

...Business in Greece



58, Mitropoleos str.
10563 Athens Greece
Tel: (+30) 2103318855
Email: info@prooptikiltd.gr
Webpage: www.prooptikiltd.gr

Preface

This booklet was prepared by Prooptiki ltd in Greece for clients and possible foreign investors. General information is provided about doing business in Greece, especially in tax, legal, business and accounting practices as well as investment opportunities.

Companies or individuals doing business in Greece or planning to do so are advised to contact us for receiving current and detailed professional information.

The information contained in this booklet is current in October 2006. Although information included has been compiled with utmost care, no responsibility is taken for the contents of this booklet, while authors and editors decline any liability.

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Abbreviations

A.E.	Societe Anonyme , Limited by Shares Company Type ("Anonimi Eteria" in Greek language)
ASE	Athens Stock Exchange
CEOs	Chief Executive Officers
EASE	Greek Union of Chief Executives Officers
E.E.	Limited Partnership Private Company Type ("Eterorythmi Eteria" in Greek language)
E.P.E.	Limited Liability Company Type ("Eteria Periorismenis Efthisis" in Greek language)
EU	European Union
EMU	European Monetary Union
GDP	Gross Development Product
I.K.A.	Main Insurance fund in Greece
KBS	Greek Code of Books and Records and relevant Legislation
O.E.	Unlimited Partnership Private Company Type ("Omorithmi Eteria" in Greek language)
OECD	Organization for Economic Cooperation and Development
VAT	Value Added Tax
VAT number	Tax Identification / Registration Number in Greek Tax Authorities
VIIES	VAT Information Exchange System

1 Greece General Information



Greece, your strategic link to the Balkans, Black Sea, Eastern Europe and Eastern Mediterranean Region.

- Within a radius of 500 km there is a market of 35 million inhabitants spread over a major part of Greece, Bulgaria, FYROM, Albania and Serbia-Montenegro.
- Within a radius of 1000 km there are an additional 146 million people. This market includes Turkey, Romania and southern Italy.
- In a 1500 km radius there is direct access to the markets of Hungary, Croatia, Slovenia, Libya, Egypt and Cyprus.

1.1 GEOGRAPHICAL POSITION

Situated in Southern Europe and particularly in the Eastern Mediterranean, it is Europe's closest link to the Middle East and the capital of Balkans. With an area of 131.940 square kilometres, Greece is about the same size as England or New York State.

Greece's longest border is with the sea. Over 3,000 Greek islands are scattered about the Eastern Mediterranean, roughly 200 of them inhabited.

The Greek mainland shares land borders with Albania, the Former Yugoslav Republic of Macedonia (FYROM), Bulgaria and Turkey.

The capital of Greece is Athens. Athens, most powerful of the ancient Greek city-states, was the world's first democracy. Other large cities include Thessalonica, Piraeus, Patra, Volos, Larissa etc. The largest islands are Crete, Rhodes, Corfu, Evia, Mytilini etc.

1.2 POPULATION

The population of Greece is approximately 11 million.

Nearly 40% of the country's population resides in the capital, the country's largest city and most important commercial centre.

<i>Population</i>	10.9 million
<i>Urban Population</i>	65.7%
<i>Rural Population</i>	34.3%
<i>Life Expectancy at Birth</i>	78.4 years (Male: 75.9 years, Female: 81.2 years)
<i>Population Density</i>	80 persons per square kilometre

1.3 POLITICS

Greece is a parliamentary democracy; the official name of the country is "Hellenic Republic". The present form of political system was ratified in the referendum on December 8, 1974, when 70% of the population voted in favour of a non-monarchical democracy. The Constitution currently in force was voted for on June 11, 1975, and has been reviewed twice, in 1986 and 2001. The supreme authority in the Hellenic Republic is the President, who is elected by the Hellenic Parliament to serve for a five-year period. The new President of the Republic is Mr. Carolos Papoulias, who was elected in this position for the next five years on February 8, 2005 by a 95% majority beginning from March 12, 2005.

1.4 GREEK GOVERNMENT

Since March 2004, the Prime Minister of Greece is Mr. Costa Karamanlis, president of the New Democracy party. The Karamanlis cabinet was brought to office through the last nation-wide parliamentary elections held on March 7, 2004. In the same elections representatives from a total of four political parties (New Democracy, PASOK, the Communist Party of Greece and the Coalition of Radical Left) were elected and hold the 300 seats in the Hellenic Parliament.

1.5 ADMINISTRATION

In administrative terms, Greece is divided into 13 regions, 51 prefectures and the autonomous administrative region of Mount Athos. At the level of local government, the recent "Kapodistrias Programme" reorganized the administrative map of the country, abolishing the plethora of previously existing 'communities' and creating uniform, larger municipalities. The mayors and the prefects of the country are elected by ballot of the people every four years, while heads of regions are appointed directly by the government. The right to vote in Greece is universal and mandatory for all citizens aged over 18 in the country. The supreme courts of Greece are the "Areopagus" (the Supreme Court of Cassation) and the Council of State. Finally, it should be noted that in Greece the death penalty does not apply. Following its last review in 2001, the Constitution of Greece expressly repeats this specific prohibition, which also applied in the previous text of the Constitution.

1.6 HISTORY & CULTURE

Greece has a long and eventful history. It was part of each of the great empires - the Roman, the Byzantine and the Ottoman - that ruled the region. Greece has strong historical ties with south-eastern and western Europe, Asia and Africa. At the crossroads of so many civilisations, Greece is gifted with a rich and fascinating cultural heritage. The country's turbulent history had remarkably little effect on the Greek language. Modern Greek is easily recognisable as the language of Plato.

1.7 ECONOMY

The achievement of a sound and forward-looking economy within the framework of the European Union is a major factor in the development of contemporary Greece. Rapid economic progress has enhanced Greece's international status, particularly in the surrounding region. Greece's GDP surpasses that of all Balkan countries combined.

The economic policies include:

- Increased funding of education
- Training and welfare programs
- More employment opportunities in the fields of technology and telecommunications
- Administrative reforms to increase efficiency in public services
- Taxation changes, to tackle tax evasion

1.8 INDUSTRY

Greek industry has traditionally concentrated on textiles, processed foods and cement. New industries are now emerging in technology and telecommunications.

Shipping continues to be a key industrial sector. The Greek merchant fleet is the largest in the world. In the 1960s and '70s, Greek ship owners invested heavily in oil refining and shipbuilding.

Tourism has been one of the mainstays of the Greek economy. Tourist arrivals tripled between the early 1970s and the late 1980s. Last year, some 11.5 million tourists visited Greece - more than the country's total population.

