

GLOBAL FORUM ON
**TRANSPARENCY AND EXCHANGE OF
INFORMATION FOR TAX PURPOSES**



Peer Review Report on the Exchange of Information
on Request

GREECE

2020 (Second Round)

Global Forum on Transparency and Exchange of Information for Tax Purposes: Greece 2020 (Second Round)

PEER REVIEW REPORT ON THE EXCHANGE
OF INFORMATION ON REQUEST

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Reader's guide

The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 160 jurisdictions that participate in the Global Forum on an equal footing. The Global Forum is charged with the in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes (both on request and automatic).

Sources of the Exchange of Information on Request standards and Methodology for the peer reviews

The international standard of exchange of information on request (EOIR) is primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary and Article 26 of the United Nations Model Double Taxation Convention between Developed and Developing Countries and its commentary. The EOIR standard provides for exchange on request of information foreseeably relevant for carrying out the provisions of the applicable instrument or to the administration or enforcement of the domestic tax laws of a requesting jurisdiction. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including ownership, accounting and banking information.

All Global Forum members, as well as non-members that are relevant to the Global Forum's work, are assessed through a peer review process for their implementation of the EOIR standard as set out in the 2016 Terms of Reference (ToR), which break down the standard into 10 essential elements under three categories: (A) availability of ownership, accounting and banking information; (B) access to information by the competent authority; and (C) exchanging information.

The assessment results in recommendations for improvements where appropriate and an overall rating of the jurisdiction's compliance with the EOIR standard based on:

1. The implementation of the EOIR standard in the legal and regulatory framework, with each of the element of the standard determined to be either (i) in place, (ii) in place but certain aspects need improvement, or (iii) not in place.
2. The implementation of that framework in practice with each element being rated (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant.

The response of the assessed jurisdiction to the report is available in an annex. Reviewed jurisdictions are expected to address any recommendations made, and progress is monitored by the Global Forum.

A first round of reviews was conducted over 2010-16. The Global Forum started a second round of reviews in 2016 based on enhanced Terms of Reference, which notably include new principles agreed in the 2012 update to Article 26 of the OECD Model Tax Convention and its commentary, the availability of and access to beneficial ownership information, and completeness and quality of outgoing EOI requests. Clarifications were also made on a few other aspects of the pre-existing Terms of Reference (on foreign companies, record keeping periods, etc.).

Whereas the first round of reviews was generally conducted in two phases for assessing the legal and regulatory framework (Phase 1) and EOIR in practice (Phase 2), the second round of reviews combine both assessment phases into a single review. For the sake of brevity, on those topics where there has not been any material change in the assessed jurisdictions or in the requirements of the Terms of Reference since the first round, the second round review does not repeat the analysis already conducted. Instead, it summarises the conclusions and includes cross-references to the analysis in the previous report(s). Information on the Methodology used for this review is set out in Annex 3 to this report.

Consideration of the Financial Action Task Force Evaluations and Ratings

The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating terrorist financing (AML) standards. Its reviews are based on a jurisdiction's compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as the FATF definition is used in the 2016 ToR (see 2016 ToR, annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combating money-laundering and terrorist financing) is different from the purpose of the EOIR standard (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum's mandate.

While on a case-by-case basis an EOIR assessment may take into account some of the findings made by the FATF, the Global Forum recognises that the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example, because mechanisms other than those that are relevant for AML purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

These differences in the scope of reviews and in the approach used may result in differing conclusions and ratings.

More information

All reports are published once adopted by the Global Forum. For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published reports, please refer to www.oecd.org/tax/transparency and <http://dx.doi.org/10.1787/2219469x>.

Abbreviations and acronyms

2016 TOR	Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015
AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering/Countering the Financing of Terrorism
BO	Beneficial owner/beneficial ownership
CDD	Customer Due Diligence
DTC	Double Tax Convention
EOIR	Exchange Of Information on Request
EU	European Union
FATF	Financial Action Task Force
GEMI	The General Commercial Registry held by the Ministry of Development and Investments
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
IAPR	Independent Authority for Public Revenue
IKE	Private Company
LLC	Limited Liability Company
Multilateral Convention	Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010
NEPA	Shipping companies of recreational boats
SA	Société Anonyme
TIEA	Tax Information Exchange Agreement
TIN	Tax Identification Number
TPC	Tax Procedure Code

Executive summary

1. This report analyses the implementation of the international standard of transparency and exchange of information on request in Greece on the second round of reviews conducted by the Global Forum against the 2016 Terms of Reference. It assesses both the legal and regulatory framework as at 5 May 2020 and the practical implementation of this framework, in particular in respect of EOI requests received and sent during the review period from 1 January 2016 to 31 December 2018. In 2013 the Global Forum evaluated Greece in a combined review against the 2010 Terms of Reference for both the legal implementation of the EOIR standard as well as its operation in practice. The 2013 Report had concluded that Greece was rated Largely Compliant overall. This report concludes that Greece continues to be rated overall **Largely Compliant** with the international standard.

Comparison of ratings for First Round Report and Second Round Report

Element	First Round Report (2013)	Second Round Report (2020)
A.1 Availability of ownership and identity information	PC	PC
A.2 Availability of accounting information	C	LC
A.3 Availability of banking information	C	C
B.1 Access to information	C	C
B.2 Rights and Safeguards	C	C
C.1 EOIR Mechanisms	LC	C
C.2 Network of EOIR Mechanisms	C	C
C.3 Confidentiality	C	C
C.4 Rights and safeguards	C	C
C.5 Quality and timeliness of responses	LC	LC
OVERALL RATING	LC	LC

C = Compliant; LC = Largely Compliant; PC = Partially Compliant; NC = Non-Compliant

Progress made since previous review

2. Since the 2013 Report, Greece has carried out significant changes to its legal framework as well as put in place further systems for facilitating the practical implementation of the laws and the monitoring of this implementation.

3. Greece introduced a new Income Tax Code and a Tax Procedure Code in 2013. Under the Tax Procedure Code, Greece has introduced the requirement to have a unique Tax Identification Number (TIN) for all entities carrying on business in Greece and registering in the tax registry. Further, TIN has been made a pre-requisite for registering all businesses with the Business Register (GEMI). Greece has carried out computerisation of GEMI. As a result, legal ownership information on all Greek companies (except shipping companies registered in separate Registers) is available publicly online. Through collaboration with the tax authority and the social security agency, cross-verification of identity data in the databases of these authorities is being carried out by GEMI during the registration process.

4. Greece has amended its Companies Law that governs the incorporation of share companies (Sociétés Anonymes (SAs)) and has prohibited SAs from issuing bearer shares from 13 June 2018. Further, already issued bearer shares were required to be converted to registered shares by 31 December 2019, after which bearer shareholders have lost shareholders rights. However, similar changes have not been introduced in respect of shipping companies and shipping companies of recreational boats (NEPAs),¹ which are still allowed to issue bearer shares.

5. Progress was also made on the availability of banking information. Since December 2013, a central electronic data retrieval system contains important information on bank accounts or safe deposit boxes held by credit institutions in Greece. The Greek tax authority has access to this system and can rely on the available information to seek further details from banks.

6. In order to meet the requirements on beneficial ownership under the standard as strengthened in 2016, Greece has introduced a new anti-money laundering (AML) law from 30 July 2018 to ensure availability of beneficial ownership information. The new AML law provides for the creation of a Central Beneficial Ownership Register, which is being operationalised. It also provides for obligations on all relevant entities and arrangements to maintain up-to-date beneficial ownership information. Further, AML-obliged persons must maintain beneficial ownership information on their customers.

1. NEPAs are special purpose companies for ownership of recreational boats like commercial and luxury yachts. Shipping companies are those engaged in all usual aspects of shipping.

7. Greece has put in place a new law in 2014 that defines the obligations to maintain reliable accounting records for most legal entities and arrangements in Greece. All entities and arrangements that carry on business in Greece and are subject to the accounting record-keeping requirements under the tax law, are required to maintain their accounts in accordance with the law on keeping accounting records. The obligations for maintenance of accounting records in respect of shipping companies and shipping companies of recreational boats (NEPA) primarily stem from tax law obligations.

8. Finally, on the international exchange aspect, Greece has increased its network of exchange to reach 137 partners, and no treaty is pending Greek ratification (except for a recently signed one).

Key recommendations on transparency

9. Most recommendations in the present report relate to shipping companies. Although Greece has amended its Companies Law in respect of Sociétés Anonymes (SAs) and has introduced provisions prohibiting the issuance of future bearer shares and requiring issued bearer shares to be converted to registered shares by 31 December 2019, shipping companies and shipping companies of recreational boats (NEPA) continue to be permitted to issue bearer shares with no change in their governing laws. While in many situations, including at the time of transfer, Greek law requires the identification of the holders of bearer shares, it is not the case that identity of bearer share holders would always be known. In respect of shipping companies and NEPAs, Greece is recommended to ensure that information on the identity of owners of bearer shares is always available.

10. The recommendation in the 2013 Report in respect of providing for penalties on shipping companies where they fail to maintain a book of shareholders continues to apply as no change has been made to the law on shipping companies in this regard. Similarly, the recommendation to ensure that ownership information on foreign companies having their place of effective management in Greece continues to apply as there continues to be uncertainty that such information would always be available.

11. Further, in respect of shipping companies and NEPAs, tax law obligations appear to be the primary source of ensuring accounting records are maintained. However, it is not clear whether these obligations are adequately monitored and always ensure the availability of accounting information by such companies. Hence, Greece is recommended to adequately monitor that shipping companies and NEPAs are maintaining accounting records in line with the standard.

12. Finally, the recommendation in the previous report that Greece should have an obligation to maintain accounting records, including underlying documentation, for trusts with Greek-resident administrators or trustees in all circumstances continues to apply as no change in this regard has been made.

Exchange of information practice

13. Greece received 204 requests for information and sent 850 requests for information during the three-year review period from 2016 to 2018. The number of incoming requests was very comparable to the number of requests received at the time of the 2013 Report (200 requests). The incoming requests pertained to all types of information (legal ownership, accounting, banking and other types of information like tax residency status). While peers were generally satisfied with the responses provided by Greece, delays were noted in some cases but communication remained good with partners. In respect of outgoing requests, peers expressed satisfaction with the quality of requests sent by Greece.

14. While Greece has been able to provide information in most cases, there have been delays in providing responses in some cases. Greece has taken some steps to improve the timeliness of its responses after the review period. Greece is recommended to continue its efforts to provide timely responses to its treaty partners.

Overall rating

15. Elements A.3, B.1, B.2, C.1, C.2, C.3 and C.4 are rated Compliant, elements A.2 and C.5 are rated Largely Compliant and element A.1 is rated Partially Compliant. Overall, Greece is rated Largely Compliant with the standard of transparency and exchange of information on request.

16. This report was approved at the Peer Review Group of the Global Forum on 8 July 2020 and was adopted by the Global Forum on 18 August 2020. A follow up report on the steps undertaken by Greece to address the recommendations made in this report should be provided to the Peer Review Group no later than 30 June 2021 and thereafter in accordance with the procedure set out under the 2016 Methodology.

Summary of determinations, ratings and recommendations

Determinations and Ratings	Factors underlying Recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities (<i>ToR A.1</i>)		
The legal and regulatory framework is in place but needs improvement	Although there are many instances where the holders of bearer shares of shipping companies and of shipping companies of recreational boats (NEPAs) must be identified, including all cases where such shares are transferred, there can be situations where identity information on bearer share holders of such companies may not be available.	Greece should ensure that in respect of shipping companies and shipping companies of recreational boats (NEPAs) owners of bearer shares are always identified.
	In respect of shipping companies of recreational boats (NEPAs), there is no requirement on such companies to maintain a book of shareholders or any associated penalty for non-maintenance. Further, there are no penalties on shipping companies for not keeping a book of shares and shareholders.	Greece should ensure that legal ownership of shipping companies of recreational boats (NEPAs) is available, and in so far as there are no penalties provided, Greece should introduce effective sanctions for shipping companies and NEPAs where they fail to maintain ownership information.
	Foreign companies having sufficient nexus with Greece are not obliged to maintain ownership information in all circumstances.	Greece should ensure that legal ownership information on foreign companies having sufficient nexus with Greece is always available.

