

Prooptiki was established as an accounting firm back in 1984; today, it is one of the most successful companies in the economic sector, providing consultation on accounting-tax and payroll issues.

Prooptiki's clientele lists a wide range of economic sectors, such as tourism, hotels, commerce, service provision, IT, telecom, real estate management, etc.



SERVICES OFFERED BY PROOPTIKI SA

- **Accounting:** A full range of accounting support in accordance with the Greek GAAP and IFRS.
- **Tax Consulting:** A full range of tax services to cover all tax fields. Our Goal is to have the maximum benefits, with the minimum tax liabilities and risks, always in strict compliance with local legislation and Code of Books and Records.
- **Payroll:** Complete solutions in managing and issuing the payroll, full support as far as the obligations towards government funds are concerned and continuous and updated information on Labor Law/ Insurance issues
- **Business Consultancy:** We can assist you on aspects such as:
 - ◆ Entity set up. Together we can find the most suitable structure for your business (limited company, partnership, sole trader, limited by shares company), or set up a branch of a foreign company.
 - ◆ Business plans and cash flow forecasts
 - ◆ Business and management advice
 - ◆ Human resources consultancy
 - ◆ Provision of management information
 - ◆ Tax compliance and advise
- **Auditing:**
 - ◆ Internal audits, Management audits, Compliance audits
 - ◆ Cash flow, Due diligence, Financial Statements, Special audits.

Adoption of Pillar Two rules in the Greek tax legislation

The law 5100/2024 was recently published, which incorporates the Council Directive (EU) 2022/2523 into Greek legislation. The directive ensures a global minimum level of taxation for multinational groups and large-scale domestic groups, adopting the OECD framework known as Pillar 2.

Obligated companies are considered to be entities that are members of multinational enterprise groups or large-scale domestic groups established in Greece, which are included in the consolidated financial statements of the ultimate parent entity with annual revenues of at least seven hundred and fifty million (750,000,000) euros. Certain entities, such as state entities, non-profit organizations, pension funds, etc., are exempt from the provisions of the law.

The annual revenue threshold must be exceeded for at least two (2) of the four (4) financial years preceding the fiscal year under review. If one or more of these years are shorter or longer than twelve months, the threshold is adjusted accordingly.

By establishing the global minimum tax rate of 15%, constituent entities with a tax rate lower than 15% are required to pay the difference, as a top-up tax, between the domestic tax rate and the minimum tax rate. To determine the effective tax rate, financial figures derived from the reports prepared by local subsidiaries for consolidation purposes are taken into account.

Reporting Obligations

Entities located in Greece that belong to a group falling under the scope of the rules are required to submit a supplemental tax information return, as well as specific tax returns for the supplemental tax ultimately owed in Greece.

The submission deadline is within 15 months from the last day of the reference fiscal year.

The payment of the tax must be made in a lump sum within the following month after the final submission deadline of the return.

Safe Harbor Rules

The law, specifically articles 34 and 35, includes detailed provisions regarding the safe harbor rules, such as the Transitional Country-by-Country Reporting Safe Harbor (Transitional CbCR Safe Harbor), the Transitional Under-Taxed Profits Rule Safe Harbor (Transitional UTPR Safe Harbor), as well as the permanent safe harbor for the Qualified Domestic Minimum Top-up Tax (QDMTT Safe Harbor).

The Transitional Country-by-Country Reporting Safe Harbor aims to simplify compliance for groups with the Pillar 2 rules during the initial years of their implementation, particularly for fiscal years beginning before December 31, 2026.

Under the Transitional Under-Taxed Profits Rule (UTPR) Safe Harbor, the top-up tax calculated for the jurisdiction of the ultimate parent entity based on Country-by-Country Reporting (CbCR) will be considered zero, provided that the jurisdiction has a corporate income tax rate of at least 20%.

