

TAX BRIEFING: Monthly Insight

## Recent Developments in Tax Legislation

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income, as expressly defined in other types of income (eg income from capital gains, transfer of securities and Article 42 of the ITC). Therefore, natural persons are not able to include negative interest income in their income tax returns.

### **B. Supreme Administrative Court - Decision 557/2021 on Stamp Duty**

1. By virtue of Decision 557/2021 the Supreme Administrative Court decided that no stamp duty applies on profits distributed by legal entities to their personnel, even if such distribution is effected without legal or contractual obligation.

### **C. Supreme Administrative Court - Decision 3016/2020 on Expenses of Pharmaceutical Legal Entities**

1. By way of Decision 3016/2020 the Supreme Administrative Court ruled that the conditions for the tax deductibility of expenses of pharmaceutical companies are provided by tax legislation only and not by provisions of non-tax laws such as the provisions of par. 3 of Article 31 of Law 1316/1983 and of Ministerial Decision A6/10983/1985 of pharmaceutical legislation, to which tax legislation does not refer.
2. Such expenses include the costs of participation, travel and accommodation of persons professionally engaged in health, at conferences in Greece or abroad and for the organization and presentation of business events.

### **D. Greece - Singapore Convention for the Avoidance of Double Taxation**

1. By way of Law 4879/2021 (Gazetted at vol. A 4/2022) the Greek parliament ratified the Convention for the Avoidance of Double Taxation between Greece and Singapore.

### **A. Circular E. 2008/2022 on Capital Loss Resulting from Negative Returns on Investments**

1. By way of Circular 2008/2022 the Independent Authority of Public Revenues (IAPR), provides clarification with regard to the deductibility of losses.
2. Pursuant to the Circular, to the extent that all revenues acquired by legal persons and legal entities are considered as income from business activities, any capital loss of a legal person or entity resulting from negative returns on investments (negative interest rates) shall be deducted from their gross revenues, under the conditions of Article 22 of Law 4172/2013 (Income Tax Code - ITC), in so far as such loss is certain and clear.
3. For natural persons, whether they are engaged in business activities or not, interest is treated as income from capital (and not from business activities) and is taxed at a flat rate of 15%.
4. Moreover, under the provisions of Article 37 ITC, there is no concept of negative interest income, nor is there any provision for deducting expenses related to this type of

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