Greece's major industries are:

Tourism - Construction - Telecommunications - Energy Production - Shipping - Food Processing - Textiles - Chemicals - Tobacco Processing - Metal Products - Mining – Petroleum

1.9 FINANCE

Greece has embarked on a policy of privatising major public enterprises, including some leading banks. To date, this privatisation programme has affected 27 previously state-owned corporations, producing revenues of \$7 billion for the state treasury. Many key companies, including the state telecommunications company (OTE) and the national airline, Olympic Airways, have either been privatised or are being prepared for this step.

Key indicators of Greece's thriving economy include:

- Government deficit has dropped from 13.8% of GDP in 1993, to 0,8% in 2000.
- Yields on government bonds have fallen from 10.7% in 1997 to less than 5% in 2003.
- The growth rate has averaged 3.5% over the past three years - substantially higher than the EU average of closer to 2%.

The two major business opportunities for investments and joint ventures in infrastructure, tourism, energy, and telecommunications are:

- A \$50 billion plan for major Infrastructure Projects in the period 2000-2006, partly financed by the European Union
- The Economic Reconstruction of the Balkans

1.10 TRADE

Greece's main trading partners are other European Union members, primarily Germany and Italy. Greece's main exports are: Commodities - Manufactured Goods - Textiles - Food - Petroleum Products - Fuel - Minerals - Tobacco - Cotton. Shipping and tourism contributed over 10% to the GDP during the 1990s.

1.11 COMMUNICATIONS

The Greek road network continues to improve dramatically. The Via Egnatia (Egnatia Odos), currently under construction, will revive a historically important route across northern Greece, boosting east-west transport and communications links and connecting the port of Igoumenitsa with Thessaloniki and points further east with much improved road links. Greece's indented coastline and multitude of islands underline the importance of maritime communications, which are highly developed. As there are no navigable rivers and only one canal (the Corinth Canal), Greece has an extensive bus and ferry network. Railway construction began in the 1880s. The total railway track measures almost 1,600 miles (2560 kilometres). The Greek railway system is being thoroughly modernised with the aid of EU funding. Work on the Athens Metro commenced in 1993. The new Metro network, which opened to the public in January 2000, promises to dramatically improve communications and alleviate congestion in the capital.

A domestic flight network links Athens with 25 domestic airports. Greece's main air terminals are "Eleftherios Venizelos" International Airport in Athens and Thessaloniki's "Macedonia" airport. Crete, Corfu, Rhodes, Cos, Lesbos, and Alexandroupolis also have international airports. The national carrier, Olympic Airways, is currently being revamped and privatised. Domestic competition is growing rapidly.

1.12 ACCESS TO MARKETS

Greece is Europe's strategic link to the sizeable, emerging markets of the Balkan, Black Sea, eastern European and eastern Mediterranean regions.

Greece's advantageous location provides access and opportunity to the neighbouring regional markets while Thessalonica, the capital of northern Greece, offers the financial and trading services needed in order to conduct business in the regional markets.

- An existing network of 4.156 Greek companies has initiated direct investment programmes or marketing agreements in the regional markets.
- Greek business people have the cultural understanding of the regions and the practical experience of doing business there.
- Greece is the oldest EU member country in the region and is also considered a point of political and economic stability in the area.

Market Access

A market of 35 million inhabitants spreads over a major part of Greece, Bulgaria, FYROM, Albania and Sérvia-Montenegro, within a radius of 500 km.

Alternative market and an additional 146 million people to include countries such as: Turkey, Romania and southern Italy, is within a radius of 1000 km.

Also and in a 1500 km range, there is direct access to the markets of Hungary, Croatia, Slovenia, Libya, Egypt and Cyprus.

Thessaloniki Doorstep of the Balkans

Thessaloniki at the doorstep of the Balkans is the country's second largest city. It has become the **financial and trading centre** for the emerging markets of the entire Balkan peninsula and is the seat for the **Black Sea Trade and Development Bank**, (comprising 11 countries of the wider Balkan and Black Sea regions), the **Balkan Trade Centre** and the **Thessaloniki Stock Exchange Centre**, which has online connection with the ASE and is expected to develop into a source of capital for the wider region.

1.13 ABOUT ECONOMY

Since January 1st 2001, Greece has entered the European Monetary Union (EMU), one year before the actual circulation of the common currency. This has been a result of impressive economic policy changes and growth over the last years, during which convergence towards the European Union economic performance, in both nominal and real terms, has evolved at a rapid pace.

With a GDP growth rate currently approaching 4%, Greece's growth performance is much higher than the European Union average. In fact, Greece lies among the best performing economies in the Euro-zone and today has become the economic hub of Southeast Europe offering a stable and healthy economic environment that is supportive to the needs of business and investors.

1.14 COMPETITIVE LABOUR

According to latest data from the National Statistical Service, the number of people in the Greek labour force is 4,369,000. Although Greece has a relatively small labour force, there are certain quality factors which make the country competitive and more attractive in this field than most of its European counterparts.

The educational structure of the Greek labour force has improved impressively over the last years. **In the last decade, the number of students that entered the Greek and foreign universities doubled. 60,000 students apply every year for Greek universities and over 40,000 to universities abroad (mainly in the UK).**

According to EUROSTAT, Greek students represent the highest proportion of foreign students in the EU. Latest OECD data shows that almost 25% of the Greek labour force has a university degree from which 16% has participated and has completed successfully advanced research university programmes. In addition, the same data shows that 36% has completed upper and post secondary school, 10% lower secondary education and 32% pre-primary and primary education.

Most Greeks with University degrees have studied abroad - either in North America or Europe - and represent approximately 11% of the Greek population.

A recent study conducted by the Greek association of CEOs (EASE) in association with INSEAD (the French Institute for Economic Research and Development) shows that 94% of Greek managers are graduates, of whom 54% are postgraduates. Some 45% of Greek managers speak a foreign language - mainly English - and half of these are competent to further languages (mostly French, German or Italian).

The study also indicates that university education of management executives is approximately 55% in business, 25% in engineering and 15% in applied sciences.

Greece combines a reasonable pool of skilled workers and a good supply of unskilled labour and has one of the lowest labour costs in the European Union.

Representative gross monthly wage levels in Greece depending on the specialisation and the position within the company are as follows:

The Minimum Monthly Wage Levels in Greece (as on 01/09/2006)

Labourers (<i>daily rate</i>)	EURO 27.97 – 37.33
Clerks	EURO 625.96 – 864.00

2 *Leading Sectors for Investments*

@ Defence Products (DEF)

A NATO partner, Greece is continuing to modernize the Hellenic Armed Forces and shift its force structure toward smaller, more flexible formations.