Determinations and Ratings	Factors underlying Recommendations	Recommendations
<p>EOIR Rating Partially Compliant</p>	<p>Although Greece has recently introduced the new Law 4548/2018 to prohibit issuance of bearer shares by Sociétés Anonymes (SAs) and to direct the conversion of issued bearer shares into registered shares, the conversion requirements need to be monitored and penal provisions need to be effectively enforced.</p>	<p>Greece is recommended to continue monitoring the application of new Law 4548/2018 that prohibits the issuance of bearer shares by SAs and requires all issued bearer shares to be converted into registered shares by 31 December 2019 and to effectively enforce sanctions on non-compliant SAs.</p>
	<p>The newly set up Central Register of Beneficial Owners will be an important source of beneficial ownership information for Greek Authorities. Effective monitoring and supervision of the obligations of maintaining adequate, accurate and up-to-date beneficial ownership information by all legal entities and arrangements and uploading such information to the Central Register would be key to effective implementation. This would be especially so for ensuring availability of beneficial ownership information on inactive companies.</p> <p>The Central Register has still not been fully operationalised. Furthermore, although the sanctions and penalties have been provided for not providing information to the Central Register, there is lack of clarity on the overall supervisory and enforcement mechanism and responsibilities.</p>	<p>Greece is recommended to ensure the full effective implementation of the Central Register of Beneficial Owners and to put in place the necessary supervisory and enforcement mechanism to monitor compliance of all legal persons and arrangements to ensure that adequate, accurate and up-to-date beneficial ownership information is available.</p>

Determinations and Ratings	Factors underlying Recommendations	Recommendations
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements (<i>ToR A.2</i>)		
The legal and regulatory framework is in place	Greek legislation does not ensure that reliable accounting records or underlying documentation are kept in all circumstances for foreign trusts with Greek-resident administrators or trustees	An obligation should be established to maintain reliable accounting records, including underlying documentation for trusts with Greek-resident administrators or trustees in all circumstances.
EOIR Rating Largely Compliant	Shipping companies are obliged to maintain accounting records if their incorporation deed requires the same. Although requirements of tax law would be applicable to all entities carrying on business, it is not clear that the tax law obligations are adequately monitored and accounting information with underlying documents is available for all shipping companies and NEPAs.	Greece should ensure that all shipping companies, including those that do not have accounting record-keeping requirements in their deeds of incorporation, and NEPAs always have their accounting records with underlying documentation available
Banking information and beneficial ownership information should be available for all account-holders (<i>ToR A.3</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) (<i>ToR B.1</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		

Determinations and Ratings	Factors underlying Recommendations	Recommendations
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information (<i>ToR B.2</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		
Exchange of information mechanisms should provide for effective exchange of information (<i>ToR C.1</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners (<i>ToR C.2</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received (<i>ToR C.3</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties (<i>ToR C.4</i>)		
The legal and regulatory framework is in place		
EOIR Rating Compliant		

Determinations and Ratings	Factors underlying Recommendations	Recommendations
The jurisdiction should request and provide information under its network of agreements in an effective manner (<i>ToR C.5</i>)		
Legal and regulatory framework:	This element involves issues of practice. Accordingly, no determination on the legal and regulatory framework has been made.	
EOIR Rating Largely Compliant	Peers were in general satisfied with the quality of the answers provided by Greece. More than half the requests were answered within 180 days. However, the requested information was not provided in all cases in a timely manner.	Greece should continue its efforts to improve the timeliness of its replies.

Overview of Greece

17. This overview provides some basic information about Greece that serves as context for understanding the analysis in the main body of the report.

18. Greece, officially the Hellenic Republic, is located in south-eastern Europe at the southern end of the Balkan peninsula. Greece is a member of the European Union and became the twelfth member of the Euro-zone in 2002. Greece has a population of about 10.74 million. Greece's GDP at current prices for 2018 was about USD 218 billion (EUR 184.7 billion) which translated into per capita annual GDP at current prices of USD 20 317 (EUR 17 197).² Greece's economy is largely driven by the services sector which contributes about 80% of the GDP. Tourism and shipping sectors contribute significantly to the Greek economy. Shipbuilding and ship maintenance are key ancillary services to the shipping sector.

Legal system

19. Greece is a parliamentary republic. The nominal Head of State is the President of the Republic, who is elected by the Parliament for a five-year term. The Constitution, as revised in 2008, provides for the separation of powers into executive, legislative and judicial branches.

20. The executive power is exercised by the President of the Republic and the Government. The Prime Minister and the Cabinet play the central role in the political process, while the President performs some executive and legislative functions in addition to ceremonial duties. Legislative power is vested in the 300 member unicameral Parliament elected for a four-year term. Statutes passed by the Parliament are promulgated by the President of the Republic.

2. Source: IMF World Economic Outlook Database available at <https://www.imf.org/external/pubs/ft/weo/2019/02/weodata/weorept.aspx?sy=2017&ey=2024&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=61&pr1.y=8&c=174&s=N> GDP%2CNGDPD%2CNGDPDC%2CNGDPDPC&grp=0&a= as accessed on 2 December 2019.

21. Greece is a civil law country. For the most part, Greek law is codified and laws enacted by Parliament, in the form of codes or other statutes are sources of law in addition to international law (Art. 1 Civil Code). Pursuant to article 28(1) of the Greek Constitution, the generally accepted rules of international law as well as ratified international treaties become part of domestic law and prevail over any other domestic legal provisions to the contrary.

22. Greece has an independent judiciary. The judiciary comprises three Supreme Courts: the Court of Cassation (the Supreme Civil and Criminal Court), the Council of State (the Supreme Administrative Court) and the Court of Auditors (having jurisdiction over the audit of the expenditures of the government at all levels). The Greek Constitution establishes two jurisdictions for the judiciary: i) the administrative courts that judge disputes between citizens and the Greek administration, including tax-related disputes, and ii) the civil/criminal courts. Both aspects of the judiciary are organised in three instances: the courts of first instance (lower courts), the courts of appeals (higher, appellate courts) and the Supreme Courts. All tax related disputes are dealt with by the administrative courts.

Tax system

23. The Greek tax system comprises both direct and indirect taxes. The Income Tax Code (ITC-Law 4172/2013)³ and the Tax Procedure Code (TPC-Law 4174/2013) are the relevant statutory provisions for direct taxation. Both have been introduced in 2013 and entered into force from 2014 onwards, replacing the former ITC and Code of Books and Records that were in force at the time of the 2013 review.

24. The Independent Authority for Public Revenue (IAPR) is the authority tasked with the administration of the tax laws. The IAPR can issue Decisions (secondary legislation or Regulations) to facilitate the implementation of the tax laws. The Directorate of International Economic Relations of the IAPR handles various matters pertaining to international tax and Greece's engagement with treaty partners and acts as the Competent Authority for exchange of information. The Director has the powers to sign all documents pertaining to EOI. The Directorate comprises three different departments (A, B and C). Of these, Department C deals with exchange of information.

3. The new Income Tax Code includes seven parts that refer to general provisions, income taxation of individuals, income taxation of legal entities and other entities, withholding tax issues, provisions on the combating of tax evasion and tax avoidance, as well as provisions on the filing of income tax returns and the advance tax.

25. Greece follows a residence-based tax system with personal income tax applicable to the worldwide income of tax-resident individuals (income sourced in Greece and abroad). Non-resident individuals are taxed only on their domestic income (income arising in Greece). An individual is considered as being a Greek tax resident if his/her permanent or principal residence or habitual abode or his/her vital interests are in Greece. In addition, an individual is considered resident for tax purposes when he/she resides in Greece for a period exceeding 183 days within the same calendar year. Progressive tax rates apply by way of four different slabs, the lowest being 22% and the highest being 45%. Capital gains, dividends, interest from deposits, royalties and rental income are taxable at different rates. Taxation of capital gains from transferring immovable property has been suspended up to end of 2022.

26. According to article 4 of ITC, a legal person or legal entity is a resident in Greece for any tax year, as long as: a) it has been incorporated or established under Greek law, b) it has its corporate seat in Greece, or c) its place of effective management is in Greece at any period during the tax year. The “place of effective management” in Greece is based on facts and circumstances⁴ specified in the new ITC. The term “permanent establishment” is also specifically defined in the new ITC, following the OECD Model Tax Convention provisions. Article 6 of the ITC defines “permanent establishment” to mean a fixed place of business through which the business of an enterprise is wholly or partly carried on. It includes especially a place of management, a branch, an office, a factory, a workshop, a mine, an oil gas well, a quarry or any other place of extraction of natural resources and an installation or structure used for the exploration of natural resources.

27. Corporate tax is imposed on the worldwide income of resident companies. The tax is imposed on a company’s total annual profits before the distribution of dividends and fees paid to directors at a 24% tax rate for the tax year 2019 and onwards. Business expenses are deemed deductible for tax purposes, provided they are not included in the list of non-deductible expenses. Non-resident entities are taxed on their income sourced from Greece. Tonnage tax is a simplified taxation regime that applies to shipping vessels (Law 27/1975). This annual tax is calculated as a product of tax per ton and the total tonnage of the vessel, taking into account some discounts due to the age of the ship, etc. Once paid, no other tax on profits is applicable.

4. Place of effective management is defined to imply the place of exercising day-to-day management, place of taking strategic decisions, place where the annual general meeting of shareholders or partners is held, the place where books and records are kept, the place where the meeting of the members of the Board of Directors or other executive management board takes place, the residence of the members of the Board of Directors or other executive management board.

28. Income tax returns are submitted electronically by end of June of next tax year. The tax year equals the calendar year.

Financial services sector

29. The Greek financial sector is divided into three segments: banks, insurance companies and other financial institutions (including those operating in the capital market). The Bank of Greece (for banks and insurance companies) and the Hellenic Capital Market Commission (for investment funds and other financial institutions) are the two regulatory bodies for the financial industry in Greece.

30. The banking system is very significant for the domestic economy. In 2018, total assets (before accounting provisions) held by banks were more than one and a half times the country's GDP (at current prices) of EUR 185 billion. The assets of the banking sector have reduced substantially since the global financial crisis. From over EUR 500 billion in assets in 2010, total assets of the banking sector are EUR 292 billion. As of 31 December 2018, the banking system comprised 38 banks. The four largest banks account for 96% of total assets of the banking system. Two medium-sized banks offer a wide range of products, 23 small banks have limited and specialised activity (e.g. specific lending, investment services) and 9 small banks are co-operative banks with a limited local spectrum.

31. The Capital Market Sector comprises 59 Investment Firms, 15 Fund and Asset Management companies, 2 Portfolio Investment companies, 24 Alternate Investment companies, 6 Real Estate Investment Companies and 32 Reception and Transmission of Orders Companies. The assets under management of these companies and firms represent about 10% of GDP.

32. Overall, Greece's financial sector is focused domestically and Greece is not an international financial centre.

AML Framework

33. The primary Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT) legislation is Law 4557/2018 "Prevention and Suppression of the Legalisation of Proceeds of Crime and Terrorist Financing and Other Provisions", which came into effect on 30 July 2018. Law 4557/2018 incorporates into Greek Law the provisions of Directive 2015/849/EU of the European Parliament and of the Council of 20 May 2015 (4th EU AML Directive) on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. This AML/CFT law provides for the setting up of a Central Beneficial Ownership Register and imposes

obligations of maintaining beneficial ownership information on all legal entities and arrangements in Greece besides requiring AML-obliged persons to maintain such information as part of Customer Due Diligence (CDD) requirements.

34. The Financial Action Task Force (FATF)⁵ last published a Mutual Evaluation Report for Greece in June 2019, analysing the level of compliance with the 2012 FATF Recommendations and the level of effectiveness of Greece’s AML/CFT system. Greece was rated Compliant with Recommendation 10 and Largely Compliant with Recommendations 24 and 25 while the Immediate Outcome 5 was determined to be Moderately Effective. The report provided recommendations on how the system of maintaining legal and beneficial ownership could be strengthened, highlighting the need for full implementation of the Central Beneficial Ownership Register as well as the need to act on the outstanding bearer shares issued by SAs and shipping companies.

Recent developments

35. Greece has introduced a new law 4548/2018 to govern share companies or Sociétés Anonymes. The important change in the law is the prohibition to issue bearer shares for all SAs and a requirement to convert all issued bearer shares to registered shares. Greece is monitoring the implementation of the new law. Greece has also started checking the shipping companies that are still permitted to issue bearer shares to ascertain the extent of bearer shares issued by such companies.

36. The introduction of the new AML Law 4557/2018 is another significant recent development. The law provides for the establishment of a Central Beneficial Ownership Register with all relevant legal entities and arrangements obliged to provide their beneficial ownership into the Register. Greece is working on putting in place certain further regulatory processes in order to fully operationalise the new BO Register by 1 October 2020.