This safe harbor applies only to ultimate parent entities located outside the EU or to exempt entities, and only for fiscal years beginning before December 31, 2025, and ending before December 31, 2026.

Implementation of electronic delivery notes

The digital delivery note is being implemented on the myDATA platform for real-time monitoring of the movement of goods.

With the joint decision of the Deputy Minister of National Economy and Finance and the Governor of the Independent Authority for Public Revenue (AADE), A.1122/06.08.2024, the scope of application, the transmission time, as well as the commencement of the implementation of the digital issuance of goods movement documents were defined. Additionally, with the decision of the Governor of the AADE, A.1123/06.08.2024, the content and format of the digital goods movement documents, the process, the method, and the transmission channels of these documents to the digital myDATA platform were specified.

Two Implementation Phases

In the first phase of implementation, the following are included:

- Businesses with gross revenue over two hundred thousand euros (€200,000), and
- Businesses, regardless of gross revenue, operating in the following sectors:
 - Energy products (fuels),
 - Pharmaceutical products and medical consumables,
 - Building materials,
 - Production, packaging, and marketing of olives and olive oil.

In the second implementation phase, all other businesses are included.

Two Phases of Implementing Digital Goods Movement Monitoring:

Phase A (Basic Functions of Issuing and Transmitting Delivery Notes to myDATA):

Implementation Timeline

Public Sector, Local Authorities, Public Law Entities: Mandatory from January 1, 2026.

From January 1, 2026, onwards, data related to the digital monitoring of goods movement carried out by the Public Sector, Regional Authorities, Municipalities, and other public law entities will be mandatorily transmitted to the myDATA digital platform for activities or actions performed under public authority.

Exemptions:

- Farmers under the special VAT regime and individuals who sell products or services on an occasional basis, as well as public or private employees or retirees who are authors or instructors of educational programs and seminars.
- Movements of natural gas, water, coal gas, electricity, and thermal energy.
- Movements by technicians of necessary tools and machinery for performing and completing their work.
- Movements carried out by funeral homes.
- Movement of fixed assets and other types of movable equipment in cases of transferring a business entity's professional premises.

New Digital Transaction Fee in Greece

Law 5135/2024, titled "Digital Transaction Fee and Other Provisions," has been enacted, abolishing the stamp duty and introducing a new tax on specific transactions, called the "digital transaction fee," which will be declared and paid digitally.

The digital transaction fee applies regardless of where the transaction took place or where the contract was drafted or executed, and regardless of the form or method in which the relevant contracts are created.

The digital transaction fee applies to the following transactions:

- Commercial leasing of real estate, unless the lease is subject to VAT.
- Loans and loan overdraft accounts.
- Deposits and withdrawals.
- Sale of movable property or intangible goods, unless subject to VAT.
- Transfer of a business, unless it falls within the scope of corporate transformations.
- Distribution of inheritance.
- Debt forgiveness.
- Assignment of claims, provided no consideration is exchanged.
- Assumption of debt, provided no consideration is exchanged.
- Abstract promise or acknowledgment of debt.
- Settlement agreements.
- Compensations.
- Remuneration of board members (of S.A.s), managers (of Private and Limited Liability Companies), and members of the governing bodies of cooperatives, associations, and clubs, excluding remuneration paid in the form of profit distribution.
- Interest on arrears and legal interest.
- Bank checks.
- Membership fees to chambers, unions, associations, and clubs.
- Awards and prizes.

The digital transaction fee is imposed on the aforementioned transactions if at least one of the transacting parties either:

- Has tax residency in Greece, or
- Has a permanent establishment in Greece, provided the transaction is related to the activity of the permanent establishment in Greece.

Additionally, it applies to various transactions with the public sector or general government entities, such as:

- **Leasing of real estate** where the counterparty is the public sector or a general government entity.
- **Compensations** paid by or to the public sector and general government entities.
- **Subsidies, financial assistance, and grants** from the public sector or general government entities.
- **Remuneration for participation** in councils and committees.
- **Collection of fines** and similar revenues by the public sector and general government entities.
- **Fees** paid to the public sector or general government entities for the provision of services.