@ Telecommunication services

The Greek Government & Ministry of Transport and Communications have recently introduced new laws on telecoms. A modern regulatory environment will enable the telecommunications industry to flourish in Greece. Currently, the Greek telecommunications market has annual revenues of nearly \$5 billion. OTE (Hellenic Telecommunications Organization) is the most important Telecommunications Company in the Balkans, Middle East and Black Sea and serves more than 60 million subscribers.

Fixed Telephony: There are almost 6 ½ million fixed access lines in use. The network has been upgraded and is now a fully digital network.

Mobile Telephony: As with most of Europe, mobile telephony in Greece has seen dramatic growth over the past several years and has now attained nearly an 85% penetration rate in Greece. As a result, profits from mobile telephony now account for almost 25% of total industry profits in Greece.

@ IT market

Imports supply over 70 percent of the computer and peripheral market in Greece. Over 65% of that market is dominated by U.S. suppliers shipping directly from the United States or their European subsidiaries. Although Greece's IT market is growing at an annual rate of between 15 - 17 percent. The most promising segments of the market is the public sector, which will embark on a program of large purchases of computer equipment and software, financed by the EU. It is expected that over \$2 billion will be spent in Greece on public sector IT projects during the period 2003-2008.

@ Building Products and Equipment

Greece is experiencing a construction boom. In 2003, the annual turnover in the Greek construction industry exceeded 8 billion Euros (about 20% of the GDP). In the coming years, this figure is projected to rise significantly. Projections indicate that over the next three years, the Greek market in this sector will increase in real terms by 10-15%.

@ Electrical Power Systems and Equipment

The Greek market for electrical power systems and equipment (ELP) was estimated at around \$860 million in 2003. It is expected to grow over the next few years at an annual rate of 15-17 percent as Greece expands its electric

power network and updates its equipment. The majority of this growth will be realized in the construction of planned new power units.

@ **Medical Equipment**

The Greek market for medical equipment is dominated by imports, supplying 90% of the needs in this sector. Most of these imports originate from western countries with the majority coming from Germany, France, UK, Italy and the US. Local production in Greece in this sector is small. The Greek medical equipment market continues to experience growth close to 10% annually.

@ **Environmental Engineering Services**

Nearly \$3.5 billion is expected to be spent on solid waste management efforts alone in just the next few years, and as much as \$5 billion on general environmental projects throughout the country.

@ **Franchising**

The system of franchising was first applied in Greece in the mid 1970's, but the rapid growth it is presently experiencing did not start until the early 1990's. While there are more than 200 franchise systems operating in Greece, there is room for many more and some fields remain practically untapped.

@ **Manufacture and Trading**

These sectors represent an excellent market for many investors. Most businesses are concentrated in or around Athens area and in a few other major cities such as Thessaloniki, Patras, Larissa, and Heraklion.

@ **Tourism Infrastructure Development**

There are excellent opportunities for architectural, engineering and design firms in Greece's tourism infrastructure sector. The large number of planned tourism infrastructure projects and the ongoing privatization in the sector represent unprecedented opportunities for foreign firms.

Greece's popularity as a holiday destination has long been based on the country's natural beauty and geographical position. We are making a major effort to become a year round destination and attract high-income tourists. This will be achieved mainly through new investments and diversification destined to attract target groups. The areas of tourism infrastructure development where foreign architectural and design firms may identify best prospects are:

Hotel Resorts, Spa and Sea-Therapy, Casinos, Golf Courses, Marinas, Ports, Theme Parks, Convention, Conference and Exhibition Centres, Eco-tourism Development, etc.

3 Investments in Greece

3.1 TEN REASONS TO INVEST IN GREECE

Greece offers investors a favorable investment environment through a combination of:

1. Economic and political stability within Eurozone.
2. Growth above EU average.
3. Accessibility to the sizeable emerging markets of the Balkan, Black Sea, eastern European and eastern Mediterranean regions through an existing network of 3.264 Greek companies.
4. Generous investment incentives.
5. Productive and highly educated human resources.
6. Competitive industry sectors, optimal supply and great variety of raw materials.
7. A brand new physical infrastructure network.
8. One of the top tourist destinations in the world that attracts more than 14 million visitors annually.
9. Unique combination of unparalleled beauty, temperate climate and over 3.000 years of history.
10. A unique culture and a good environment to live and work.

3.2 INVESTMENT LAW

Greece offers a wide range of generous and competitive investment incentives to the international business community. In this section, you will find all necessary information on the financial incentives that are available through the 3299/04 Greek Investment Law and its modifications.

INVESTMENT LAW 3299/2004

The new law 3299/2004 provides incentives to enhance the economic and regional development of Greece. The incentives, which apply to productive investments, include:

- The state covers a part of the investment
- The state covers part of the leasing instalments for the equipment of machinery only. Leasing period is for maximum five years.

- Deduction from taxable profits for the first ten (10) years.
- Grant of cost for the new seats of labour, according to the investment, for the first two years.

Law 3299/2004 defines the productive investments that qualify for these incentives and the categories of the plans. The most of the enterprises may benefit from the law, including manufacturing, handcraft, farming and hotel operations etc. Moreover, according to the law 3299, Greece is divided in six (6) geographical zones (see table below) and enterprises are divided as follows:

- Very small Enterprise: 0-10 employees, annual turnover: 2.000.000 € max.
- Small Enterprise: Less than 50 employees, annual turnover: 10.000.000 € max.
- Middle » : Less than 250 employees, annual turnover: 43.000.000 € max.
- Big » : More than 250 employees, annual turnover: above 43.000.000 €

For the first three (3) enterprise cases, it is very important to keep all independence measures. The minimum budget of the investment is divided in:

- Very small enterprise: 100.000 €
- Small enterprise: 150.000 €
- Middle enterprise: 250.000 €
- Big enterprise: 500.000 €

Enterprises must have capital participation in the investment of at least 25% of the total investment. The remaining balance 75% of the investment could be covered from bank loans. According to the category of the investment and the geographical zone, subsidies are available except for zone A and for the first and second category. The size of subsidy depends on the geographical zone and category of the investment. Zone A is the Municipality of Athens and Thessalonica. The minimum % of subsidy is 13% and the maximum is 40% for subsidy of the part of investment and subsidy for the part of leasing instalments. For the deduction from taxable profits (except zone A and the first and second category) the minimum % is 50% and in most cases is 100%. For the subsidy of the cost for the new employees, the minimum is 18.4% and the maximum 48.1%. It depends on the zone and the category of investment (except zone A and first and second category).

