

GREECE

TRANSFER PRICING PROFILE

1. Reference to the Arm's Length Principle

In the Greek tax legislation reference to the arm's length principle is contained in the notion of "Normal Value".

Income Tax Law no 2238/1994, article 39 par. 1 for the financial year from 1/1/2012 and onwards, as well as for over-twelve month accounting period that begins before 1/1/2012 and ends at 31/12/2013 and after.

Income Tax Law 4172/2013, article 50 par. 1 from the tax year that begins at 1/1/2014 and after.

2. Reference to the OECD Transfer Pricing Guidelines

Direct reference to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, is made to the:

Income Tax Law no 2238/1994, article 39 par.5 for the financial year from 1/1/2012 and onwards, as well as for over-twelve month accounting period that begins before 1/1/2012 and ends at 31/12/2013 and after

Income Tax Law 4172/2013, article 50 par. 2 from the tax year that begins at 1/1/2014 and after.

3. Definition of related parties

The definition of related parties is provided for by:

Income Tax Law no. 2238/1994, article 39 par. 2 for the financial year from 1/1/2012 and onwards, as well as for over-twelve month accounting period that begins before 1/1/2012 and ends at 31/12/2013 and after.

Income Tax Law 4172/2013, seventh dash of article 2 from the tax year that begins on 1/1/2014.

4. Transfer pricing methods

OECD TP Methods, Circular Letter of the Ministry of Finance of 18 July 2013 no.1179 sixth chapter, provides for priority of the traditional OECD TP Methods. Transactional Profit Methods can also be used under specific circumstances.

5. Transfer pricing documentation requirements

Income Tax Law no 2238/1994, article 39A par. 3, 4, 5, 6 for the financial year from 1/1/2012 and onwards, as well as for over-twelve month accounting period that begins before 1/1/2012 and ends at 31/12/2013 and after.

Tax Procedures Code 4174/2013, article 21 par. 1, 2, 3, 4, 5 from the tax year that begins at 1/1/2014

Implementation of the Code of Conduct on Transfer Pricing documentation for associated enterprises in the European Union (EU TPD) - summary of Member States' responses to the 2013 JTPF questionnaire on the implementation of the EU TPD:

http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transfer_pricing/forum/jtpf/2013/summary-ms.pdf

Under the provisions of the Tax Procedures Code our internal legislation is harmonized with the Code of Conduct on transfer pricing documentation.

Income Tax Law no 2238/1994 as well as the new Tax Procedures Code explicitly establish an obligation for Greek affiliated enterprises, branches of foreign enterprises to prepare transfer pricing documentation for their intra-group transactions. There is an exemption from the documentation for certain transactions based on criteria such as the volume of transactions and the turnover. The documentation file follows those referred in the EU Code of Conduct and consists of the masterfile and the Greek documentation file which supplement the masterfile and contains additional information, with regard to the Greek enterprises of the group. The transfer pricing documentation obligation applies also to permanent establishments that maintain in Greece foreign enterprises members of multinational groups.

6. Specific transfer pricing audit procedures and / or specific transfer pricing penalties

- According to Income Tax Law no. 2238/1994, Article 39B par. 3 for the financial year from 1/1/2012 and onwards, as well as for over-twelve month accounting period that begins before 1/1/2012 and ends at 31/12/2013 and after, enterprises which do not abide by the arm's length principle according to article 39 par. 1 are subject to administrative penalties of Law 2523/1997.
- Regarding the late filling of Summary Information Table of article 39A par. 5 of Income Tax Law 2238/1994, a separate fine is imposed, calculated at the rate of 1/1000 of the reported gross revenues according to Law no. 2523/1997 article 4 par.5 the aforementioned fine shall not be less than one thousand (1.000) euro and more than ten thousand (10.000) Euros.
- Regarding non-filling of Summary Information Table and non submission of documentation file of article 39A par. 5 of Income Tax Law 2238/1994 to, a separate fine is imposed, calculated at the rate of 1/100 of the reported gross revenues according to Law no. 2523/1997 article 4 par. 6 the aforementioned fine shall not be less than one thousand (10.000) Euros and more than ten thousand (100.000) Euros.
- From the tax year that begins at 1/1/2014 regarding the late filling of Summary Information Table and late submission of documentation file of article 21 par. 3 and 1 accordingly of Tax Procedures Code 4174/2013, a fine is imposed calculated at the rate of 1/1000 of the reported gross revenues according to article 56 par. 1 of Tax Procedures Code 4174/2013, the aforementioned fine shall not be less than one thousand (1.000) euro and more than ten thousand (10.000) Euros.
- Regarding non-filling of Summary Information Table and non submission of documentation file of article 21 par. 3 and 1 accordingly of Tax Procedures Code 4174/2013, a separate fine is imposed, calculated at the rate of 1/100 of the reported gross revenues , the aforementioned fine shall not be less than one thousand (10.000) Euros and more than ten thousand (100.000) Euros.