37. For enhancing direct access to banking information by the Greek Tax Authorities, Greece is working on expanding the number of TINs and the years of coverage of its existing Special Property Enhancement Control Software. This software is a valuable repository of substantial banking information in respect of over 1.2 million TINs.

5. The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating the financing of terrorism (AML/CFT) standards. Its reviews are based on a country’s compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

38. Greece has further streamlined its internal process of answering requests. Tax auditors have been asked to prioritise cases pertaining to EOI requests so that the Competent Authority is able to respond to the requests in a more timely fashion. Greek authorities have reported that due to this new direction, in 2019, Greece was able to respond to more than 65% of the requests within 90 days.

Part A: Availability of information

39. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of bank information.

A.1. Legal and beneficial ownership and identity information

Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

40. The 2013 Report had found that Sociétés Anonymes (SA) companies and Shipping Companies (for description of these companies, refer to paragraphs 55 and 60) were permitted to issue bearer shares and although in many instances the holders of such bearer shares could be identified, the existing provisions did not ensure that they would always be identified. Further, the Report had noted that foreign companies having their place of effective management in Greece were not obliged to maintain ownership information in all circumstances. The Report also noted that Greek law did not prescribe penalties on shipping companies for not keeping a book of shares. Lastly, Greek residents could act as trustees of a foreign trust and were not obliged to identify beneficiaries with less than 25% interest in the trust. Accordingly, recommendations in respect of these deficiencies had been made and Greece had been rated Partially Compliant on the availability of ownership information (element A.1).

41. In respect of these recommendations, Greece has introduced legislation to abolish the issuance of bearer shares by SAs through the introduction of Law 4548/2018. Henceforth, SAs will be permitted to issue only registered shares. Further, all existing bearer shares issued by SAs must have been converted to registered shares by 31 December 2019, failing which holders of such bearer shares will lose all shareholder rights and the bearer shares will not be enforceable. However, shipping companies and shipping companies of recreational boats (NEPA) continue to have the right to issue bearer shares and there has been no legislative amendment in this regard.

42. In relation to the recommendation for providing sanctions for shipping companies for non-maintenance of a book of shares, Greece has not addressed this issue through any change to the shipping law. While the law provides that shipping companies maintain a book of shares, there are no sanctions prescribed for not maintaining such a record of shares. Similar issue is noted for NEPA companies.

43. In respect of the recommendation on foreign companies, Greece has clarified that under the new provisions of the Income Tax Code and Tax Procedure Code, any foreign company with its place of effective management or headquarters in Greece would be tax resident in Greece and would be covered by the obligations of registering with the tax authorities and obtaining TIN. However, as in the 2013 Report, it is still not clear if the required legal ownership information in respect of such foreign companies would always be provided to and be available with the tax authorities. Nevertheless, to the extent that such foreign companies engage with AML obliged persons, their beneficial ownership information would be available. Hence, the recommendation on foreign companies, as made in the 2013 Report, continues to apply.

44. In order to meet the new requirements introduced in 2016 on strengthening of the standard on beneficial ownership, Greece has introduced a Central Register of Beneficial Owners through legislation in July 2018. The Central BO Register is being operationalised and was tested on pilot basis in July 2019 and registrations were carried out from August 2019. The Register is yet to be fully operationalised. All legal entities and arrangements are obliged to report their beneficial owners to the Registry. Once operationalised from October 2020, this would ensure that the beneficial owners of all legal entities and arrangements would be known and electronically accessible.

45. The new AML law 4557/2018 has introduced a comprehensive definition of beneficial owner incorporating the 4th EU AML Directive, which is consistent with the standard. Hence, in respect of trusts, although Greek law does not provide for setting up of trusts, the AML law now requires the identification of all beneficial owners in accordance with the standard. Hence, trustees of foreign trusts would be required to maintain identity information on the settlors, the beneficiaries and any other natural persons exercising ultimate effective control over the foreign trusts, in line with the standard. The previous recommendation is therefore addressed and deleted.

46. During the current peer review period Greece received 204 requests, 6 of which related to ownership and identity information. Peers were generally very satisfied with the information received. In all cases, only legal ownership information was sought.

47. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework		
	Underlying Factor	Recommendations
Deficiencies identified	Although there are many instances where the holders of bearer shares of shipping companies and of shipping companies of recreational boats (NEPAs) must be identified, including all cases where such shares are transferred, there can be situations where identity information on bearer share holders of such companies may not be available.	Greece should ensure that in respect of shipping companies and shipping companies of recreational boats (NEPAs) owners of bearer shares are always identified.
	In respect of shipping companies of recreational boats (NEPAs), there is no requirement on such companies to maintain a book of shareholders or any associated penalty for non-maintenance. Further, there are no penalties on shipping companies for not keeping a book of shares and shareholders.	Greece should ensure that legal ownership of shipping companies of recreational boats (NEPAs) is available, and in so far as there are no penalties provided, Greece should introduce effective sanctions for shipping companies and NEPAs where they fail to maintain ownership information.
	Foreign companies having sufficient nexus with Greece are not obliged to maintain ownership information in all circumstances.	Greece should ensure that legal ownership information on foreign companies having sufficient nexus with Greece is always available.
Determination: The element is in place, but certain aspects of the legal implementation of the element need improvement		

Practical Implementation of the standard		
	Underlying Factor	Recommendations
Deficiencies identified	<p>Although Greece has recently introduced the new Law 4548/2018 to prohibit issuance of bearer shares by Sociétés Anonymes (SAs) and to direct the conversion of issued bearer shares into registered shares, the conversion requirements need to be monitored and penal provisions need to be effectively enforced.</p>	<p>Greece is recommended to continue monitoring the application of new Law 4548/2018 that prohibits the issuance of bearer shares by SAs and requires all issued bearer shares to be converted into registered shares by 31 December 2019 and to effectively enforce sanctions on non-compliant SAs.</p>
	<p>The newly set up Central Register of Beneficial Owners will be an important source of beneficial ownership information for Greek Authorities. Moreover, effective monitoring and supervision of the obligations of maintaining adequate, accurate and up-to-date beneficial ownership information by all legal entities and arrangements and uploading such information to the Central Register would be key to effective implementation. This would be especially so for ensuring availability of beneficial ownership information on inactive companies.</p> <p>The Central Register has still not been fully operationalised. Furthermore, although the sanctions and penalties have been provided for not providing information to the Central Register, there is lack of clarity on the overall supervisory and enforcement mechanism and responsibilities.</p>	<p>Greece is recommended to ensure the full effective implementation of the Central Register of Beneficial Owners and to put in place the necessary supervisory and enforcement mechanism to monitor compliance of all legal persons and arrangements to ensure that adequate, accurate and up-to-date beneficial ownership information is available.</p>
Rating: Partially Compliant		

A.1.1. Availability of legal and beneficial ownership information for companies

48. The 2013 Report noted that legal ownership information for the different types of companies in Greece would generally be available (refer pages 23-35). The Report noted that the Tax Register and the General Commercial Register (GEMI, referred to as GCR in the 2013 Report) are the primary registries for legal ownership information on all types of legal entities and arrangements including companies. Besides these, shipping companies register with the Ministry of Shipping and Island Policy, whose separate register is the primary repository for information on shipping companies. The role of these registries continues as before in this regard.

49. The new requirement of beneficial ownership of companies under the standard as strengthened in 2016 has been met through the legal obligations imposed by the new AML law – Law 4557/2018 that apart from introducing the definition of beneficial owner in line with the standard, has set up a new Central Beneficial Ownership Register as well as imposed the requirements to be maintain such information by the entities themselves.

Legal ownership and identity information requirements

50. The 2013 Report had noted that different types of companies governed by different laws can be set up in Greece. The table below provides the respective governing laws and the numbers of each of the different types of companies in Greece as of 31 December 2019.

Different types of companies in Greece as of 31 December 2019

Type of company	Governing law	Number of entities
Share Companies or Sociétés Anonymes (SAs)	Law 4548/2018 (replaced previous Law 2190/1920)	36 933
Limited Liability Companies (LLCs)	Law 3190/55 as amended by Law 4541/2018	23 337
Private Companies (IKE)	Law 4072/2012	40 666
European Companies or Sociétas Europeae (SE)	Regulation EEC 2157/2001	5
Foreign Companies	Not applicable	1 711
Shipping Companies	Law 959/1979	5 196
Shipping Companies of Recreational Boats (NEPA)	Law 3182/2003	3 000

51. The availability of legal ownership and identity information for these different types of companies is ensured to varying degrees under the different laws, as summarised in the table below.

Legislation regulating legal ownership of companies

Type of company	Relevant Company law	Tax law	AML law (incl. BO register)
Sociétés Anonymes (SAs)	All	Some	All
Limited Liability Companies (LLCs)	All	Some	All
Private Companies (IKE)	All	Some	All
European Companies or Societas Europaeae (SE)	All	Some	All
Foreign Companies	Some	Some	Some
Shipping Companies	Some	Some	All
Shipping Companies of Recreational Boats (NEPA)	Some	Some	All

Note: The table shows each type of entity and whether the various rules applicable require availability of information for “all” such entities, “some” or “none”. “All” means that every entity of this type created is required to maintain ownership information for all its owners (including where bearer shares are issued) and that there are sanctions and appropriate retention periods. “Some” means that an entity will be required to maintain information if certain conditions are met.

Companies laws requirements

52. Different laws apply to the incorporation and operation of different types of companies.

53. Law 4548/2018 (which replaced Law 2190/1920) governs the setting up and operations of Sociétés Anonymes (SAs) or Share Companies. SAs are required to keep a book of shareholders containing information on all registered shareholders including the names of shareholders, their address, profession, shares held and nationality. Under the earlier law, SAs were permitted to issue bearer shares and were not required to maintain such information on bearer share holders. However, under the new Law 4548/2018, this situation has changed and the capital of SAs can no longer be represented by bearer shares (refer to the discussion under A.1.2).

54. Limited Liability Companies (LLCs) have members (or partners) whose liability is limited by the extent of their capital contribution. Law 3190/55 as amended by Law 4541/2018 governs LLCs. As per article 25 of the governing law, LLCs are required to maintain an up-to-date book of members containing the name, address and nationality of all members, as well as each member’s interest/capital and any changes to the same. The book of members must be certified by the director of the local tax office where the LLC is registered. Further, according to article 6 paragraph 2a of Law 3190/55, the statute of the company must contain at least the name, surname, father’s name, occupation, home address, email address, tax

identification number (TIN) and identification number (ID) or passport of all the partners. Any change of the partners implies a change to the statute of the company. Such a change must be notified to GEMI within 20 days together with the new updated statute which mentions the changes to the membership details.

55. Private Companies (or abbreviated IKE in Greek) are set up under Law 4072/2012 articles 43-118.⁶ The company has a legal personality and its partners (not shareholders as each member owns parts or percentage of the company and shares are not issued) enjoy limited liability. Private companies are constituted by one or more natural persons or legal entities. Private Companies have greater flexibility in their statute and can be set up with a capital of EUR 1 (when the minimum capital for SAs is EUR 6 000 and for LLCs EUR 4 500). Partners can also bring in non-capital contribution to the company through labour or works. Further, there is a possibility of contribution through guarantee, where a partner guarantees part of the debt of the company. Article 47 of Law 4072/2012 requires that every private company, within one month of its incorporation, has a website detailing the names and addresses of all partners and the amount and type of their contributions. During the pendency of having the website ready, such companies must be able to provide this information to anyone who seeks this information from them.

56. Every private company must have a manager who should be a natural person (article 58 of Law 4072/12). If the private company has a legal entity as a manager, the entity must appoint a natural person to manage the private company on its behalf. The manager is required under article 66 of the law to maintain a partners' book, in which the names and addresses of all partners, the number of parts that they own and the kind of contributions they have made, the dates of acquiring or transferring any of the parts must be duly recorded. All minutes of meetings among partners are also required to be maintained in such a book.

57. European Companies or Societas Europea (SEs) are established under Regulation EEC 2157/2001 on Statute for a European Company, which permits the creation and management of companies with a European dimension, free from the territorial application of national company law. Pursuant to s. 10 of the Council Regulation, the rules that apply to European companies should be the same as those applicable to public limited companies. In Greece, the requirements provided for SAs apply *mutatis mutandis* to SEs (Law 3412/2004, Art. 4).