- a. Maximum subsidy: 55%
- b. Maximum subsidy for fees of advisor studies etc: 50%

Investment Plans of more than 50.000.000 € are subsidised as follows:

- a. For amounts smaller than 50.000.000 Euro, according to the previous percentages
 - b. For amounts from 50.000.000 to 100.000.000 Euro the 50% of the subsidy, as previously mentioned.
 - c. For more than 100.000.000 Euro the 34% of the subsidy as previously mentioned.
- The maximum amount from all subsidies for the same program is 20.000.000 Euro for the maximum of five (5) years.

INVESTMENT ZONES

For the application of investment incentives, Greece is divided into 6 zones:

Investment Zones	
Zone A	Prefectures of Attica and Thessaloniki, except of their parts that are included in zone B or C.
Zone B	Industrial Enterprising Areas, province of Langadas and the part west of the river Axios in the prefecture of Thessaloniki, province of Trizinia in the prefecture of Attica.
Zone C	Lavreotiki Zone of the Attica prefecture, as well as provinces, prefectures and parts of prefectures that are not included in zones D, B and A.
Zone D1	Prefectures of the Region of Central and West Macedonia, Prefecture of Dodekanisa except from the area that is described in the ministerial decision about the general urban drawing of the city of Rhodes, the islands of Central Macedonia area, Thessalia, Ionian Islands, Attica, South Aegean and Crete with population of less than 3.100..
Zone D2	Prefectures of the Region of East Macedonia and Thrace, the Northern Aegean islands, the island of Thasos and the islands of east Macedonia, Hepiros, West Greece and Peloponnesos with population of less than 3.100
Zone D3	Prefections of Xanthi, Rodopi and Evros.

**** Note****

The Greek Ministry of Finance recently announced that a new investment law with attractive benefits and incentives is prepared and will be released soon.

4 Structure of Business Entities

4.1 WHAT IS A PRIVATE COMPANY?

A Private Company is owned by a single proprietor. The procedure for its foundation is simple. The proprietor is liable for the company's obligations.

4.2 WHAT IS UNLIMITED PARTNERSHIP (O.E.) ?

- It is a personal commercial company regulated by the provisions of the Commercial and Civil Code.
- There is a need for a minimum capital.
- Its members have the power to represent and administrate the company.
- For its incorporation, a contract between at least two persons is needed.
- The company's name is formed with the names of its members.
- Its members are liable without any limitation and in full for the company's obligation.
- The rule of personal management and representation applies
- Its members have commercial capacity
- Its members become bankrupt when the company does.

ADVANTAGES

- O.E. is preferred by those who desire to perform small scale commercial activities, since there is no need to contribute a large amount of money.
- It is not subject to any state supervision and its operation is free from such expenses.
- It provides its members with the right to interfere actively in the company's management.
- The procedure for its incorporation as well as its operation is simple.

DISADVANTAGE

- The main disadvantage is a member's failure to provide proper administrative services which endangers not only the contributions but also the personal properties of all others.

4.3 WHAT IS A LIMITED PARTNERSHIP (E.E.)?

Most of an E.E.'s main characteristics are the same with O.E.'s except:

- One or more members are with unlimited liability (omorrythma) and one or more members with limited liability.
- The members with unlimited liability are liable without any limitation and in full for the company's obligations while the limited liability members are fully liable but only up to the amount of their contribution.
- The members with limited liability enjoy all the rights of the members with unlimited liability (except for the right to manage and represent the company).

4.4 WHAT IS A LIMITED BY SHARES COMPANY (S.A.) ?

An S.A. (Societe Anonyme, A.E. in Greek) is a commercial corporation, governed by the provisions of codified law No 2190/20 (as amended and currently in force), with:

- Minimum share capital 60.000.00 €
- At least two founders (legal entities or natural persons). Founders may be foreign citizens or legal entities
- The capital divided into bearer registered shares

Its institutions are:

- The board of directors
- The General Meeting of Shareholders
- The Auditors

For the formation of an S.A. the following are needed:

- A notarial deed
- An approval of its Articles of Incorporation by the Department of Commerce/ Prefecture
- Publication in the government Gazette

THE STEPS FOR THE ESTABLISHMENT

The formation of a Limited By Shares Company (S.A., A.E. in Greek) may be effected by two at least, or more natural persons or legal entities and involves four stages:

- adoption of the statute and subscription of the share capital
- administrative authorization
- publications

Adoption of the statutes

When forming a Limited by Shares Company the founders of the company must adopt the statutes of the company and sign the articles of incorporation before a notary public. The law provides the minimum content of the statutes which is: the name and the object of the company, the registered office, the duration, the amount and the way of paying in the subscribed capital, the kind, number, nominal value and the issue of the shares, the appointed auditors, the rights of the share holders, etc.

Administrative Authorization

The statutes must be approved by the responsible prefecture- department of commerce, in Athens or depending on where the corporation is to be established.

Publication/Registration

- After the signing of the notary deed containing the statutes, the company is registered in the Companies' Registry of the local court (where the company's registered office is located).
- A summary of the deed containing the names of the founders, the company name, the registered office, the object of the company and the capital, the way of representation of the company etc. must be published, under the supervision

of the board of directors, in the Government Gazette, “Bulletin of Limited By Shares and Limited Liability Companies”. The company obtains its legal personality, only after completion of the above-mentioned procedure. The publication date of the Government Gazette is deemed as the date of incorporation of the company.

- Upon establishment, the company is required to register with the Tax Office and procure accounting and company books stamped by the Tax Authorities and also register with the Local Chamber of Commerce.

OPERATIONAL STRUCTURE

The General Meeting of the Shareholders is the supreme governing body of a Limited by Shares Company having the right to decide on all matters concerning the company. The board of directors has the executive powers of the company.

Shareholders' General Meeting

The General Meeting of the shareholders must be held within six months of the end of each fiscal year. Extraordinary General Meetings may be held at any time. General Meetings are held at the registered office of the company.

The General Meeting has the sole authority to decide on:

- Amendments to the statutes, including capital increases or reductions.
- Election of directors and statutory auditors.
- Approval of the company's Balance Sheet, etc Year End Accounts.
- Appropriation of annual results and director's fees.
- Issuance of bonds
- Mergers, extension of duration, or dissolution / liquidation of the company.
- Appointment of liquidators

Board of Directors

The management of a Limited by Shares Company (S.A) is the responsibility of the board of directors. The directors are elected by the General Meeting of the Shareholders. A director needs not to be a shareholder. The statutes may delegate certain authority to one or more directors or executive directors of the company.