Dates for Convening General Meetings and Deadlines for Filing Financial Statements with GEMI (2024)

On September 5, 2024, an extension of 50 calendar days was announced for the deadlines to hold General Meetings of legal entities for the year 2024.

As a result, the **latest date** for convening General Meetings of legal entities (with a fiscal year from January 1 to December 31) for the year 2024 will be **October 30, 2024**.

Filing of Approved Financial Statements with GEMI:

- The deadline for submitting approved financial statements to GEMI is **within 20 days** from the approval date at the General Meeting.
- Therefore, if the General Meeting is held on **October 30, 2024**, the submission of the approved financial statements to GEMI can be completed by **November 19, 2024**.
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This extension allows companies more time to organize their General Meetings and meet their filing obligations.

Golden Visa: Νέο Όριο Ελάχιστης Επένδυσης από 1.9.2024

According to the new regulations, the minimum investment thresholds are significantly increasing, especially in popular areas such as Attica, Thessaloniki, Mykonos, and Santorini. Specifically, the value of real estate that an investor must hold in these areas rises to €800,000, while in the rest of the country, the minimum threshold will be set at €400,000 starting from September 1, 2024.

Exceptions and Special Cases:

There are exceptions that maintain the older, lower threshold of €250,000. These apply to buildings that are changing use, such as industrial buildings being converted into residential spaces, as well as listed (heritage) buildings that require restoration.

Digital Work card in Greece

With the provisions of Article 74 of Law 4808/2021, the measure of the Digital Work Card was established for all businesses – employers, are required to have and operate an electronic system for measuring the working hours of their employees, directly connected and interoperable, in real-time, with the "Ergani II" Information System.

The measurement of working hours is carried out through the use of the digital work card, through which every change related to the employees' working hours is recorded in real-time in the "Ergani II" system, including, in particular, the start and end times of work, breaks, overtime beyond the legal working hours, and all types of leave.

So far, it has been mandatory in the following sectors:

1. Banks and large supermarkets: Since July 1, 2022.
2. Insurance companies, security companies, and public utility organizations (DEKO): Since January 1, 2023.
3. Industry and retail: From July 1, 2024.

As of Wednesday, September 11, 2024, the use of the Digital Work Card was extended to the tourism and food service sectors, initially in a pilot phase and then in full implementation starting from March 1, 2025.

All businesses – employers that are part of the Digital Work Card system are required, from the date of their inclusion, to have and activate a digital work card system for all their employees under an employment contract or dependent work relationship, who are physically present at the workplace of these businesses – employers, regardless of whether their branches are registered under included or non-included NACE codes. This also includes employees who are employed in these businesses through loan arrangements.

These businesses must report daily and in real-time to the "Ergani" Information System the start and end of work for every employee working physically at the business premises on any given day.

Businesses have the option to immediately connect their time-tracking system with the new Work Card mechanism in the "Ergani" system.

An inventory of existing employees must be made, and the «Declaration of Change in Employment Relationship Details» form must be submitted, with the "Work Card" field marked as "Yes," on the date they begin implementing the work card.

There are two options: a) a pre-scheduled system and b) a post-scheduled system for reporting the data.

Employers will be required to declare by the last day of the current month whether, for the next period (which cannot be shorter than one month), they will record changes to working hours or the organization of working time and overtime:

- in advance, and in any case before their execution (pre-scheduled), or
- retrospectively, after their execution, as stipulated in Article 22 of Law 5053/2023.

Pre-scheduled system: Any change in working hours must be submitted BEFORE the start of the shift, and the employees' card stamps must "match" the submitted schedules.

Post-scheduled system: Employers will normally declare the scheduled working hours, but they will be able to record changes in working time and overtime performed up to the end of the following calendar month.