6. Private Companies are a new form of companies that have been introduced in Greece in 2013 and were not discussed in the 2013 Report. These companies are similar to Societas Private Europea or European GmbH or SARL.

58. Besides these companies that are incorporated in Greece, foreign companies also carry on business in Greece. Foreign LLCs and SAs can operate in Greece through an establishment or branch after registering with the Ministry of Development and Investments, submitting their articles of incorporation, certificate of residence and of good standing from the country of incorporation and a power of attorney appointing a representative or agent in Greece.

59. All of these different types of companies must be registered with GEMI (General Commercial Register held by the Ministry of Development and Investments). As a result, GEMI database includes identity information on all founders of Greek companies. Current ownership information is available with the companies themselves, as well as with GEMI. In addition, all SAs, LLCs and private companies are required to file annually with GEMI details of legal ownership.

60. The notable exception to registration with GEMI are the shipping companies that are subject to a separate registration regime. Shipping companies must register in the Register of Shipping Companies maintained by the Ministry of Shipping and Island Policy. Shipping companies are governed by Law 959/1979. No changes have been made to this law and the observations from the 2013 Report continue to apply as such. Shipping companies must have as their exclusive object the ownership of Greek commercial ships, or operation or management of commercial ships flying the Greek or a foreign flag, as well as acquisition of shares of other shipping companies (Art. 1). Shipping companies are required to maintain a book of shares, but as noted in the 2013 Report, there are no sanctions prescribed in law for non-compliance with this legal requirement. Further, shipping companies continue to be permitted to issue bearer shares (refer to discussion under A.1.2 in this regard). Foreign shipping companies may also establish representative offices in Greece. Greek authorities have informed that 1 429 foreign shipping companies with representative offices are registered in Greece. Upon application by a foreign shipping company, a joint ministerial decision of the Ministry of Development and Investments and the Ministry of Finance grants permission to establish office to such a company. The foreign shipping company files its incorporation information from its parent country, a certificate of good standing, its board of directors and the personal details of its representative in Greece. Its memorandum of association is also filed but does not necessarily include its ownership details.

61. Shipping Companies of Recreational Boats (NEPA) are governed by Law 3182/2003. NEPAs are established by means of an agreement registered with a separate special Registry provided for in Law 3182/2003. This Registry is different from the Registry for Shipping Companies under Law 959/1979 but is also maintained under the Ministry of Shipping and

Island Policy. These companies are set up exclusively for the purpose of ownership or management of professional recreational boats bearing a Greek Flag. These boats cannot be owned by shipping companies under Law 959/79. These companies are set up for a duration of not more than 30 years. NEPAs must have at least two shareholders. Shareholders may be natural persons, legal entities or legal arrangements but they should be Greek or EU nationals. Non-EU nationals can also be shareholders but must not hold more than 49% of the shares of a NEPA. Greek law permits SAs and LLCs (if they are exclusively for the purposes of ownership of recreational boats) to convert to NEPAs but not vice versa.

62. NEPAs are not required to maintain a book of shareholders. NEPAs may issue only registered (nominal) shares or only bearer shares. There are no sanctions for non-maintenance of shareholder information under the applicable law. However, at the time of registration, such companies are required to submit their articles of incorporation to the special registry set up for NEPAs. The articles of incorporation carry some information on legal ownership of such companies, i.e. its founders (refer paragraph 70).

Implementation of companies laws requirements in practice

63. As noted earlier, all companies (except shipping and NEPAs) are required to be registered with GEMI. In pursuance of Law 3853/2010, GEMI was operationalised from 4 April 2011⁷ as a one-stop shop for registration of most types of legal entities and arrangements in Greece. Law 4635/2019 (which has been very recently passed by the Parliament and has come into force from 31 January 2020 and has replaced Law 3419/2005) governs the registration of all LLCs, SAs, Private Companies, SEs and Foreign Companies with GEMI. This law provides for the procedure for registration and prescribes the data that must be submitted at the time of registration. For registering with GEMI as a company, the names and copies of the identification documents of all members/shareholders must be submitted. Where such owners of the company are natural persons and are Greek citizens, a copy of their valid national ID is required. Where they are European member-state citizens, a copy of their ID and passport is required in all cases. Non-European shareholders or members must also provide a copy of a valid national ID card or passport. Common Ministerial Decision (63577/2018 Government Gazette B' 2380/21-06-2018), in article 4, describes the valid documents. For Private Companies,

7. For SAs and LLCs incorporated prior to 4 April 2011, the 2013 Report discusses in paragraphs 59 to 63 how the legal ownership information was obtained and kept in the Register. Such information has gradually been transferred into electronic records. Greek authorities have confirmed that the digitalisation was completed in early 2014.

where an owner/founder is a natural person but is not a European or Greek citizen, besides the copy of passport, copy of the Greek residence permit or an application made for obtaining the same needs to be submitted. This is done to ensure that such natural person is resident of Greece or intends to permanently reside in Greece.

64. Where the members or shareholders of a company are legal persons, their articles of incorporation need to be submitted at the time of registration. If such a legal person is a Greek legal person, the information would already be available with GEMI and need not be filed. However, if such legal person is a foreign legal person, a certificate of good standing issued by its country of incorporation and a power of attorney appointing the legal representative in Greece for the purposes of acquiring its own tax identification number needs to be provided to GEMI.

65. GEMI requires the provision of Tax Identification Number (TIN) issued by IAPR and proof of registration with the Social Security Organisation (EFKA) at the time of applying for company registration. Since 2018, the GEMI system transmits information on new registration directly to the Tax Database as well as to EFKA database. Article 6 of Law 4441/2016 provides that the one-stop-shop service can electronically transmit necessary information to the Integrated Tax Information System (OPSF) TAXIS (the tax database) for registration and issuance of TIN while registering the entity. Hence, the requirement of TIN while registering with GEMI is simultaneously met.

66. Registration with GEMI is possible through two channels for the founders – a fully electronic application as well as a service centre assisted application. Law 3853/2010 (as amended by Law 4441/2016) provides for GEMI to act as a one-stop-shop for online registration of the different types of companies. Founders registered with e-IDAS (electronic identification and trust services) can benefit through direct registration on the online portal of e-startup. Real-time registration on GEMI by any company is possible through the use of model articles of association where the shareholders/members are Greek or European citizens. Applicants can choose the name of the company, adopt model articles of association, provide the relevant legal ownership information, make the online payment and start the company in real time. Greek authorities informed that for real-time registration, first level of checks have been built into the system. Applicants need to choose most of the information from pre-filled lists. IP addresses of the person filling up the registration application is logged into the system. Further, for such real-time registration, applicants must accept a model article of association and are not free to alter such articles.

67. As an alternative to the above, instead of directly applying online for registration of a company on GEMI, it is possible for the founders to approach

one of the GEMI service centres located in every prefecture to file an application manually. Under this procedure, filing has to be carried out through a notary or a public servant. In both cases, all the information provided is filed and kept electronically.

68. All the information provided to GEMI is maintained on a server located at a different location from the head office for security purposes. All changes to these details must be updated with GEMI within 20 days of such changes. All changes have to be made directly on the online portal. For any change in legal ownership, the company files an online declaration in this regard.

69. In respect of shipping companies, the shipping registrar housed under the Ministry of Shipping and Island Policy acts as a one-stop shop and is located in Piraeus, Greece. Shipping companies must lodge their articles of association and additional documentation for registration purposes (Art. 52 of Law 959/1979). The articles of association must have the founders' signatures authenticated by a public authority or a public notary (articles 2(1) and 50). Greek authorities have confirmed that identities of shareholders of shipping companies under Law 959/1979 is available with the Shipping Registry. All shareholders' details are required to be provided to the Registry at the initial registration of the company and whenever the minutes of the company's general meeting are submitted and registered according to article 52 of Law 959/1979. Therefore, evidence of shareholders' composition is available to the Registry, at the founding stage and at the stage of registering the company's general meeting. Greek authorities have also informed that the shipping registry checks, *inter alia*, the quorum of the shareholders in accordance with their articles of association. This involves, at the minimum, checking the share capital and the number of shares, so as to confirm that these numbers are the same as those already registered (and that there have been no changes that have not been registered). The registry is publicly accessible by any person and copies of documents are taken upon request for free. The register is available in paper format and, unlike GEMI, is not an online register. While the shipping companies are required to maintain a book of shareholders, there are no associated penalties for non-compliance. A recommendation in this regard had been made in the 2013 Report. The recommendation remains unaddressed. Hence, Greece is recommended to provide for suitable penalties on shipping companies for non-compliance with the obligation to maintain the book of shareholders.

70. NEPAs are required to register with the special separate registry under the Ministry of Shipping and Island Policy. The registry for NEPAs is also publicly accessible but is maintained manually. At the point of registration, the articles of incorporation of the NEPA must be submitted to the Registry. The articles of incorporation are required to mention the business

name, the company headquarters, the business purposes and the duration of the company, the capital and shares of the company, the board of directors, and the rights of shareholders. The articles of incorporation must be signed by at least two founders of the company. Overall, the commercial law governing NEPAs does not require the maintenance of adequate legal ownership information. Greece is recommended to ensure that up-to-date legal ownership information is always available in respect of NEPAs and suitable sanctions are in place to deter non-compliance.

Inactive companies or those that cease to exist

71. Companies that are economically inactive and not carrying on any business activity are not attributed a particular status with GEMI, as long as they comply with their reporting obligations with GEMI (for non-compliance, refer to para 81). Some companies, at the point of incorporation itself, have a specified duration (usually of 20 years). An automated message is sent to these companies to renew their incorporation one month before the date of completion of 20 years. If no response is received, the status is changed to inactive in the online database of GEMI. In order to revert to “active” status, such companies are required to file their updated statute with GEMI extending their duration. About 90% of all companies in Greece have a specified duration of existence and their duration needs to be renewed. Greece has informed that 1 776 companies out of all such companies in the GEMI database (about 1.7% of all companies in GEMI database) are currently inactive. This change in status to inactive implies that GEMI would not issue a certificate of good standing⁸ to such an entity if it has been notified inactive in the GEMI database. GEMI checks the status of all companies before addressing any request for certificates of good standing. Such a certificate of good standing is required by companies carrying out any transactions with the Government or even with other private sector players. Specifically, such certificate is required for public procurement, public contracts, participation in private investments, for bank loans, and for government loan facilities.

72. GEMI database also identifies companies in the process of liquidation, bankruptcy, deletion, merger or split-up, or insolvency. There were 34 156 such companies (of all types) (about 34% of all companies in GEMI database) as of 31 December 2018. As noted, good standing certificates would not be issued to them unless their status changes.

73. Article 170 paragraph 4 of Law 4548/2018 prescribes that GEMI must maintain all documents submitted to it for a period of 20 years from the date of submission to GEMI or for a period of 15 years from the date of dissolution

8. Certificate of good standing is governed by article 170 of Law 4548/18 and by paragraph 3 of article 111 of Law 4635/19.

of a company (in case of company that is liquidated) whichever is earlier. However, Greek authorities informed that in practice, GEMI maintains all the information collected electronically without any particular time limit. Relevant archives are not deleted even after the deletion of an entity. In the case of entities that have ceased to exist, the paper documents that have been collected (paper based registration documents prior to 2007) are being kept for a period of 20 years.

74. Greek authorities confirmed that all the information on legal ownership last submitted by companies that have subsequently turned inactive or ceased to exist due to dissolution would be maintained in the GEMI database.

Tax law requirements

75. The new Tax Procedure Code together with the new Income Tax Code have replaced the previous Tax Code (Law 2523/1997) and the Income Tax Code (Law 2238/1994) that were discussed in the 2013 Report. Despite the changes, the requirements of registration with the IAPR continue as before. All persons liable to pay or to withhold tax in Greece are required to register with the IAPR and submit a tax registration statement under article 10 of the TPC.