7. Information for Small and Medium Enterprises on TP

Under the new legislation intercompany transactions with one or more associated enterprises are exempted from the documentation obligation if they do not exceed the amount of EUR 100000 in total if the gross revenues for the financial year for all associated enterprises does not exceed the amount of EUR 500000 or EUR 200000 if the gross revenues of the financial year for all associated enterprises exceed the amount of EUR 500000.

Information relevant for SMEs in tackling transfer pricing matters is also available on the JTPF webpage at:

http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transfer_pricing/forum/profiles/profile-gr.pdf

8. Information on dispute resolution

Competent Authority	Ministry of Finance International Economic Relations Directorate Tax Affairs Section 8, K. Servias str 101 84 Athens Greece Tel: +302103375196 Fax: +302103375854 e-mail: ypoik@otenet.gr
Organization	MAP: International Economic Relations Directorate, Tax Affairs Section of the Ministry of Finance APA: General Directorate of Tax Audits and Public Revenue – Directorate of Tax Audits – Section C': Transfer Pricing & E-commerce Section, of the Ministry of Finance. (in force from 1st January 2014)
Scope of MAP & MAP APA	- Relief of double taxation. - Interpretation or application of a particular tax treaty.
Domestic guidelines & administrative arrangements	- The D.T.C.s themselves. - From the tax year that begins at 1/1/2014 Tax Procedures Code 4174/2013, article 22. - Circular Letter of the Secretary General of Public Revenues of 30 December 2013 no. 1284.
Time for filing	Within the time limit provided for by the D.T.C.s.
Form of request	- Specified in Circular Letter of the Secretary General of Public Revenues of 30 December 2013 no. 1284.
Documentation requirement	MAP: Information on taxation at issue: taxes concerned, years of assessment, tax authorities involved. Nature of the taxation not in accordance with the tax treaty, arguments of the tax authorities concerned, specific request for the avoidance of double taxation. APA: more detailed information required
User fees	-1.000 Euros for the informal application. -5.000 Euros for the formal application. -10.000 Euros to process contacts with each of the tax authorities involved.
Tax collection / penalty / interest	General rules apply.
Other dispute resolution mechanisms	The Arbitration Convention for the transfer pricing cases.
Government Website	http://www.gsis.gr/gsis/info/gsis/ddos/

Dispute resolution under the Arbitration Convention does not need to be initiated and may be suspended if one of the enterprises involved is subject to a 'serious penalty' for the transactions giving rise to the profit adjustment (Article 8).

Unilateral Declaration of Greece on Article 8 of the Arbitration Convention (*Official Journal C 160, 30/06/2005 P. 0011 – 0022*)

“The term "serious penalties" includes administrative penalties for serious tax infringements, as well as criminal penalties for offences committed with respect to the tax laws in accordance with the relevant provisions of the Code of Books and Records, of the Income Tax Code, as well as all specific provisions which define the administrative and criminal penalties in tax law.”

9. Relevant regulations on Advance Pricing Arrangements

Circular Letter of the Secretary General of Public Revenues of 30 December 2013 no. 1284 explains in detail the APA procedure.

10. Links to relevant government websites

http://www.gsis.gr/gsis/info/gsis_site/Services/Epixeiriseis/endoomilikes.html

11. Other relevant information

Secondary and compensating year-end adjustments may result in double taxation. Two questionnaires launched by the EU Joint Transfer Pricing Forum (JTPF) in 2011 took stock of the situation prevailing in each EU Member State with respect to secondary and compensating year-end adjustments as on 1 July 2011.

[Secondary Adjustments - overview on the legal and administrative/practical aspects in the different Member States](#)

[Compensating/year-end Adjustments - overview on the legal and administrative/practical aspects in the different Member States](#)