

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

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A. Updates to List of Non-Cooperative Countries for 2018 and 2019

By way of Circulars E.1352/2019 and E.1353/2019, the Ministry of Finance issued two updated lists of countries considered to be non-cooperative for 2018 and 2019. The tax consequences of performing transactions with residents in these countries are as follows:

1. Payments executed to a tax resident in a preferential tax regime country or a non-cooperative country are non-deductible, unless the Greek taxpayer can provide evidence that the respective expenses correspond to real and ordinary transactions which do not result in the shifting of profits, income or capital aimed at tax avoidance or tax evasion. However, payments made to a tax resident of an EU or EEA country may be deducted if there is a legal basis for the exchange of information between Greece and this country.
2. For the purposes of the Controlled Foreign Companies (CFC) Rules, the non-distributed income of a CFC, subject, inter alia, to tax in a non-cooperative country or in a country with a preferential tax regime, may be considered as taxable income of the Greek tax resident who controls it. The CFC Rules do not apply to EU tax resident CFCs and EEA tax resident CFCs (EEA countries with which an agreement for the exchange of information is in force), provided the establishment or the economic activity pursued is not artificial and aimed at the avoidance of the tax due.
3. The following countries are included in the list of the non-cooperative countries for 2018:

Sint Maarten	Kenya
Anguilla	Curacao
Antigua and Barbuda	Kazakhstan
Vanuatu	Liberia
Kingdom of Lesotho	Mauritania
Gabon	Botswana
Ghana	Marshall Islands
Guatemala	Dominica
Republic of North Macedonia	Paraguay
Dominican Republic	Jamaica
El Salvador	Trinidad and Tobago
Ecuador	Philippines

4. Within the framework of the Convention on Mutual Administrative Assistance in Tax Matters/MAC), the following countries are considered as non-cooperative countries with respect to the time period determined by the Ministry of Finance:

COUNTRY	TIME PERIOD
Grenada	1 January 2018 - 1 September 2018
Macao	1 January 2018 - 1 September 2018
The Bahamas	1 January 2018 - 1 August 2018
Bahrain	1 January 2018 - 1 September 2018
Peru	1 January 2018 - 1 September 2018
Hong Kong	1 January 2018 - 1 September 2018

5. The following countries are included in the list of the non-cooperative countries for 2019:

Sint Maarten	Kazakhstan
Anguilla	Liberia
Vanuatu	Curacao
Kingdom of Lesotho	Mauritania
Gabon	Botswana
Ghana	Burkina Faso
Guatemala	Marshall Islands

Republic of North Macedonia	Paraguay
Ecuador	Trinidad and Tobago
Kenya	Philippines

6. Within the framework of the Convention on Mutual Administrative Assistance in Tax Matters/MAC), the following countries are considered as non-cooperative countries with respect to the time period determined by the Ministry of Finance:

COUNTRY	TIME PERIOD
Antigua and Barbuda	1 January 2019 - 1 February 2019
Dominican Republic	1 January 2019 - 1 December 2019
El Salvador	1 January 2019 - 1 June 2019
Brunei	1 January 2019 - 1 July 2019
Dominica	1 January 2019 - 1 August 2019
Jamaica	1 January 2019 - 1 March 2019

B. Amendment of Decision POL. 1184/2017 with Regard to Country-by-Country Reporting

By way of Decision A. 1341/2019, the Independent Authority of Public Revenues (AAΔE) amended the Decision POL. 1184/2017 with regard to the implementation procedure for the submission and exchange of Country-by-Country (CbC) reporting.

1. Department C' of the International Administration Cooperation of the Directorate of International Financial Affairs of the Independent Authority of Public Revenues, will be the competent authority for monitoring the implementation of the CbC reporting. The same department is the competent authority for :
 - a. notifications related to the submission of erroneous or

- incomplete information;
 - b. non-compliance from a Reporting Legal Entity with regard to the submission of CbC reports;
 - c. infringement of confidentiality or failure to meet the safeguard standards;
 - d. the carrying out of all administrative actions for the implementation of Part 6 of the Multilateral Agreement on Administrative Assistance (MAAA);
 - e. the temporary suspension of the exchange of information;
 - f. the termination of the MAAA or the bilateral Agreement on Administrative Assistance between Greece and US.
2. The Directorate of Audits or the Directorate of Financial Affairs determines the additional rules for the validity of CbC reporting.
 3. Departments D' and E' are competent for specific duties delegated by the General Directorate of Tax Administration.
 4. As of 15 October 2019, the Constituent Entities have to submit the Notifications provided by Law 4170/2013 and 4490/2017 through a special platform posted on the website of the Independent Authority of Public Revenues.
 5. The tradename of the Group of Multinational Entities may appear in the Latin alphabet implementing international transliteration rules.

C. Tax Exemption for Group Pension Plans Provided by Non-Greek Insurance Companies

The Independent Authority of Public Revenues clarified by way of Circular E.2172/2019 that premiums paid to non-Greek insurance companies for group pension plans of Greek employees signed directly with these insurance companies, is tax exempt even in the case that the tax residence or the permanent establishment of the insurance company is outside Greece.

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