76. All persons doing business in Greece must apply for and obtain a Tax Identification Number (TIN) prior to commencing any business activity. TIN is also a pre-requisite for registering a legal person or arrangement with GEMI. Article 11 of the Tax Procedure Code deals with TIN and authorises the IAPR to issue decisions in respect of all requirements for obtaining TIN. The procedure and the documents to be submitted in order to acquire a TIN, to amend submitted particulars and to state the beginning/change of the business activity of each taxable person, individual, legal person or legal arrangement are described in Decision POL. 1006/2014 of the Secretary General of Public Revenue (GSPR),⁹ as amended by Decision A1164/2019 of IAPR. All companies intending to conduct business activities in Greece and registering with GEMI through the one-stop shop, are required to obtain a TIN by submitting the M3 form “Declaration for Beginning/Amending of business activity of non-natural persons”. Further, form M7 “Declaration for Taxpayer’s Relations” has to be submitted by all companies to declare their relations with other natural or legal persons resulting from any business interaction with them. Form M8 “Declaration for Non-natural Person’s Members” is to be submitted by all national companies¹⁰ to declare their members, as well as the percentage and type of their participation. All companies

9. GSPR was the predecessor of the IAPR.

10. National legal persons in Greece are those that have a Greek national as a major participant.

registering through the one-stop shop method must submit to IAPR the above mentioned declarations within 30 days of registration of their constitution or appropriate records with GEMI. Thus, the IAPR has information on legal owners of domestic companies registered in the tax database. Foreign companies carrying on business in Greece are also required to register with IAPR and obtain a TIN, but the requirement of filing Form M8 does not apply to them. Instead, they are required to submit other documents like certificate from the country of incorporation, certified copy of the authorisation of a legal representative in Greece and certification of having registered with GEMI. Through their legal representative, they are also required to file Form M9 “Declaration of the headquarters of the Parent Company” which carries details of headquarters of the parent company in the foreign state. Since Form M8 is not required to be filed by foreign companies, IAPR may not always have legal ownership information on all foreign companies carrying on business in Greece. The uncertainty in this regard would extend to foreign companies with sufficient nexus with Greece.

77. According to Tax Law legal persons or legal arrangements must inform the Tax Administration about any changes in their particulars (including change in ownership information), submitting an amendment declaration in the Tax Registry within 30 days from the occurrence of the change, according to the provisions of paragraph 3a, article 10 of the Tax Procedure Code.

78. Resident and non-resident shipping companies or offices owning Greek-flagged ships are subject to tonnage tax and shipping companies that manage or operate ships belonging to third parties are taxed with corporate income tax (see para 27). All shipping companies (including NEPAs) in Greece are required to register with the competent tax office for shipping located in Piraeus, file tax returns if they have business income and comply with tax and company law requirements established for those companies. All shipping companies in Greece are required to register with the tax authorities and obtain a TIN, irrespective of their legal form, and to submit a declaration of commencement of activity to the competent tax office. Further, they are required to operate in accordance with corporate and tax laws (general tax provisions or tonnage tax) as well as the Tax Procedure Code. In particular, for the registration of the above companies in the Tax Registry, the headquarters of the company and the details of the legal representative in Greece have to be submitted in the relevant application form, but ownership information is not required.

Implementation of tax law requirements in practice

79. Tax Law requirements are applicable to all companies carrying on business in Greece. Resident Greek companies are subject to tax on their worldwide income. Greek authorities have informed that legal information

on all types of companies registering with GEMI under the one-stop-shop arrangement is provided to the IAPR at the time of issuance of TIN. Further, form E3¹¹ (Business Activity Statement), which is filed annually requires providing details like TIN, name of the company, number of shares, percentage of participation and type of stocks of shareholders of public limited companies not listed on Athens Stock Exchange, as of the last general meeting of the company.

80. The requirements of Tax Law extend to all foreign companies having any taxable income in Greece. In respect of foreign companies that have a sufficient nexus with Greece by way of having their place of effective management in Greece or headquarters, such companies are considered as Greek tax residents and are expected to pay taxes on their global income as Greece treats the seat of decision making as the basis for determining corporate residence. Such companies are required to register with GEMI and obtain TIN from the Tax Authorities and file their tax returns in Greece. However, as noted above in paragraph 76, foreign companies are not obliged to file legal ownership information with the tax authorities during TIN registration process. GEMI requires such foreign companies to register with it and requires them to submit their founding deed and articles of association, registration information in the country of incorporation, address in the country of incorporation and certain other details. Greek authorities have informed that ownership information on such foreign companies with branches in Greece is ordinarily available from all the documents submitted and is included in the GEMI database. However, this information is dependent on whether, and to the extent, the country of incorporation requires the foreign company to include legal ownership information. Thus, legal ownership information on foreign companies with sufficient nexus to Greece may not be always available. Hence, Greece is recommended to ensure that legal ownership information on foreign companies having sufficient nexus with Greece (having a place of effective management in Greece or having their headquarters in Greece) is always available.

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11. Form E3 (Business Activity Form) is a required form that is to be submitted by all taxpayers who are engaged in a business activity (individuals as well as legal persons). This Form was introduced by the decision of the Governor of IAPR A.1034/2019. The purpose of the Form is to obtain information regarding implementation of the AML law 4557/2018 and to create a database for the tax authority for carrying out risk-based audits. Different codes are specified in the form and extensive information on the business activities, high value transactions during the year (exceeding EUR 10 000), related party transactions, shareholding information in the case of companies and bank account information in respect of Point of Sale (POS) facilities is collected.

Legal ownership information – Enforcement measures and oversight

81. The Special Services of the Business Register (GEMI) called “YGEMH” is responsible for the supervisory oversight over all information provided by legal persons and arrangements registering with GEMI. In particular, companies’ compliance is monitored against the obligations provided for under paragraph 4 of article 7 of Law 3419/2005. All entities and arrangements or their legal representatives which are liable to register with GEMI are subject to administrative fines ranging from EUR 600 to EUR 30 000 if they fail to comply with their registration obligations. Further, criminal sanctions can be imposed according to articles 176-181 of Law 4548/2018 and regard the owners, the directors and the auditors.

82. All changes in legal ownership have to be notified to GEMI through declarations filed online in this regard. First, changes have to be intimated to GEMI within 20 days of the change taking place. Greek authorities have reported receiving 45 451 declarations of changes in legal ownership in 2018. Further, penalties for late submission or non-submission of such change declarations were imposed in 1 213 cases (amounting to EUR 810 000) in 2018. Second, all SAs, LLCs and IKEs are required to file annually with GEMI details of the shareholding together with certain other documents. GEMI sends out automated reminder messages to all registered entities about their filing obligations on multiple occasions – as the filing date approaches, as the last date for compliance approaches, where failures to comply are noted and reminders have to be sent, and where duration of a company is to expire and needs to be renewed. GEMI decides of the frequency and timing of such reminder messages. The table below gives statistics for the number of such automatic reminders.

Automated reminders sent for filing obligations

Year	Number of automated reminders sent
2016	1 134 123
2017	1 225 145
2018	1 445 191
2019	1 329 874

Source: Greek Authorities, GEMI.

83. Since 2018, GEMI has started taking up about 5% of all newly incorporated companies for detailed desk-based scrutiny. Greece has reported that in 2018, 512 entities were taken up for such examination and during 2019, a total of 1 014 entities were examined. Greek authorities have informed that targeted checks based on certain indicators for enhancing compliance were examined during these inspections. GEMI provides the details of its

key findings from such inspections in an annual audit report with a view to improve the electronic checks built into the online system to enhance the accuracy and trust in the Business Register. However, penalties or sanctions for non-compliance have not been applied by the Business Register. Greek authorities have explained that sanctions for non-compliance have increased substantially since 2019. Hence, the focus was on reminding the entities about their compliance obligations in light of the new penal provisions. Issues identified were promptly rectified by the companies. Overall, the approach adopted by GEMI has led to higher compliance and penalties were not found necessary.

84. The Tax Authority also carries out regular in-depth audits on all types of taxpayers. The local tax office (D.O.Y.) and the Audit Centres (Audit Centre for Large Enterprises (KEMEEP) and Audit Centre for Taxpayers of Great Wealth (KEFOMEPP)) carry out these audits. Cases are selected every year on a risk-assessment basis. The IAPR Governor issues directions on the selection of cases for partial or complete audits based on risk-analysis, information from internal or external sources and other criteria. Furthermore, in every case of an EOI request, where information has to be collected by the local tax office, an audit is opened and all ownership information is collected and verified by the local tax office. Greece has provided the statistics for the number of tax audits in 2016 to 2018 reflected in the discussion under element A.2 (refer to table below paragraph 178). The number of tax audits reflects an adequate level of supervisory checks. As discussed under element B.1, in a significant number of EOI requests, the local tax offices open tax audits to gather the information requested. All requests for ownership would hence be checked and verified through the audit procedure before being communicated to the treaty partner.

Availability of legal ownership information in practice in relation to EOI

85. During the review period, Greece received six requests for information on legal ownership and was able to provide responses in all cases.

Availability of beneficial ownership information

86. Since 2016, a new requirement of the EOIR standard is that beneficial ownership information on companies should be available. In Greece, this aspect of the standard is met through the requirements of the new AML Law 4557/2018, which defines “beneficial owners” and adopts a dual mechanism for ensuring the availability of BO information. The new AML law, besides continuing to oblige all financial institutions and certain specified professionals and businesses (see paragraph 91) to maintain BO information, sets up a Central Register of Beneficial Owners (Central BO Register), which is required to be populated by all legal persons and arrangements themselves.

In addition, entities are obliged to take all necessary steps to identify their beneficial owners, maintain up-to-date beneficial ownership information at their own premises along with the documentation proving all the actions taken in order to identify the beneficial owners.¹² This twin approach should effectively ensure the availability of BO information in Greece. However, the Central Register has only recently been operationalised and Greece must monitor the functioning of the new Register and ensure effective enforcement of the new requirements. There are no requirements in respect of maintaining beneficial ownership information under the Companies Laws or under the Tax Laws. The scope of each of the three laws in ensuring availability of beneficial ownership in respect of companies is summarised below.

Legislation regulating beneficial ownership information of companies

Type	Company law	Tax law	AML law
Sociétés Anonymes (SAs)	None	None	All
Limited Liability Companies (LLCs)	None	None	All
Private Companies	None	None	All
Societas Europaeae (SEs)	None	None	All
Foreign Companies	None	None	All
Shipping Companies	None	None	All
Shipping Companies of Recreational Boats (NEPA)	None	None	All

Anti-money laundering law requirements and implementation

87. The new AML Law 4557/2018 is the primary law that imposes the requirement of maintaining beneficial ownership information on all legal persons and legal arrangements in Greece. The new law has come into effect from 1 July 2018. Law 4557/2018 fully incorporates the 4th EU AML Directive (Directive 2015/849) and partially incorporates the 5th EU AML Directive (Directive 2018/843).

88. The AML law provides for the availability of beneficial ownership information in two ways. First, the AML law under article 5 provides for a list of obliged persons who must obtain and maintain BO information on all

12. The obligations and sanctions for non-compliance are not on the beneficial owners to come forward and report themselves to the entities. All entities and arrangements must report at least one beneficial owner to the BO Register. They are not required to inform the BO Register in case they encounter difficulties in identifying BO on the basis of control or ownership. However, the existence of BO information with AML-obliged person provides an additional check on the accuracy of BO information.

their customers. This requirement was also there under the previous AML Law 3691/2008. Second, the AML law under article 20 sets up a Central Register of Beneficial Owners (or a BO Register) which is required to be populated with BO information that has to be mandatorily submitted by all legal persons and arrangements. This up-to-date beneficial ownership information is also required to be maintained at the premises of all legal persons and arrangements together with the documentation on the basis of which beneficial owners have been identified.

89. The term Beneficial Owner is defined in Law 4557/2018 as “the natural person(s) to whom a legal person or legal entity¹³ ultimately belongs, or who controls such a legal person or legal entity, or the natural person(s) on whose behalf a transaction or activity takes place”. This definition is in line with the standard.

90. In respect of companies, beneficial owner for legal persons has been defined as a natural person who directly or indirectly owns more than 25% of a company or who directly or indirectly controls the company. A natural person exercising control through other means as identified, *inter alia*, in paragraphs 2 to 5 of article 32 of Law 4308/2014,¹⁴ is also required to be identified as a beneficial owner. Furthermore, if no natural person can be identified based on ownership or control and there is no valid suspicion about any natural person exercising control through any other means, the senior management person of the company may be recorded as a beneficial owner.

