

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

A Ministerial Circular provide guidelines on the reverse charge mechanism for VAT on certain electronic devices, Greece signs a bilateral agreement with the US on the exchange of information for Multinational Enterprises and the VDP is extended.

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A. Ministerial Circular POL. 1150/2017 Provides Guidelines on the VAT Reverse Charge Mechanism on Certain Electronic Devices

1. Given the seriousness of VAT fraud, Greece transposed article 199a of Directive 2006/112 introducing the reverse charge mechanism for the payment of VAT on certain categories of goods. Pursuant to the new mechanism, the obligation to pay VAT with regard to supplies of specific goods shifts to the person to whom the taxable supply of goods is made. In order to ensure uniform application of the mechanism, the Ministry of Finance issued Circular POL. 1150/2017 providing guidelines on the new regime.
2. The new regime applies on supplies of:
 - a. mobile phones, being devices made or adapted for use in connection with a licensed network and operated on specified frequencies, whether or not they have any other use;
 - b. game consoles;
 - c. tablet PC's; and
 - d. laptops.
3. The following requirements should be met cumulatively in order for the new regime to apply:
 - a. the goods, both individually and in a set (as defined in Notice 2013/C 105/1), must be classified in the following codes of the Common Nomenclature (CN):
 - i. mobile phones in code 85171200;
 - ii. game consoles in code 95045000; and
 - iii. tablet PC's and laptops in code 84713000.
 - b. the counterparty is a taxable person with the right to deduct input VAT;
 - c. the place of taxation is Greece and the transaction is not VAT exempted or subject to VAT under the general VAT provisions;
4. Indicatively, the new regime does not apply to:
 - a. intracommunity acquisition, imports, retail sales and self-supplies;
 - b. delivery of spare-parts and accessories;
 - c. POS (CN 8470);
 - d. PDAs and Handy Terminals; and
 - e. walkie-talkies or other line telephone sets with cordless handsets.
5. The new provisions apply as of 1 August 2017 and pertain to invoices produced from that date onwards.

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B. US - Greece Bilateral Agreement on Country-by-Country Reporting for MNEs

In the context of the OECD Forum on Tax Administration (FTA) held in Oslo in September 2017, Greece signed the Bilateral Agreement on Country-by-Country (CbC) Reporting for Multinational Enterprises (MNEs) with the United States.

C. Further Extension of Voluntary Disclosure Program (VDP)

Law 4446/2016 introduced a Voluntary Disclosure Program (VDP) which, after two extensions, expired on 30 September 2017. Following a proposed amendment to Law 4446/2016, the VDP is extended until 31 October 2017.

Contacts



Panayotis Bernitsas
Managing Partner
E pbernitsas@bernitsaslaw.com



Fotodotis Malamas
Senior Associate
E fmalamas@bernitsaslaw.com

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