COST FOR THE ESTABLISHMENT OF A LIMITED BY SHARES COMPANY (S.A.)

Currently, the cost is determined by the following factors:

- Capital Accumulation Tax: 1% of the share capital amount
- Notary's fees, dues, stamp duties, etc (of approximately 600 Euro)
- Lawyer's Bar Association, for the Lawyer's Fees (minimum): are 1% of capital up to € 44,000, plus 0.5% of capital in excess of € 44,000 per case
- Publication cost to the Government Gazette (about 550 €)
- Registration with the Chamber of Commerce (about 400 €)
- Competition Committee duty: 1‰ on the share capital amount

4.5 WHAT IS A LIMITED LIABILITY COMPANY (EPE) ?

A Limited Liability Company (Ltd) called in Greek Law “etairia periorismenis efthinis (E.P.E.), or MEPE if it is a single party Limited Liability company”, is a commercial company governed by the law no 3190/55 (as amended and currently in force), with minimum share capital 18.000 €

Its institutions are:

- The General Meeting of the partner(s)
- The Administrator(s)
- The Auditors (only companies that have fulfilled 2 out of 3 criteria of Article 42a §6 Law 2190/1920)

For its formation it is needed:

- Notarial Deed
- A registration in the companies registry of the local court authorities
- Publication formalities.

An Ltd has the features of a partnership and a corporation. It constitutes a convenient form of organization for both small and medium-size enterprises. The liability of the participants is limited to the amount of their contribution.

ADVANTAGES AND DISADVANTAGES OF A LIMITED LIABILITY COMPANY (LTD)

Advantages:

- It is the best type for small and medium sized companies, where despite of the personal relation of the partners, there is no personal liability for the company's debts.
- No state supervision is exercised upon the incorporation and operation of the company
- The company is not dissolved in case of restriction, bankruptcy or death of a partner.
- The internal relations of the partners are freely fixed.

Disadvantages:

- The transfer of the company parts is difficult and demands various formalities, whereas the company parts cannot be represented by shares.

THE STEPS FOR THE ESTABLISHMENT

An EPE may be formed by one, two or more natural persons or legal entities, however a natural person or legal entity, may not be a single-partner of more than one EPE. The structure and operation of the EPE is ruled by the Articles of Association (Statute) which must be executed before a notary public, constitutes a registered public document and must state the following:

- Founders/shareholders: full name, profession, domicile and nationality.

- The company name: the company name of the EPE must either be formed by the name of one or more of its shareholders or by the business object and in all cases must include the additional designation “Limited Liability Company”.
- The registered office: must be established within the area of a Greek municipality or community.
- The object of the company: i.e. the kind of business that it will conduct. A Limited Liability Company may not carry on business that according to the law is conducted only by another type of company, i.e. banking and insurance business is provided by companies in the form of S.A. only.
- The equity capital: the minimum required equity capital amounts today to 18.000 EUR paid in full, either in cash or other assets. However, at least 50% of the capital must be paid in cash.
- The duration of the company: The Company is formed for a fixed period, as stipulated in the statute.
- Year End date is set at the incorporation to 31st December or 30th June (compulsory by legislation, Code of Books and Records “KBS”). The only exception, are companies that have as partners (owning at least 51%) other legal entities domestic or foreign, that have any other Year End closing date.

REGISTRATION AND PUBLICATION PROCEDURES

- After the signing of the notary deed containing the Articles of Association, the company is registered in the Companies’ Registry of the local court (where the company’s registered office is located).
- A summary of the deed containing the names of the partners, the company name, the registered office, the object of the company and the capital, the way of representation of the company etc. must be published, under the supervision of the partners or the managers, in the Government Gazette, “Bulletin of Corporations and Limited Liability Companies”. The company obtains legal personality, only after completion of the above-mentioned procedure. The publication date of the Gazette is deemed as the date of incorporation of the company.
- Upon establishment, the company is required to register with the Tax Office and procure accounting and company books stamped by the Tax Authorities and also register with the Local Chamber of Commerce.

OPERATIONAL STRUCTURE

A Limited Liability Company operates on the basis of the Partners Meeting and the Administrator.

Partners Meeting

Major corporate issues may only be decided at a meeting of partners, which is characterised by the law as the “supreme corpus” of the company. These include amendments to the articles of association, the appointment or removal of administrators, the approval of the balance sheet, the distribution of profits, the commencement of legal proceedings against the administrators of the company or its members and the extension of its duration, amalgamation or dissolution of the company. Each partner has at least one vote at the meeting. If a partner holds more

than one share, the number of his votes is equal to the number of his shares. A meeting of the partners must be convoked at least once every year and within three months following the completion of the company's accounting period.

The resolutions to be adopted at the meetings are generally passed with a majority of more than one half of the partners representing more than one half of the total capital of the company. However, a resolution involving an amendment to the articles of association requires a majority of at least three quarters of the partners representing at least three quarters of the company's articles of association (not applied in MEPE cases).

Administrator

The management of a limited liability company may be entrusted under the articles of association or by a resolution adopted at partners meeting, to one or more administrators who may or may not be partners. This type of company does not have a board of directors.

COST FOR THE ESTABLISHMENT OF A LIMITED LIABILITY COMPANY (LTD)

Currently, the cost is determined by the following factors:

- Capital Accumulation Tax: 1% of the share capital amount
- Notary's fees, dues, stamp duties, etc. (of approx. 400 €)
- Contributions to the Lawyer's Fund are 1.5% of the total equity capital
- Registration with the local court authorities (about € 60)
- Lawyer's Fund Contribution: 1,5 % of the equity capital
- Lawyer's Bar Association, for the Lawyer's Fees (minimum): are 1% of capital up to € 44,000, plus 0.5% of capital in excess of € 44,000 per case
- Publication cost to the Government Gazette (about 280 €)
- Registration with the Chamber of Commerce (about 150 €)

4.6 BRANCH OF A FOREIGN COMPANY

What is a Branch of a foreign company according to article 50 of codified law 2190/20 – which are its main characteristics?

- It is a Branch of a foreign company with permanent presentation in Greece.
- It does not have its own legal personality, but its activity is performed in the name of the foreign company which, as a legal entity, is governed by the laws of the country where it has its registered office.
- The Branch can carry out any act envisaged at the Articles of Incorporation of the foreign company, except in case there is a respective limitation at the Power of Attorney for the appointment of the legal representative in Greece.
- For its incorporation it is needed: an approval from the Minister of Commerce (i.e. from the Prefecture of the branch's registered office), a registration in the "Registar of companies limited by shares" and publication formalities.

