

“ Article 5B”

Alternative income taxation emerging abroad regarding natural persons who transfer their tax residence in Greece

1. under the reservations stipulated by article 5A, a natural person, beneficiary of income deriving by pension, according to article 12, which emerges abroad who transfers his tax residence in Greece, he appertains to an alternative taxation type as it is defined in par. 2, regarding the income which emerges abroad, according to par.2, article 5, provided that overall:

a) He was not a tax resident of Greece the previous five (5) out of six (6) years prior to the transfer of his tax residence in Greece and

b) He transfers his tax residence from a State where the administrative cooperation agreement in the taxation domain with Greece is in force.

2 a) Provided that it is admissible, according to the procedure which is stipulated in par.3, the inclusion of the taxpayer to an alternative taxation type regarding his income which emerges abroad, the natural person pays each fiscal year a tax, independently, with a 7% coefficient for the total in income which he acquired abroad.

b) the tax is paid for each fiscal year in one (1) installment until the last working day of the month of July and it is not offset with other tax obligations or any credit balances of the natural person which appertaining to the alternative taxation type. Upon the payment of the specific tax any other tax obligation of the natural person regarding the aforementioned income is expired.

3 a) the application for the transfer of the tax residence with the inclusion to the alternative income taxation type which emerges abroad, as per the article hereof, is submitted to the Tax Administration by the natural person-pensioner until the 31st of March of each respective fiscal year. Within the same deadline, the natural persons who fulfill the requirements of par.1 and have already transfer their tax residence in Greece within the previous fiscal year are able to submit the application for the inclusion to the alternative income taxation type as well.

b) Within sixty (60) days from the submission of the relevant application, the Tax Administration examines the application and issues a decision upon which it approves or rejects the application depending on the fulfillment of of the requirements of par.1

c) the natural person declares in his application the State in which he had his last tax residence until the submission of his application. The Tax Administration informs the fiscal authorities of the aforementioned State regarding the transfer of the tax residence of the aforementioned taxpayer, according to the provisions of the international administrative cooperation.

4) the implementation of the article hereof, begins upon the following fiscal year for which the application of the natural person is submitted regarding his inclusion in the provisions hereof and it expires after fifteen (15) fiscal years. The inclusion to the the provisions hereof is possible for the next fifteen (15) fiscal years.

5. The natural person which appertains to the provisions hereof, provided that he does not pay the entire tax amount which is defined in par.2 regarding one of the aforementioned fiscal years, ceases to appertain to the provisions of the present article, upon the familiar fiscal year and henceforth he is taxed for his global income based on the general provisions of the Code hereof.

The natural person can submit an application for the revocation of his inclusion in the aforementioned provisions at any fiscal year during the time period of par.4. In case of revocation, the natural person is taxed according to the general provisions for the fiscal year within which he submits the revocation application and henceforth he is not obligated to pay the tax amount for the specific year according to par.2

7. The income tax declaration for the taxable income of the person who appertains to the provisions hereof, which may emerge in the domestic State, according to par.1 of article 5, is submitted and the tax payment is conducted in compliance to those stipulated in article 67.

8. Par. 1 up to 7 of the article hereof, do not affect the implementation of the international agreements which have been sanctioned for the avoidance of double income and capital taxation

9. Following a joint ministerial decision by the Minister of Finance and the Chief of the Independent Authority for Public Revenue (in Greek: ΑΑΔΕ) the inclusion procedure into the provisions of the article hereof is defined, including the transfer of the tax residence, the competent service for the submission, examination and approval of the application, the documentation accompanying the application, its revocation, the submission of the income tax declaration, the payment of the tax as well as any other necessary issue or detail regarding the implementation of the provisions of the article hereof".

*** the article 5B is added with article 1 par.1 L. 4714/2020 G.G., A 148/31.7.2020 according to par. 51 article 72 of the present which was added with par.1 article 14 of the specific Law (4714/2020):

“ The provisions of article 5B are implemented for the fiscal years which begin upon the 1st of January 2020 and henceforth. Especially regarding the applications of inclusion to the alternative income taxation type which emerges abroad, which shall be submitted within the year 2020 ap per the implementation of par.3 article 5B , the deadline for the submission of the relevant application is defined as the 30.9.2020

b) Regarding the natural person who fulfill the requirements of par. 1 article 5B and who have already transfer their tax residence in Greece, within the fiscal year 2019, the income tax declaration for the fiscal year 2019 is submitted until the 31st of October 2020. In that case, the tax which is defined in par.2 of article 5B is paid as a lump sum within thirty days (30) from the approval of the taxpayer's application.