

Tax Alert

Capital gains from the disposal of shares, bonds and other securities - Greek tax authorities clarify that non-Greek resident legal entities are tax exempt

30 January 2015

On 26 January 2015, the Greek Ministry of Finance issued guidelines (Circular POL 1032/2015) in relation to the taxation of gains from the disposal of securities. Detailed guidance is provided in relation to the scope of application and determination of taxable basis. To be noted that shares, partnership quotas, corporate and sovereign bonds, Treasury bills and warrants were included in the list of securities covered by the relevant rules (article 42 of the recently introduced Income Tax Code as currently in force). The guidelines, which appear to have been prepared before a new government came to power in Greece this week, concern both individual taxpayers and legal entities disposing of such assets. The treatment of the disposal of shares in shipping companies is not affected by the rules interpreted by the guidance.

The guidelines clarify among others that:

- capital gains earned from the disposal of the assets in question by foreign legal persons/entities without a Greek permanent establishment (to which such gains are attributable) are not subject to Greek income tax; from the compliance point of view, it has now been clarified that there is no obligation for filings in Greece in order for such persons to be exempt; more detailed guidelines are provided in respect of non-Greek tax resident individuals, based also on the relevant statutory rules
- capital gains arising from the disposal of units in UCITS seated in non EU/EEA jurisdictions fall within the scope of capital gains tax; however, capital gains arising from the disposal of units in UCITS seated in Greece and EU/EEA jurisdictions are tax exempt
- capital gains arising from the disposal of Greek corporate bonds issued under the regime of Law 3156/2003 are tax exempt; the same applies for capital gains arising from the transfer of corporate bonds issued by EU/EEA companies

For more information and/or relevant assistance you may contact directly:

Daphne Cozonis at d.cozonis@zeya.com

Evgenia Goti at e.goti@zeya.com

For further information, please contact us directly

ZEPOS & YANNOPOULOS

newsletters@zeya.com
www.zeya.com

75, Katehaki & Kifissias Ave.,
115 25, Athens
Greece

Tel.: (+30) 210 69 67 000
Fax: (+30) 210 69 94 640



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.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior permission. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgment of author, publisher and source must be given.

Nothing in this newsletter shall be construed as legal advice. The newsletter is necessarily generalised. Professional advice should therefore be sought before any action is undertaken based on this newsletter.