Which are the main obligations of the Branches of the foreign companies during their operation in Greece?

To notify to the respective Prefecture:

- For every modification of the data which have been submitted at the competent authority for the establishment (Change of the foreign company's registered office etc).
- A copy of the annual balance sheet of the foreign company.
- A record for its operations in Greece during the financial year of the respective balance sheet (this record as well as the balance sheet should be submitted within a period of 3 months from the General Meeting of the foreign company).

THE STEPS FOR THE ESTABLISHMENT

- **1st step:** Collection of the documents which have to be original, notarized & apostilled by the appropriate authorities of the country of origin. Moreover they have to be translated in the Greek language.
 1. Articles of Association of the foreign company and its amendments.
 2. Resolution of the foreign company, lawfully certified, for the establishment of the Branch in Greece (the object of the branch should be noted).
 3. Certificate of any competent authority of the country where the foreign company has its registered office, for the amount of its paid up capital, which should be at least 60.000 €
 4. Certificate that the foreign company has not been dissolved and that its incorporation license has not been revoked.
 5. Certificate for the persons who represent the foreign company (Competent Authorities for the issuance of the certificates (3), (4) and (5) may be the Chambers of Commerce, the judicial authorities etc., according to the applicable laws of the respective country).
 6. Notarial or Proxy deed for the appointment of the representative and the special attorney (in case the representative or the special attorney is a

foreigner (outside EU), he should have a resident and working permit. In case he is resident of a member state of the EU he should only have a resident permit).

- **2nd step:** Submission to the competent Prefecture of the Ministry of Commerce of an application for the issuance of a Ministerial Decision approving the establishment of a branch of a foreign company in Greece. This application should be submitted together with the above-mentioned documents and should state the address of the Branch in Greece, the corporate name of the foreign company and of the Branch (in case they differ), the applicable laws of the country of the foreign company and, for countries outside the EU, the company's commercial registration number. Moreover, the receipt of payment of the required fees and the TAPET has also to be submitted.
- **3rd step:** Grant of the establishment approval – the Decision of the Minister of Commerce – of the Branch in Greece, which is registered in the Registrar of companies limited by shares (MAE) and at the same time is published at the Government Gazette, Bulletin of companies limited by shares and limited liability companies.
- **4th step:** Registration of the Branch at the Chamber. The Branch has to register with the Chamber of its registered office and pay its annual contributions. For the registration it is required:
 - a) An application provided by the Register Department of the Chamber.
 - b) The establishment approval and the respective announcement of the Minister of Commerce.
 - c) The Government Gazette for the publication of the establishment approval of the Branch
 - d) A Translated copy of the Articles of Incorporation of the foreign company and
 - e) Copies of the identity card of the special attorney.

COST FOR THE ESTABLISHMENT OF A BRANCH OF A FOREIGN COMPANY

The expenses are limited to the expenses for translation of the abovementioned documents from the Ministry of Foreign Affairs, the expense for the legalization of all documents from the appointed Attorney as well as the expenses for the publication of the establishment approval in the Government Gazette (approximate publication duty of 500 Euros), plus Chamber of Commerce Registration fee (approximate amount 400 Euros).

General Fiscal matters

✓ The Branch in Greece establishment of a foreign S.A is deemed to be a permanent establishment' in Greece. Therefore the branch's income is subject to Greek VAT & taxation although part of the balance sheet of the foreign company. Profits are taxed as the profits of the local SA companies

✓ There is no need for a distribution of profits since it has integrated accounts with the foreign S.A.

4.7 LAW 89 COMPANIES (BRANCH OF FOREIGN COMPANY IN GREECE)

Establishment in Greece of Foreign Commercial, Industrial & Shipping Companies, LAW 89/67 (as amended and supplemented with Law 3427/2005)

- Foreign companies may be established in Greece pursuant to the provisions of this law in order to provide exclusively consulting services, centralization of accounting services, quality control of production, products, procedures and services, preparation of studies, designs and contracts, advertising and marketing services, data processing, receipt and supply of information and research and development services, to their associated enterprises that are not established in Greece, and / or to their head office.
- The enterprises established are obliged a) to employ at least 4 employees at the end of the twelve – month period following the date the decision mentioned in the next paragraph is issued and b) that their annual operating expenses incurred in Greece will not be less than € 100.000 (one hundred thousand Euros).
- A special license is required for the application of this law, which is granted by a decision of the Minister of Economy and Finance, published in the Government Gazette. The license is issued within fifty (50) days the latest from the filing of a relevant application to the Directorate of Foreign investments in the Ministry of Economy and Finance.
- The gross income of the companies deriving from the services they provide and which is compulsory collected through bank remittances, is reached with the application of a profit percentage on their total expenses and depreciations, excluding corporate income tax (cost plus method). The said profit percentage is reviewed every five years or even earlier if the market conditions alter significantly.
- For the determination of the profit percentages, which cannot be less than 5% are taken into consideration, mainly, the nature of the services provided, the field of activities and the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.
- For the calculation of the mark up, all expenses on which the profit percentage applies shall be tax deductible for corporate income tax purposes, on the condition that they are supported by fiscal documents in compliance with the provisions of the Greek Code of Books and Records.

For any further information on process and application for the establishment or incorporation in Greece, please contact us, we will be happy to assist.

5 Labor Regulations

5.1 WAGE REGULATIONS

Minimum wages are set according to a national collective labour agreement negotiated between the Greek General Confederation of Labour (GSEE) and the private sector associations; the Federation of Greek Industries (SEB), the National Confederation of Greek Traders' Associations (EESE), and the General Confederation of Professionals, Craftsmen and Tradesmen (GSEBEE). However, federations of workers that are organised by trade (such as electricians) or by sector of economic activity (banking, retail trade and branches of manufacturing such as textiles) can negotiate collective agreements that provide pay increments based on seniority, educational skills and family status (e.g. marital status, number of dependants and any special responsibilities). Labour law in Greece complies with EU Employer Directive 75/117 on equal pay.

Fringe benefits are extensive, and mandatory benefits add 50% or more to labour costs. Mandatory bonuses include one month's salary or 25 days' wages at year-end, plus half a month's salary or 13 days' wages, both at Easter and during the summer vacation period. At the managerial level the value of benefits and bonuses can almost equal pay, with packages including insurance, cars and cash.

Representative Monthly Wage Levels in Greece (at 01/09/2006)

Labourers (<i>daily rate</i>)	EURO 27,97 – 37,33
Clerks	EURO 625,96 – 864,00

5.2 WORKING HOURS

The five-day week and the eight-hour day prevail. Many offices work a seven-hour day. However, there is no law preventing private sector from entering into private arrangements with the workforce on reducing working hours.