91. The AML law provides for a dual approach for ensuring the availability of beneficial ownership information. Article 5 of the AML law identifies a wide range of obliged persons including (i) credit and financial institutions; (ii) chartered accountants and audit firms; (iii) external accountants – tax advisors and legal persons providing accounting-tax services; (iv) notaries and lawyers when rendering certain services to their clients like acting on their behalf or assisting them in carrying out financial or real-estate transactions, assisting in incorporating and managing a legal person, or managing their moneys, securities and assets, or assisting in the creation and management of trusts; and (v) trust and company service providers rendering services of company creation and management, acting as or arranging for others to act as director of a company or a partner of a partnership or similar services, or providing registered office business address, or acting

13. Under Greek Law, the term “legal entity” refers to legal arrangements.

14. Paragraphs 2 to 5 of Article 32 of Law 4308/2014 (Accounting Standards) refer to different scenarios of exercising control: control over a legal person through voting rights as a shareholder, having rights to terminate or appoint management, having right to exercise control on the basis of a contract, or having the power to or actually exercising influence or control over another entity in any other way.

or arranging to act as trustee of a trust, or providing nominee shareholding services; (vi) real estate brokers; (vii) casino enterprises or casino operators including on ships; (viii) traders and auctioneers of high value goods and dealers of pieces of art; and (ix) pawnbrokers and money changers.

92. All the AML-obliged persons are required to perform due diligence on all their customers on an on-going basis (for further details, refer to discussion under element A.3). The due diligence measures require that the AML-obliged persons know the beneficial owners of their customers and keep such information up to date. Further, all the underlying documentation together with the beneficial ownership information must be maintained by the AML-obliged person for at least five years after the business relationship with the customer has ended or after an occasional transaction.

93. Greek authorities have informed that almost all companies in Greece would use the services of an AML-obliged person and often on an on-going basis, but there is no obligation to do so. Companies would almost always have a Greek bank account which would oblige the relevant bank to maintain up-to-date beneficial ownership information on the companies. Greek authorities have informed that one of the reasons why it is extremely difficult to operate without a bank account in Greece is because cash transactions over EUR 500 are not permitted and must necessarily be through the banking channel. Furthermore, the capital controls that had been imposed in Greece in the aftermath of the Greek Financial Crisis, has led to widespread use of point of sale machines which are always linked to bank accounts. Greek authorities have also informed that notaries are always involved at the time of incorporation of companies where a company has its own articles of association (instead of the model articles of association used for fully electronic registration) and adopts a notarial deed, or where a company wishes to make changes to its statute, and for transfer of shares of unlisted companies. Companies also engage accountants and auditors that are covered by the obligations of the AML law. Thus, the availability of beneficial ownership information on companies has been so far ordinarily ensured through their interactions with AML-obliged persons. Beneficial ownership on foreign companies, to the extent they engage with an AML-obliged person, would also be available.

94. Greek authorities noted that although the AML obligations on relevant persons would sufficiently ensure the availability of BO information on all companies, they would also benefit from the electronic access to the BO information available with the Central Register on Beneficial Owners (or the BO Register) that has been set up under article 20 of the AML Law. According to article 20 paragraph 1, all companies established in Greece or active and being taxed in Greece, are required to collect and store, in a special register kept at their headquarters in Greece, sufficient, accurate and up-to-date information about their beneficial owners. This information must

include at least the surname, date of birth, nationality and country of residence of the beneficial owners, as well as the nature and extent of the rights they hold. This special record is required to be kept sufficiently documented and updated under the responsibility of the legal representative or a specially authorised person by decision of a competent company statute. Entities must keep this record available at all times.

95. The Central BO Register has been set-up and is maintained electronically at the General Secretariat of Information Systems (GSIS) which has designed and developed the system and is operating it. GSIS is housed within the newly established Ministry of Digital Governance and works in close co-ordination with the Ministry of Finance in respect of the Central BO Register. The Central BO Register is linked electronically to the TIN of each legal person and for which IAPR has the necessary data from the tax register. Entries into the information system are made by entering the codes of the natural or legal persons or their authorised representatives as provided by the Ministry of Finance in co-operation with the IAPR.

96. All companies are required to electronically submit information on their beneficial owners to this Beneficial Ownership Register within 60 days from the date of the Register's inception, i.e. July 2019. Any changes to the beneficial owners is also required to be submitted into the BO Register within 60 days. Information uploaded to the Central BO Register will continue to remain in the Register for ten years after the entity has been struck-off in line with the Greek Data Protection Law. Greek authorities have informed that these requirements apply to all companies, even if they may be commercially inactive. The necessary Information Technology solutions are being put in place to allow GEMI to have automatic transmission of data with the BO Register to link the two databases electronically so that some of the data can be automatically cross-checked and GEMI has direct access to BO information. Tax Authorities and other enforcement agencies will also have unlimited access to the BO Register. The law provides that these agencies with access to the Register (once it is operational) must flag any mismatches in the information on the Register and the information available with them to the Central Co-ordinating Body (Ministry of Finance) under the AML law. This is envisaged as an extra check on the availability and accuracy of BO information.

97. Greek authorities have informed that all shipping companies are covered by the requirements of the AML law in respect of providing BO information. A new arbitration agreement has been signed between the Greek state and the shipping community in 2019 (2/2019 and ratified by article 56 of Law 4607/2019). With this agreement, all natural persons who are the final shareholders or partners or actual beneficiaries of shipping companies that

are tax residents of Greece, will be paying their “voluntary” tax¹⁵ and filing their tax returns with the IAPR as natural persons. The list of participating shipping companies that are a party to this agreement has been made publicly available in the National Gazette (FEK A 65/24.4.19). The IAPR is the Competent Authority to monitor the implementation of the agreement from two years following its entry into force, i.e. from 2021. Moreover, shipping companies have been required to be the first to register in the BO Register and provide the necessary BO information.

98. For the first two months of July and August 2019, the BO Register has undergone a pilot phase rollout for familiarising the obliged persons with the platform and to submit any questions or suggestions. From September 2019, three groups of obliged persons were invited to electronically submit the beneficial ownership information into the BO Register. The first group comprised approximately 8 000 notarial firms/companies, law firms/companies and shipping companies. The second group consisted of approximately 190 000 non-profit organisations, associations, foundations and unions. The third group consisted of a total of 246 884 SAs, LLCs partnerships and private companies. Certain technical and procedural issues were identified through the registration phase. These issues were being resolved at the time of the on-site visit in December 2019. Greek authorities expect that the BO Register will be fully functional from 1 October 2020.¹⁶

Nominees

99. The concept of nominees does not exist in the Greek law, except for the reference in the AML law. As a rule, where a person holds any property for the benefit of or on behalf of another person, that other person would have no legal rights under the Greek law. Hence, in general, shares held by anyone acting as a nominee on behalf of another would be seen as belonging to the person in whose name the shares are and not to the other person (refer to the 2013 Report, paragraphs 97 to 100). Greek authorities have stated that they have not encountered nominee shareholding in practice. Similar views were expressed by the representatives from the private sector.

100. The AML Law treats the service of holding shares as a nominee to be an activity that qualifies the person to be a Trust or Company Service

15. “voluntary” refers to the fact that the tax is included in the agreement signed between the shipping community and the Greek State.

16. The registration was expected to be rolled out by May 2020. However, due to the Covid-19 breakout, a special Order (*Government Gazette* 75/30.03.2020) and Joint Decision no. 66780/2020 of the Minister of Finance and the Minister of State were issued on 30 June 2020 to adjust legal obligations and the rollout has been deferred till 1 October 2020.

Provider (TCSP) and therefore subject to the AML law. Such a person must carry out due diligence on the customer or person on whose behalf it holds shares in a company as a nominee. Thus, natural persons or legal persons when rendering nominee shareholding services as professionals and by way of their business would be covered by the AML obligations. However, it is not clear how, in all situations, it can be ascertained by the Greek authorities that someone is acting as a nominee shareholder as nominee shareholding is not required to be disclosed in the share register of companies. The requirement of maintaining beneficial ownership would allow the identification of the beneficial owner of a company in situations where the direct or indirect ownership over the company is more than 25%. Where such shareholding is less than 25%, it may not be possible to identify the natural person on whose behalf the shares are being held through a nominee.

101. Further, as noted in the 2013 Report, non-professional nominees are not covered by the AML obligations of maintaining information on the person(s) on whose behalf they are acting. An in-text recommendation had been made in this regard in the 2013 Report. Greece has not implemented any specific measures to address the earlier recommendation.

102. Greece should monitor the practice of nominee shareholding in order to ensure that it does not impact the international exchange of information (see Annex 1).

Beneficial ownership information – Enforcement measures and oversight

103. The enforcement and oversight measures in respect of ensuring availability of BO information have two dimensions. First, enforcement and oversight measures are in respect of AML obliged persons who are monitored and can be sanctioned by their respective supervisory authorities. Second, there are sanctions for non-compliance in respect of requirements of providing BO information into the newly established BO register. Such sanctions apply to all legal persons and arrangements.

104. Chapter H of Law 4557/2018 provides for strict criminal sanctions, fines and administrative sanctions in respect of violations of the AML law. Non-compliance or violations by AML-obliged persons can result in administrative sanctions of up to EUR 1 million. Financial Institutions face higher sanctions of up to EUR 5 million. Furthermore, the law provides for temporary or permanent prohibition on carrying out the specific activity on the person. The law also provides for publicly naming the natural or legal person and the associated breach. These sanctions are prescribed for AML obliged persons in relation to their failure to carry out the prescribed CDD on their customers and to maintain such information.

105. Different AML-obliged persons have different supervisory authorities. While the credit and financial institutions are regulated and supervised by the Bank of Greece, the Hellenic Capital Markets Commission is in-charge of all types of investment companies and firms. The IAPR supervises the AML obligations of the tax advisors and external accountants, real-estate agents, and dealers and sellers in high-value goods, while the Hellenic Accounting and Auditing Standards Oversight Board is in-charge of monitoring chartered accountants. The Ministry of Justice, Transparency and Human Rights has oversight responsibilities over notaries and lawyers.¹⁷

106. Bank of Greece carries out supervision of all Credit Institutions and Financial Institutions in Greece and among other things monitors their compliance with the requirements of the AML law. The details of Bank of Greece's supervision in respect of banks is discussed under element A.3 and the same applies to other financial institutions it oversees. (Refer to discussion under A.3)

107. The Hellenic Capital Markets Commission has also carried out its own inspections over investment companies and firms in respect of their AML obligations on a regular basis. Similarly, notaries have also been monitored and supervised by the Ministry of Justice.

108. In respect of obligations to provide BO information into the Central BO Register, article 20 paragraph 8 of Law 4557/2018 prescribes suspension of the issuance of tax clearance certificates from the tax authority for the defaulting obliged legal persons and arrangements. Tax clearance certificate from the tax authorities is an important requirement for all companies to carry out normal business in Greece. For instance, without it, property transactions cannot be undertaken, state grants and subsidies cannot be availed, and no monetary benefits can be obtained from the government. Further, paragraph 9 of article 20 provides for a penalty of EUR 10 000 on the non-compliant company. Besides paying the penalty, the company is given a deadline to comply, failing which further penalty of double the initial penalty is impossible. The Ministry of Finance is the overall Central Co-ordinating Body for overall supervision of the BO Register. The Minister of Finance has issued a decision requiring that the relevant authorities are to work together to resolve special issues. While the GSIS is in-charge of technical oversight of the Register, going forward, the Tax Audit Directorate, the SDOE and the Financial Crime Investigation Directorates will be jointly responsible

17. The AML Law provides for the creation of a Lawyer's Committee under article 29. The Lawyer's Committee is responsible for receiving reports of suspicious or unusual activities or transactions on lawyers. The Committee is to work with the Ministry of Justice, Transparency and Human Rights in the oversight over lawyers.

for the enforcement and supervision of the requirements on all legal persons and arrangements to maintain and to provide BO information under Law 4557/2018. Greek authorities indicated that the supervisory framework is still being examined and Law 4557/2018 will be further amended to put in place the necessary arrangement for co-ordinated supervision among the relevant enforcement agencies. Furthermore, in respect of inactive companies, in the absence of continued engagement with an AML-obliged person, availability of BO information would be ensured by the obligation to maintain the information by the entities themselves and uploading it to the Central BO Register. Hence, availability of such information on inactive companies depends on effective supervisory and enforcement mechanisms by Greek authorities. Greece is recommended to monitor the full implementation of Central Register of Beneficial Owners and to put in place the necessary supervisory and enforcement mechanism to monitor compliance of all legal persons and arrangements with the requirements of maintaining and providing BO information to the Central BO Register and keeping it up to date.

Availability of beneficial ownership information in practice in relation to EOI

109. During the peer review period, Greece has reported having received six requests for ownership. However, beneficial ownership information was not requested in any of these cases.

