



TAX PRACTICE

The new Law 4916/2022

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Law 4916/2022, which was ratified by the Greek parliament on 23/03/2022, has been published on the Government Gazette A' 65/28.03.2022. The new law introduces, among others, significant changes related to the inheritance tax treatment of joint bank accounts and the Real Estate Ownership Tax (as per its Greek initials '**ENFIA**'), Law 4223/2013. The most important of those tax amendments can be summarized as follows:

A. EXTENSION OF SCOPE OF APPLICATION OF INHERITANCE TAX EXEMPTION TO JOINT ACCOUNTS OUTSIDE GREECE

The new law includes the long – awaited replacement of article 25 par. 2 case c' of the Greek Inheritance Tax Code, extending the inheritance tax exemption in case of demise of a joint account holder also to (i) cash deposits in any currency held in foreign bank accounts and (ii) joint accounts, Greek or foreign, holding any type of investments, provided that said cash deposit or portfolio investments are received ipso jure (by virtue of law) by the surviving account holder(s).

The above inheritance tax exemption shall apply irrespective of the residence of the surviving joint account holder(s), whereas such exemption shall not apply in case the cash

deposits or portfolio investments are maintained in non – cooperative jurisdictions for tax purposes or jurisdictions that have not implemented the Convention on Mutual Administrative Assistance in tax matters or exchange information with Greece on the basis of the CRS Multilateral Competent Authority Agreement.

Said exemption shall apply to cases, where the tax liability arises after publication of the relevant law, i.e. 28.03.2022 and onwards.

B. CHANGES ON ENFIA

(a) New way of calculation of the ENFIA payable by an individual

In accordance with the new provisions, ENFIA to be paid by an individual shall comprise of:

- (a) the main ENFIA of each real estate property, which shall be computed on the scale provided below for buildings and plots/fields (*tables A & B*); and
- (b) a surcharge, imposed in cases where the property value exceeds EUR 400.000 per property, irrespective if such property is jointly held. Said surcharge is assessed to taxpayers owning properties of a total value exceeding EUR 300.000 (excluding plots outside town planning areas). The new tax shall be computed on the scale provided below.

Total Property value	Tax rate
0,01-400.000	0%
400.000,01-500.000	0,20%
500.000,01-600.000	0,30%
600.000,01-700.000	0,40%
700.000,01-800.000	0,50%
800.000,01-900.000	0,60%
900.000,01-1.000.000	0,70%
1.000.000,01-2.000.000	0,90%
>=2.000.000,01	1,00%

In addition, an increase of the total tax burden is introduced for individuals whose total property value exceeds the amount of EUR 500.000. Said increase is calculated in accordance with the below progressive scale:

Total Property value	Tax rate
650.000	5%
650.001 - 800.000	10%
800.001 - 1.000.000	15%
>=1.000.001	20%

(b) Changes in the brackets of the tax zones

Amongst others, the brackets corresponding to each tax zone for the computation of the main ENFIA either on buildings or land plots, and the relevant rates, are amended as follows:

A. Main tax for buildings	
Zone value (€/m2)	Main tax (€/m2)
0-750	2,00
751-1500	2,80
1501-2500	3,70
2501-3000	4,50
3001-3500	7,60
3501-4000	9,20
4001-4500	11,10
4501-5000	13,40
>=5001	16,20

B. Main tax for plots and fields	
Zone value (€/m2)	Main tax (€/m2)
0,01-6,00	0,0037
6,01-20,00	0,0075
20,01-50,00	0,0125
50,01-75,00	0,0185
75,01-100,00	0,0375
100,01-150,00	0,0750
150,01-200,00	0,1850
200,01-300,00	0,2470
300,01-400,00	0,3700
400,01-600,00	0,5550
600,01-800,00	0,7400
800,01-900,00	0,9900
900,01-1000,00	1,2500
1000,01-1500,00	1,6000
1500,01-2000,00	2,3500
2000,01-3000,00	3,7000
3000,01-4000,00	4,9500
4000,01-5000,00	7,4000
>=5000,01	9,2500

(c) Abolition of supplementary ENFIA

One of the most important changes is the abolition of the supplementary ENFIA at the level of individuals holding Greek real estate properties.

As regards the real estate properties owned by legal persons/entities, the supplementary ENFIA remains at the same flat rate 5,5‰, and at a flat rate of 1‰, in case of real estate properties which are self-exploited by their owners (i.e. the legal persons/entities) for their business purposes.

(d) Granting of ENFIA discounts

Depending on the aggregate value of the real estate property, as the latter is calculated on the basis of the scale provided for above, extended discounts are granted, in case the taxpayer is an individual.

(e) Payment of ENFIA in up to ten (10) installments

ENFIA shall be paid in one lump sum by the last business day, of the following month from the issuance of the tax assessment act or in up to ten (10) equal monthly instalments, each of which may not be less than EUR 10. Further, the first instalment will be payable by the last business day of the month following the issuance of the tax assessment act, and the subsequent instalments by the last business day of each following month.

(f) New deadlines for updating E9 forms

The liable taxpayer is obliged to submit the E9 form in case of real estate property acquisition or of any change in the ownership rights, by 31st of March (instead of the end of May) of the year following the day of change in the above rights, except for succession. The relevant amendment on the deadline of the submission of E9 form shall apply to any change in ownership rights that takes place from 1st of January, 2021 onwards.

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