5.3 VACATIONS

The legal vacation requirement is 20 days at the onset of employment for those employees who work a 5-day week, rising to 22 days for three years or more. For those employees who work a 6-day week, the annual legal vacation for the first year of employment is 24 working days.

In addition there are seven customary and five legal holidays. In practice, however, vacation leave is usually longer.

Customary and Legal Holidays in Greece

1st January New Year's Day	Whit Monday
6th January Epiphany	1st May Labour Day
First Day of Lent	15th August The Assumption of Virgin Mary
25th March Independence Day	28th October National Day
Good Friday	25th December Christmas Day
Easter Monday	26th December Boxing Day

5.4 OVERTIME

“Overtime” is the working time over the maximum daily or weekly working hours established by law.

The Ministry of Labour sets maximum overtime limits for each calendar quarter. Due to the government’s policy to reduce the unemployment rate and encourage the creation of new jobs, higher overtime premiums apply where prior permission for overtime work is not obtained from the Ministry of Labour.

Overwork, which commands a premium of 25% of the hourly wage, is limited to one hour per day/ Overtime limits to 30 hours a year in industry and 120 in commerce. The overtime premium is 50% to the hourly rated wage. Overtime employment licenses exceeding annual maximum are occasionally granted; for these, the premium is 100%. In general, the government discourages overtime in order to boost employment. An increment of 75% of hourly wage is payable for work on Sundays and official holidays. The employee is also entitled to a day off (or a day's wages) in lieu of the holiday. For night-shifts (defined as 10pm-6am), there is a 25% premium, with an additional bonus of 10-35% for hazardous jobs.

5.5 SOCIAL SECURITY SYSTEM

Greece does not, at present have a uniform Social Security System. There are many different social security funds covering various sectors of the population. For example there are separate funds for the legal profession, teachers, engineers, commercial traders, and employed persons in general. All funds are under the direction of the Ministry of Labour & Social Services. Companies must insure all workers through the Social Security Fund (IKA), which provides sickness and pension benefits. Reforms in the pension system enacted on January 1, 1993, made the pension age 65 for both sexes, with contributions constituting 28.06 % for the employer and 16.00 % for the salaried employee. Special additional contributions apply to workers in hazardous employment (e.g. miners, linemen and deep-sea divers). Workers in these industries are entitled to early retirement, generally between the ages of 50 and 55. There is also a ceiling on the portion of salary for employees insured before 1993 to which contributions can apply. This is today (January 2006) EURO 2.226 per month; for employees that are first-insured after 1993 this ceiling amounts to EURO 5.076,51

6 Taxation System

6.1 PRINCIPAL TAXES IN GREECE

The principal taxes in Greece are the following:

- Income Taxes for all types of entities and individuals
- Real Estate Taxes (annual FMAP, Property Transfer Tax, etc)
- Value Added Tax (VAT)
- Transfer of Shares Tax
- Inheritance and Gifts Tax

There are different categories of tax income in Greece. Sources of Income are:

- Land & buildings (real estate)
- Investments
- Commercial enterprises
- Agricultural enterprises
- Employment (from salaried services)
- Independent professions (from the services of self-employment) and other sources.

6.2 INCOME TAX

The taxation of income of natural persons and legal entities is regulated by Law 2238/94 & 3296/2004 (codified up-to-date):

- The worldwide income of permanent residents of Greece
- The income in Greece regardless of Nationality and place of permanent or temporary residence.

The amount (after deduction of expenses and allowances) is subject of Income Tax:

Income Tax Scale (individuals)			
<u>Basic Scale</u>		<u>Scale for Employees – Pensioners</u>	
Income (euro)	Tax	Income (euro)	Tax
0 – 9.500	0 %	0 – 11.000	0 %
9.501 – 13.000	15% (525 euro)	11.001 – 13.000	15% (300 euro)
13.001 – 23.000	30% (3.525 euro)	13.001 – 23.000	30% (3.300 euro)
Above 23.001	40%	Above 23.001	40%

6.3 CORPORATE TAX

For the above companies (SA, Ltd), at year-end, the corporate tax for fiscal year 2005 was 32%; for year 2006 is 29%, while this is limited to 25% from 2007.

- For General and Limited Partnership: 24% for 2005, 22% for 2006 and 20% for 2007 and after.
- For Law and Notary Companies: 25% for 2005 and 2006.

TAX ADVANCE on Corporate Income Tax is 65%

6.4 INCOME TAX FILING

Each limited by Shares (SA) company and Limited Liability Company (Ltd) must file an annual income tax return within four and a half months after the end of its fiscal year.

6.5 FINANCIAL REPORTING

The Tax Records and Code prescribes the accounting records that must be kept for tax purposes. The S.A. and Ltd companies must prepare annual accounts: Balance Sheet, Income Statement, and Statement of Appropriation of profits.

6.6 AUDIT REQUIREMENTS

All the companies filing income tax returns are subject to the law 2190/20 which requires that the annual financial statements must be audited by at least two auditors (Members of the Economic Chamber) or a recognized auditing firm of certified auditors. It is very important for the tax authorities to give special emphasis on the correct bookkeeping and other related requirements of the Tax Code. The companies subject to audit are the companies that for two years in a row fulfil two (2) of the following criteria

- Balance sheet totals at least 1.500.000 €
- Annual revenue at least 3.000.000 €
- At least fifty (50) employees, during the accounting year

6.7 ACCOUNTING YEAR

The accounting year lasts 12 months. The first and the last year of operations may be less than 12 months or for the first accounting year may be longer than 12 months but not longer than 24 months. Generally, the accounting year end is on the 31st of December or the 30 of June, provided that the foreign parent company has the same closing date for accounting year.

6.8 OTHER REGULATIONS

A foreign-controlled Limited Shares Company (SA) may have the same year-end as its parent company, provided that the parent company has a holding of at least 50% of the SA's capital. Specific permission from the tax authorities is required for this purpose.

Limited Shares Companies (SA) and Limited Liability Companies (EPE) are obliged to file their tax returns by the 15th day of the fifth month following their accounting year end, whereas general and limited partnerships, as well as joint ventures maintaining category C books are required to file their tax returns within three and a half months from the end of their respective accounting period.

If they keep category B books, they file their tax returns each March, the exact date being determined by the letter of the Greek alphabet with which their company name begins.

Legal entities subject to corporate tax are also required to pay an amount equal to 55% (60% in the case of Greek Banks and branches of foreign banks) of the current year's income tax as an advance against the following year's tax liability. Credit is given for the advance tax paid in the previous year.

