

**TAX BRIEFING: Alert**

# Ministerial Circular POL. 1142/2015 Providing Clarifications on Transfer Pricing Rules

*The Ministry of Finance issued Ministerial Circular POL. 1142/02.07.2015 in order to provide clarifications on issues pertaining to the Transfer Pricing rules in force by virtue of Laws 4172/2013 and 4174/2013.*

## IN THIS ISSUE

### Clarifications on Transfer Pricing Rules

For further information on the contents of this Briefing, please do not hesitate to contact your M. & P. Bernitsas Law Offices contact or any of the lawyers listed below.

**Fotodotis Malamas**

E: [fmalamas@bernitsaslaw.com](mailto:fmalamas@bernitsaslaw.com)

**Smaro Anagnostou**

E: [sanagnostou@bernitsaslaw.com](mailto:sanagnostou@bernitsaslaw.com)

5 Lykavittou Street, GR-106 72 Athens, Greece  
T: + 30210 3615395 | [www.bernitsaslaw.com](http://www.bernitsaslaw.com)

In particular the Ministerial Circular:

1. defines 'affiliated persons' as stipulated in Art. 2 of Law 4172/2013 (Affiliated Persons);
2. clarifies how the indirect participation in the capital of the company held by a legal entity is calculated;
3. provides for the notion of direct or indirect essential management dependence included in the definition of Affiliated Persons;
4. provides for the notion of direct or indirect control or

the possibility of exercising decisive influence by one person to another or of a third person to both of them included in the definition of Affiliated Persons in Art. 2 of Law 4172/2013 and POL.1132/25.06.2015;

5. identifies the persons liable for the preparation of transfer pricing documentation and stresses that joint ventures, as well as foreign legal entities which receive income from real estate property in Greece, irrespective of whether they have a permanent establishment in Greece or not, are included among them;
6. clarifies that only the interest accrued must be documented for transfer pricing purposes in respect of loans or credit granted between Affiliated Persons, including facilities and deposits;
7. stresses that the dividends paid to the shareholders as well as the fees earned by members of a company's Board of Directors do not constitute transfer pricing transactions and therefore do not fall within the scope of the transfer pricing rules;
8. provides clarification as regards the database used by the persons liable for the preparation of transfer pricing documentation and the application of the interquartile range; and
9. clarifies the transfer pricing method selected by the liable persons, the comparables used and the years to which the comparables should apply.

This Briefing is intended to provide general information and is not meant to constitute a comprehensive analysis of the matters set out herein or to be relied upon as legal advice. It is not meant to create a lawyer-client relationship. Legal and other professional advice should be sought before applying any of the information in this Briefing to a specific situation.

If you no longer wish to receive Briefings from us, please click here [Unsubscribe](#)