A.1.2. Bearer shares

110. The 2013 Report noted that SAs and shipping companies were permitted to issue shares in bearer form. While Law 2190/1920 (the previous SA law) permitted SAs to issue bearer shares in general with some exceptions based on the business type and for those entering into contracts with the Greek government.¹⁸ Similarly, article 7(1) of Law 959/1979 (shipping law) permitted shipping companies to issue bearer shares. The 2013 Report noted that there were certain means of identifying the owners of bearer shares of SAs and shipping companies in many situations (see the 2013 Report, paragraphs 105-117).

111. Notwithstanding these situations where identity of owners of bearer shares could be known, Greece had been recommended to ensure the availability of ownership information on bearer shares in all cases in respect of all SAs and shipping companies.

18. SAs were allowed to issue registered shares only when engaged in specific businesses, including financial sector, public transportation, public works, real estate sales and holding companies.

Sociétés anonymes (SAs)

112. Greece has replaced Law 2190/1920 (the previous SA law) with the new Law 4548/2018. With effect from 13 June 2018, SAs can no longer issue bearer shares. All SAs can now issue only registered or nominal shares with the names of all shareholders duly maintained in their share register.

113. Further, bearer shares that had been issued by SAs before that date had to be converted into registered shares by 1 January 2020. In the transition period from June 2018 to 1 January 2020, the transfer of bearer shares in unlisted SAs was possible only through notarial deeds or through a private verified agreement between the purchaser and seller authenticated by the local tax office. Details of title transfer were required to be recorded in such cases.

114. After 1 January 2020, bearer shares that have not been recorded in the shareholders' book no longer give rise to shareholders rights and are no longer permitted to be transferred. The Business Registrar has issued Circular No. 134409/23-12-2019 dated 23 December 2019 in respect of bearer shares issued by SAs, which details the implications for shareholders and SAs having bearer shares after 1 January 2020:

- the GEMI accounts of SAs that still have bearer shares are being suspended
- such SAs will be subject to fines for non-filing of financial statements imposed by GEMI from 1 January 2021
- such SAs will not be issued any certificates (like that of good standing) by GEMI. Hence, such SAs would be barred from participation in any public procurement, public contracts or public financing
- further, shareholders holding bearer shares are not permitted to participate in General Meetings of the SAs, or to approve the financial statements of the SAs, or have any rights on dividends or profits of SAs, or to vote on any change in the statute of the SAs
- shareholders holding bearer shares and willing to convert to registered shares would need to seek a court order directing the SAs to convert those bearer shares into registered shares.

115. The table below gives the details of the number of SAs that had issued bearer shares as of 31 December 2018, as of 30 September 2019 and as of 1 January 2020.

Bearer share statistics in respect of SAs

Date	Number of SAs with bearer shares	Total number of bearer shares	Capital value of bearer shares (number of shares x nominal value)	Total capitalisation of SAs having bearer shares	Percentage of capital in bearer shares
31 December 2018	11 021	3 945 161 803	23 001 957 142	151 451 813 475	13.2%
30 September 2019	7 432	2 240 222 274	11 078 279 176	165 376 891 441	6.3%
1 January 2020	2 907	493 376 889	4 142 870 290	173 301 011 101	2.3%

Source: Data provided by Greek authorities.

116. From a value of over EUR 23 billion in 2018, the value of capital issued in bearer form has declined to slightly over EUR 4 billion. In percentage terms, the value of capital held in bearer shares as a percentage of total capital in these SAs has declined from 13.2% to 2.3%. Greek authorities have informed that they are closely monitoring the conversions to registered shares by all SAs. Since the law abolishing bearer shares has come into effect from 1 January 2020 and Greek authorities have started monitoring its implementation fairly recently, Greece is recommended to continue monitoring the implementation of the new law to ensure that ownership information on bearer share holders of all SAs is always available.

Shipping companies

117. In respect of shipping companies, no change has been introduced in relation to bearer shares in Law 959/1979. Shipping companies are permitted to continue issuing bearer shares. Such companies can issue only registered shares or only bearer shares. Greek authorities have informed that they have made some efforts to identify how many shipping companies are permitted to issue bearer shares. After inspecting 1 362 shipping companies, the Ministry of Shipping and Island Policy has ascertained that 365 of them have issued only registered shares. The other 997 inspected companies have issued bearer shares. Due to the Covid-19 outbreak, the exercise has had to be suspended. The number of shipping companies in the Shipping Register is over 5 000. Furthermore, there are 3 000 NEPA companies as well that are not barred from issuing bearer shares, so less than 17% of shipping companies have been inspected.

118. Unlike the situation on SAs where information is available in respect of the volume as well as the value of the bearer shares, to ascertain the materiality of gap in information on bearer shares, in the case of shipping companies such information is not available until the above inspection is completed on all of them. Furthermore, unlike in the case of SAs, shipping companies are still permitted to issue bearer shares.

119. Some means to identify the holders of bearer shares exist but are all incomplete, in that they do not allow identifying all of them. This includes the “Know Your Customer” and CDD performed by AML-obliged entities (if the shipping company uses their services), the requirement to deposit the share with a bank before attending a general meeting of the shipping company, etc. (see 2013 Report, para. 114).

120. More recently, Decision of the Minister of Finance No. 67343/2019 requires shipping companies to register with the newly set-up Central BO Register. In practice, shipping companies have registered in the pilot phase of the project to provide beneficial ownership information. However, identification of beneficial owners does not imply that identity of all owners of all bearer shares will always be known. The book of shares maintained by shipping companies does not keep a record of holders of bearer shares. There could be situations where beneficial owners are identified in line with the law but bearer share holders remain unidentified.

121. Greece is recommended to ensure that in respect of shipping companies and NEPAs owners of bearer shares are always identified.

122. During the review period, Greece did not receive any request in respect of bearer shares.

A.1.3. Partnerships

Types of partnerships

123. Partnerships are deemed to be “personal companies” that may or may not have legal personality. However, partnerships are fiscally transparent and partners are liable (to varying degrees depending on what type of partners they are) for the acts of commission or omission of partnerships of all types. Partnerships are regulated by the Code of Commerce (CoC) or the Civil Code depending upon their type. The different types of partnerships in Greece are:

- General partnerships (*omorrhythmi etairia* or O.E.) – These are governed by Law 4072/2012, articles 249 to 270. They consist of at least two partners whose liability is joint and unlimited. In the absence of agreement to the contrary all partners normally participate in the management of the partnership and are bound to the obligations within its scope. There is no requirement for a notarial act; a private agreement suffices. There are no minimum capital requirements. As of 31 December 2019, there were 70 936 general partnerships in Greece.
- Limited partnerships (*eterorrhythmi etairia* or E.E.) – These are governed by Law 4072/2012, articles 271 to 284. These comprise one or more general partners with unlimited liability and one of more

partners whose liability is limited by the amount of their capital contribution. Greek authorities have reported 29 089 limited partnerships as of 31 December 2019.

- Limited partnership by shares – article 284 of Law 2072/2012 and Law 3190/55 govern these partnerships. Under these partnerships invested capital may be divided into shares. General provisions on limited partnerships apply to such partnerships as well. However, registration and publicity rules for these partnerships are similar to those required for limited liability companies. This means that a copy of the partnership agreement with the full detailed data on the partners is required to be registered with GEMI. These are not very common forms of partnerships. While the 2013 Report had noted 44 such partnerships existed in practice, Greek authorities have reported one such partnership registered with GEMI.
- Civil partnerships – These are regulated by articles 741-748 of the Civil Code. These may be set up for profit or non-profit purposes through a contract among two or more partners mutually obligated to pursue a common purpose. Partners may contribute cash, work or other things to the partnership and contribute to the management of the partnership. Civil partnerships are legal arrangements in Greece. In order to acquire a legal personality, they are required to follow the registration and publicity rules as required for general partnerships. As of 31 December 2019, 2 050 civil partnerships are registered with GEMI.

124. Besides these primary types of partnerships, civil professional partnerships (like those for lawyers, notaries and bailiffs), silent partnerships, European Economic Interest Groupings (EEIGs), joint ventures and shipping co-ownerships can also exist in Greece.

125. Silent partnerships do not have a legal personality, are created through an informal agreement and are not required to register with GEMI. At least one of the partners is silent and at least one partner is a disclosed partner. All transactions are conducted by the disclosed partner who is personally liable for the affairs of the silent partnership. Nevertheless, such silent partnerships are taxable entities, are required to obtain TIN, file tax returns and are required to disclose partners' identity to the tax authorities just as for all other types of partnerships.

126. EEIGs operate across EU member states and are partnerships among companies, legal bodies, firms or individuals and are required to register with the EU State in which they have their official address in. In Greece, EEIGs are required to register with GEMI. Greece has reported 6 EEIGs as of 31 December 2019.

127. Joint ventures do not have a legal personality of their own. However, if they register with GEMI, they acquire legal capacity to enter into contracts or agreements. They are required to register with GEMI if they undertake any commercial activities. Furthermore, Joint ventures are under similar obligations to maintain information as applicable to general partnerships. Greece has reported 789 Joint ventures registered with GEMI as of 31 December 2019.

128. Ship co-ownership is a sui generis commercial partnership specific to the shipping business. This type of partnership is governed by articles 10-36 of the Code on Private Maritime Law. These entities are included in TIN and BO Register provisions.

Identity information

129. All general partnerships, limited partnerships, limited partnerships with shares and EEIGs must be registered with GEMI. Civil partnerships that wish to acquire a legal personality must also register with GEMI. At the time of formation and registration, all such partnerships must provide the identity details of the partners to GEMI. Names, roles, contributions and addresses of all partners need to be submitted together with the partnership formation agreement. Copies of identity cards of the partners must be submitted. Partners can be natural persons or legal persons. Where partners are legal persons and are domestically organised, articles of association (together with any amendments), natural persons with decision taking abilities, details about capital of such legal person, and its accounting records must be submitted. Where such legal persons are foreign legal persons, their name and form, their articles of association and founding deed, certificate from jurisdiction of incorporation, overseas address, report of activities, details of persons with decision making powers and accounting records must be submitted. Foreign partnerships doing business in Greece must similarly register with GEMI and submit the identity details of the partners together with a certificate of existence of the partnership in the country of establishment from the relevant authorities. All foreign partnerships, like foreign companies, must authorise a Greek legal representative or agent while registering with GEMI. GEMI continues to maintain the records submitted to it. Hence, even where a partnership ceases to exist, identity information submitted with GEMI would continue to be available. Although the retention period is five years, in practice, GEMI has never deleted past records.

130. All partnerships, including silent partnerships, carrying on any business in Greece must register with the Tax Authorities and obtain a TIN and file tax returns. A declaration must be filed with the Greek authorities by the partnership that it is about to commence business activities. Late filing or non-filing of such a declaration leads to a fine of EUR 2 500. Partnerships are

required to submit the partnership agreement at the time of TIN registration. Tax law also requires all partnerships to provide identity information on all partners in relevant Form N (the tax return for all legal persons and arrangements) at the time of filing returns. Partnerships must disclose the names of all partners, their TINs, their contribution and type and their addresses at the time of filing returns. Similar to the information submitted to GEMI, identity information on partnerships is retained in the tax database even after a partnership were to cease to exist.

Beneficial ownership

131. The requirements of having beneficial ownership information on all partnerships is met through the new AML Law 4557/2018. While the previous AML law obliged certain persons to have beneficial ownership information on their customers, the new law sets-up a Central BO Register in this regard. Greek AML law defines “beneficial owner” in line with the FATF definition. In respect of partnerships, unlike for companies, there is no specific ownership threshold. Hence, all natural persons exercising any direct or indirect control over the partnership would be identified.

132. Greek authorities have confirmed that partnerships would invariably have a bank account with a Greek bank and would be constantly engaging with an AML obliged person. As noted earlier, one of the impacts of the capital controls imposed in the wake of the Greek crisis has been that for carrying on any business and engaging in any transaction of more than EUR 500, a bank account is required. Further, almost every business employs point of sale machines which have to be linked to Greek bank accounts. Banks are required to carry out customer due diligence on all their customers at the time of on-boarding as well as all through the business relationship. Beneficial information obtained by AML-obliged persons is required to be maintained for five years from end of the business relationship. Hence, such information would be available even where a partnership were to cease to exist.

133. Furthermore, all partnerships are required by article 20 of Law 4557/2018 to provide complete details of their beneficial owners into the Central BO Register. They are required to maintain the names and details of the natural persons who directly or indirectly own or control them and to report to the Central BO Register. The penalties and sanctions for non-compliance, as discussed in the case of companies, apply similarly to partnerships. Information submitted in the BO Registry would continue to be available even after a partnership were to cease to exist. However, considering that the Central BO Register is not fully operational yet, Greece is recommended to monitor the full implementation of the BO Register to ensure that beneficial ownership information on all types of partnerships is always available.