Companies having income from the leasing of real estate, the gross income there from is subject to a 3% supplementary tax, but such tax cannot exceed the corporate tax.

The main and additional tax owed by legal entities is paid in eight (8) equal monthly instalments, the first being paid at the time of filing the tax return (within the prescribed time limit).

Generally, when taxes are paid in one lump sum, or within the prescribed time for the first instalment, there is a 1.5% cash discount.

6.9 INTERNATIONAL FINANCIAL REPORTING STANDARDS

The International Financial Reporting Standards (IFRS) are introduced in Greece in relation to companies listed on the Athens Stock Exchange and their affiliated will have to comply with IFRS regarding their annual or periodical accounting statements (including consolidated statements) prepared for periods ending after 31 December 2004. Not listed companies audited by certified auditors can optionally adopt IFRS after that date, but will have to follow IFRS for at least 5 years. Taking into account that the accounting results will differ from the taxable results, reconciliation will be presented in the notes to the financial statements.

6.10 VALUE ADDED TAX (VAT)

The Value Added Tax is a general indirect tax levied on consumption (**Law 1642/86 and Law 2859/2000**). The relevant legislation has been amended in order to be in harmony with **EU Directive 91/680**. The tax is paid by the end consumer of goods and recipient of services.

The subject of the VAT tax is:

- The delivery of goods and services by subjects to VAT (entities or persons), provided that such activities are performed in Greece and that subjects should be acting for their business activity.
- The import of goods into the country.
- The intra-Community acquisition of goods for value in Greece by a taxable person or by a non-taxable legal person, when the seller is a taxable person established in another Member State. d.
- The intra-Community acquisition of goods which are subject to a special consumption tax, by a taxable person or by a non-taxable legal person, subject to the prerequisites of the paragraph 2, article 11a of **Law 2859/2000**.

VAT is levied on all natural and legal entities, both Greek and foreign, or associations of persons, irrespective of place of establishment, the object or result of their activities, provided they are independently engaged in economic activity.

Exports to residents of non-EU countries and the deliveries of goods to residents of EU member states, which are subject to VAT, are exempt from Greek VAT.

VAT RATES

<u>Standard rate:</u>	19% (as of 1st April 2005)
<u>Lower rates:</u>	
<ul style="list-style-type: none"> ▪ Newspapers, magazines, books, and theatre tickets 	4,5%
<ul style="list-style-type: none"> ▪ Goods considered being essential items e.g. fresh produce, pharmaceuticals, transport, electricity and various professional activities (such as services furnished by hotels, restaurants, writers, artists, etc) 	9%
<p>The rate is further reduced by 13%, 6% and 3% to taxpayers established in the Dodecanese and on other islands of the Aegean except Crete.</p>	
<p>From January 1st 2006, Value Added Tax also applies on Real Estate business, but ONLY for the new buildings.</p>	

6.11 BUSINESS TAX

Limited Shares Companies and Limited Liability Companies are subject to a capital accumulation tax of 1% on the share capital and any increases thereof payable once upon the registration of the company and upon the approval of any capital increase.

6.12 REAL ESTATE TRANSFER TAX

Transfer Tax

(a) Old buildings

All real estate transfers are subject to tax at a rate of a 9% until 15.000 Euro - part of sales price and 11% for the excess amount.

(b) New buildings

Vat applicable only

Tax on surplus value

For buildings and property that are sold after 01/01/2006, which are then re-sold (for a second time after 01/01/2006), automatically tax on the surplus value is due. Said tax is rated 20% - 0% depending on the years of possession.

Transaction Duty

For above property sale cases, there is a duty of 1% on each sale transaction value

6.13 CAR CIRCULATION TAXES

There is an annual tax based on the size of the engine. It is due for all cars.

6.14 PENALTIES

Penalties are calculated on the tax amounts due. Rates vary depending on the nature of tax due. Penalty rates are progressively increased on monthly basis (e.g. 1.5% for the first month, 3% for the second month, etc).

PENALTIES (for each month's delay)		ON ALL WITHHOLDING TAXES AND VAT
1 %	for a delayed declaration (late filing)	1.5%
2 %	for inaccurate declaration (part filing)	3%
2.5 %	for omission of submitting a declaration (no filing)	3.5%

6.15 WITHHOLDING - OTHER TAXES

Dividends: Dividends are not subject to withholding tax.

Royalties: Royalties paid to companies or individuals with no permanent establishment in Greece are subject to a withholding tax of 20% depending on the nature of the royalty payment. However, where a treaty for the avoidance of double taxation is applicable, its provisions will apply. There is no withholding on payments to Greek residents.

Interest: Generally tax on interest depends on the nature of the recipient. For interest from banks, should the banks operate in Greece, the withholding tax on deposits in Euro and State bonds is 10% (since 1/1/2005). This tax is final. **Exception:** This tax is not applied on deposits in foreign currency, when this is gained from banks operating in Greece, on the condition that the recipient is a foreign person or a non resident entity.

Service Fees: Withholding tax is 20%

Certain state bonds are tax-free (savings bonds in the case of natural persons who are residents of Greece and all state bonds with respect to residents overseas).

Double Tax Treaties between Greece and Withholding Tax Table			
Country	Royalties (%)	Interests (%)	Dividends (%)
Albania	5	5	5
Armenia	0/5	10	0/10
Austria	0/10	0/10	
Belgium	5	10/15	15/25
North Africa	5/7	8	5/15
Bulgaria (7)	10	10	40/10
France	0/5	10	
Germany (18)	0	10	25
Georgia	0/5	8	8
Denmark (13)	5	8	38/18
Switzerland	5	10	5/15/35
United States of America	0	0	
India	0		
Ireland	5	5	5/15
Spain	6	8	5 / 10
Israel (36)	10	10	
Italy	5	10	15
Korea (36)	10	8	5/15
Croatia (7)	10	10	5/10
Cyprus	0/5	10	25
Luxemburg (22)	7	8	38 / 7,5
Great Britain	0	0	
Norway	10	10	40 /20
Holland	7	10	35
Hungary	0/10	10	45 /10
Uzbekistan (42)	8	10	8
Ukraine	10	10	5/10
Poland	10	10	
Portugal	10	15	15
Romania (22)	7	10	45/20
Russia	7	7	5/10
Slovakia (10)	0/10	10/0	
Slovenia	10	10	10
Sweden	5	10	
Turkey	10	12	15
Czech Republic (10)	0/10	10/0	
Finland	0/10	10	13/47
All Other countries	20%		
Treaties also signed with: China, Kuwait, Latvia, Lithuania, Mexico, Moldavia and Egypt.			