will report their assets, including real estate property, vehicles, yachts, aircrafts, cash, gold, shares or any kind of participation in companies/businesses, bank accounts, bonds, mutual funds or any other securities and financial products, derivatives, assets of high value (e.g. works of art or jewellery) etc. The implementation procedure will be initiated within June 2017 and is not expected to be finalised earlier than October 2018.

For further information, please contact:

### **Costas Kallideris**

Partner, Head of Private Clients

T (+30) 210 69 67 074

E c.kallideris@zeya.com

### **Anna Paraskeva**

Senior Associate, Private Clients

T (+30) 210 69 67 083

E a.paraskeva@zeya.com

### **Mantha Stamatiou**

Senior Associate, Private Clients

T (+30) 210 69 67 133

E m.stamatiou@zeya.com

Established in 1893, Zepos & Yannopoulos is one of the leading and largest Law firms in Greece providing comprehensive legal and tax services to companies conducting business in Greece.

280, Kifissias Ave.  
152 32 Halandri  
Athens, Greece

newsletters@zeya.com  
Tel.: (+30) 210 69 67 000  
Fax: (+30) 210 69 94 640

[www.zeya.com](http://www.zeya.com)

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