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TAX PRACTICE

## Greek Fiscal Measures in response to the COVID-19 pandemic

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# Greek Fiscal Measures in response to the COVID-19 pandemic

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In view of the recent COVID-19 pandemic which has affected Greece, among many other countries, the Ministry of Finance, along with the Ministry of Development and Investments and the Ministry of Labor and Social Affairs, have announced certain measures in order to support businesses and taxpayers that face financial difficulties arising from the pandemic. Thus, several Legislative Acts and Joint Ministerial Decisions have already been issued during the last days that provide for emergency fiscal measures in order to support businesses and taxpayers. Further, the Government is constantly announcing additional measures, which will be formalized over the following days.

Until today, the following fiscal measures have already been announced by the Greek Government:

**1. The VAT rate on products required for the protection against Coronavirus infections and the prevention of the spread of the disease is reduced from 24% to 6%.**

In particular, the reduced VAT rate applies to the following rates:

- a) Antibacterial masks and gloves;
- b) Sanitizer, antiseptic wipes and other similar products;
- c) Soap and other products used for the personal hygiene;
- d) Ethyl alcohol.

The imposition of the reduced VAT on hygiene products, which will last till the end of the year, aims to reduce the purchase costs of the aforementioned products.

**2. The deadlines for the payment of VAT obligations, assessed tax liabilities, social security contributions, and installments of assessed liabilities towards the Greek state as a result of a settlement, are extended until 31st of July for businesses that have been affected financially by the Coronavirus pandemic.**

This benefit will apply also to businesses whose revenues are affected by the

pandemic. The implementation of this measure is expected to be clarified through a Joint Ministerial Decision.

Particularly, the following tax obligations will be suspended for 4 months (until 31st of July):

- a) VAT payments payable by the end of March;
- b) The payment of any assessed tax liability towards a Tax Office or an Audit Center;
- c) The payment of installments of assessed liabilities that have arisen from a settlement with the Greek State.
- d) The payment of the social security contributions of February 2020 is suspended for three months (for both businesses and self-employed individuals).

Further, self-employed individuals affected by the pandemic enjoy the same suspension of deadlines.

As of today, the employers that use such measures should maintain their current employment contracts in order to benefit from the abovementioned benefits.

**3. The Government has adopted a package of measures related to the real property sector.** In particular, the Uniform Real Estate Ownership Tax

(“ENFIA”) of 2020 will be computed on the same statutory value of properties as in 2019. Therefore, the announced adjustment of the statutory values of the real estate properties will be suspended.

The businesses, whose operation has been temporarily suspended, will be eligible to a discount of 40% on their rent for March and April. The same measure applies to the employees whose employment contract has been suspended due to the new measures, as far as their primary residence is concerned.

**4. Refunds by the Tax Authorities:** The Independent Authority of Public Revenues (“AADE”) will proceed with immediate repayment of all due liabilities to taxpayers, individuals and businesses, by refunding the amounts of up to 30.000 € under audit.

Since the Government is constantly announcing new measures, the abovementioned may be updated in the future.

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