Oversight and enforcement

134. As noted in the case of companies (refer paragraphs 81 to 83), the registration requirements with GEMI are monitored by the Special Services of the Business Register – YGEMH. The Special Services monitors compliance of filing the required information with GEMI by all partnerships. In respect of partnerships, no specific statistics on penal sanctions have been provided by Greece although GEMI has informed that there have been some partnerships that have failed to comply with their filing obligations and such partnerships are being followed-up with. The statistics provided in respect of companies does indicate supervisory checks carried out by the Special Services. In respect of oversight and enforcement provision pertaining to beneficial ownership information on partnerships, the discussion in paragraphs 103 to 108 in respect of companies, applies similarly to partnerships.

135. Tax Authorities play an important role in monitoring compliance with the requirements of maintaining identity information on partners. As noted above, partnerships carrying out any business in Greece must register with the Tax Authorities, obtain TIN, file tax returns and provide identity information on all partners. The Tax Authorities carry out regular audits on a risk-based method on all different types of legal persons and arrangements. Further, as discussed under element B.1, while gathering information in respect of most EOI requests, the local tax offices conduct tax audits of the entities that are subject of the request. During the audit, tax authorities obtain and verify the required ownership information before responding to the request.

Availability of partnership information in EOI practice

136. During the review period, Greece received six requests for identity and ownership information from peers. However, none of these pertained to identity or beneficial ownership of partnerships.

A.1.4. Trusts

137. The concept of trust or any other similar arrangement, as it is under the common law, does not exist under Greek Law. Moreover, Greece is not a signatory of the Hague Convention on the law applicable to trusts. However, there is no bar on a Greek resident being a trustee of a foreign trust or a settlor or a beneficiary of a trust created under the laws of a foreign jurisdiction. Further, a foreign trust can be administered in Greece and may hold property or assets in Greece. The 2013 Report had noted that Greek trustees of foreign trusts are not required to identify beneficiaries who have less than 25% interest in the trust and Greece had been recommended to ensure that information is available to the Competent Authority to allow identification

of the settlor and all beneficiaries of foreign trusts administered in Greece. Greece has introduced legal provisions to address this recommendation. These provisions will be further enhanced with the transposition of the 5th EU AML Directive into Greek law.

Identity and beneficial ownership information

138. Greece's new AML Law 4557/2018 addresses the recommendation made in the 2013 Report by introducing a comprehensive definition of beneficial owners in the context of trusts. Beneficial owners in the case of trusts specifically refer to the natural person(s) who is/are the settlor, the trustee(s), the protector, if any, the beneficiaries or class of beneficiaries and any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means. This new definition does not prescribe any threshold for ownership interest as was the case earlier. All AML-obliged persons must obtain information on beneficial owners of a trust whenever they are in a business relationship with a trust or a trustee of a foreign trust. They are required to rely on the definition of beneficial owner as applicable to trusts and as provided in the AML law and record the beneficial owners accordingly. Greece should monitor that in practice, in accordance with the new AML law definition, beneficial owners of trusts are always identified in line with the standard (See Annex 1).

139. The service of acting as a trustee for a trust established under the laws of a foreign jurisdiction is covered by the requirements of the AML law and such a service provider is AML obliged and must carry out CDD on its customer and maintain the BO details of such a trust. These AML obligations apply to professionals like notaries and lawyers and other service providers who act by way of business. These obligations may not cover situations where a non-professional were to act as a trustee of a foreign trust. However, such situations may not be material to the availability of beneficial ownership information in Greece.¹⁹

140. Furthermore, article 21 of the AML law provides for the setting up of a BO Register specifically for trusts – the Beneficial Owners Register for Trusts. Article 21 requires that the trustees of express trusts collect and store

19. Since the Greek law does not recognise trusts, services of acting as trustee are not common even among professional service providers. Hence, non-professional trustees may be even rarer. Moreover, the requirement of reporting to the Central BO register for trusts (under article 21 of AML Law) would continue to apply even if a trustee were a non-professional. In addition, such a trustee would be required to disclose its status as a trustee to any AML-obliged person it were to deal with and the AML-obliged person would be required to obtain the beneficial ownership details in respect of a trust as provided for in the AML law.

adequate, accurate and up-to-date information about the beneficial owners of the trust in a special register kept at their registered office. Furthermore, such details are required to be provided to the Central Register of Real Beneficiaries by the trustees within 60 days of commencing any operations of acting as a trustee of a foreign trust. The registration of any changes in the data of the beneficial owners is also required to be made and communicated to the Central Register within 60 days. The BO register for trusts is envisaged to be linked to the Central Register of Real Beneficiaries set up under article 20.

141. The law requires that trustees disclose their status to all AML obliged persons they have a customer relationship with and maintain the beneficial ownership details with them.

142. Article 21 of Law 4557/2018 prescribes declining tax clearance certificate to a non-compliant trustee as well as imposition of a penalty of EUR 10 000.

143. Further, the TPC requires that any legal arrangement (legal entity as in Greek law) engaging in a business activity must submit a declaration of commencing business activity to the Tax Registry before it enters into its first transaction related to its business activity. A TIN is granted to such a legal arrangement. Hence, a foreign trust, if it engages in any business activity in Greece, through its Greek trustee, must register with the Greek Tax Authority and obtain a TIN. Greek authorities inform that such a trustee would be required to submit the relevant trust deed and details of identity and ownership of the trust as is the case with any other legal entity and arrangement. However, in practice, they have not come across any trusts or trustees in Greece.

144. Greek authorities have informed that although the law now has the relevant provisions for ensuring that beneficial ownership information on trusts is always available, in practice they are not aware of any Greek resident acting as a trustee of a foreign trust. The AML obligations require all professionals to record and maintain beneficial ownership information if they were to act as trustees. However, interaction with the private sector representatives also suggested that there is little practice of acting as trustees among professionals.

Availability of trust information in EOI practice

145. In practice, Greece did not receive any request for information on trusts.

A.1.5. Foundations

146. The 2013 Report had noted that foundations in Greece are essentially for pursuing public benefit functions and require State approval for being set

up. Foundations are self-governing organisations created by disposition of assets under a deed of establishment made *inter vivos* or through will for the pursuit of a specific purpose. Foundations are set up through a presidential decree and acquire legal personality upon publication of the decree approving their constitution and are governed by the Civil Code, articles 108 to 121. Greek legislation ensures the availability of information on founders, council members and beneficiaries of foundations. Foundations' engagement with AML obliged persons ensures that beneficial ownership information would be available. The Report noted that the AML law defined "beneficial owners" as those natural persons who own or control at least 25% of the foundation. Hence, there was some doubt if the AML law would allow the identification of all council members or beneficiaries. However, considering that Greek foundations are typically non-profit, for public benefit organisations and always require State approval, foundations were not considered to be of concern for the work of the Global Forum.

147. Greek authorities have informed that the situation in respect of foundations remains broadly the same. A new Law 4182/2013 has replaced the earlier Law 2039/1939 and governs Public Benefit Foundations. Such foundations have to pursue public purpose relating to the State, religion or philanthropy. These foundations are under the oversight of the Minister of Finance. As had been noted in the 2013 Report, public benefit foundations receive certain tax exemptions and are required to register with the Minister of Finance. The Minister of Finance has a dedicated department for foundations – the Directorate of Bequests and Foundations – to register public benefit foundations and supervise them. All such foundations receive a TIN and are required to file annual tax returns. Records are kept in perpetuity by the Ministry of Finance even in cases where a foundation were to cease to exist. Greek authorities have informed that all the information on the scope of the foundations established in Greece, their objectives, identification details of the donors and executors of foundations and their Greek TIN are publicly available on an electronic index maintained by the Ministry of Finance. Foundations established in foreign jurisdictions but operating in Greece are also required to register with the Tax Authorities, have a TIN, file annual tax returns and be represented through a Greek legal representative in Greece.

148. The new AML law 4557/2018 provides for the definition of beneficial ownership in line with the standard. Moreover, considering that foundations are legal persons similar to trusts, article 5(c) requires that all natural persons as applicable for trusts, need to be identified as beneficial owners of such a similar legal person or arrangement. Foundations, as noted earlier, are set up through presidential decree and have bank accounts. Hence, they are constantly engaged with AML obliged persons who must carry out CDD on foundations on an on-going basis.

149. In practice, considering the nature of Greek foundations and the fact that they are always set up through approval by the State and are registered and overseen by the Minister of Finance, the concerns in respect of foundations remain allayed and the conclusions drawn in the 2013 Report continue to apply as such. During the peer review period, Greece did not receive any requests pertaining to foundations.

Other relevant entities and arrangements

150. As noted in the 2013 Report, non-profit associations can be established in Greece, which can acquire a legal personality upon registration with the public register of associations kept at the court of first instance in the district where it is situated. Such associations maintain details of all their members in order to monitor financial contributions. As legal entities established in Greece, they are required to submit the identities of the president, the secretary and cashier to the BO Register. Further, such non-profit associations are subject to enhanced CDD²⁰ when engaging with any financial institution in Greece.

151. European Co-operative Societies governed by Council Regulation EEC No. 1435/2003 can be set up for pursuing objectives for the benefit of their members. Such societies maintain details of their members and are required to be registered with GEMI. Greek authorities have informed that there are three such societies. Besides these, Greek laws provide for creation of civil and rural co-operatives which are non-profit arrangements for the benefit of their members. These co-operative societies are not of particular concern from the perspective of Global Forum's work.

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

152. The 2013 Report had concluded that the legal framework for maintaining reliable accounting records with underlying documentation by all relevant legal persons and arrangements was in place in Greece and the element had been rated Compliant. While it was noted that where foreign trusts had Greek-resident administrators or trustees, the law did not provide for maintenance of accounting records with underlying documentation in Greece

20. Enhanced CDD is provided for under article 16 of Law 4557/2018 and requires a higher degree and frequency of checks while dealing with customers. Senior management's approval is required while establishing and continuing business relationships with such customers.

and a recommendation was made in this regard, this finding did not adversely impact the rating for element A.2 for Greece considering the low materiality of the issue in the Greek context.

153. The primary change since the 2013 Report in respect of accounting obligations has been the introduction of the new Law 4308/2014 or “Greek Accounting Standards, Related Arrangements and Provisions”. This new Greek Accounting Standard applies to a wide variety of legal persons and arrangements. Furthermore, its requirements are referenced under the new TPC to ensure that accounts are maintained as per the provisions of Law 4308/2014.

154. Nonetheless, there has been no specific change in Greek law to require that foreign trusts administered by Greek trustees must maintain accounting records in Greece. The new TPC does provide for the maintenance of accounting records by all businesses having a tax liability to maintain accounting records. However, this requirement does not seem to fully address the obligation of maintaining accounting records of a trust by a Greek trustee or administrator of a foreign trust.

155. Further, the accounting requirements of shipping companies and NEPAs arise primarily from the tax law. While tax authorities do take up tax audits on shipping companies, it is not very clear that the oversight ensures the availability of accounting records by all types of shipping companies. Hence, Greece is recommended that all shipping companies (including those that do not have an obligation of maintaining accounts in their deeds of incorporation) and NEPAs always have their accounting records with underlying documentation available in line with the standard.

156. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework		
	Underlying Factor	Recommendations
Deficiencies identified	Greek legislation does not ensure that reliable accounting records or underlying documentation are kept in all circumstances for foreign trusts with Greek-resident administrators or trustees.	An obligation should be established to maintain reliable accounting records, including underlying documentation for trusts with Greek-resident administrators or trustees in all circumstances.
Determination: The element is in place		

Practical Implementation of the standard		
	Underlying Factor	Recommendations
Deficiencies identified	Shipping companies are obliged to maintain accounting records if their incorporation deed requires the same. Although requirements of tax law would be applicable to all entities carrying on business, it is not clear that the tax law obligations are adequately monitored and accounting information with underlying documents is available for shipping companies and NEPAs.	Greece should ensure that all shipping companies, including those that do not have accounting record-keeping requirements in their deeds of incorporation, and NEPAs always have their accounting records with underlying documentation available.
Rating: Largely Compliant		

A.2.1. General requirements

157. The Standard is met by a combination of legal requirements in respect of the different legal persons and arrangements. Law 4308/2014 or “Greek Accounting Standards, Related Arrangements and Provisions”, which came into effect from 1 January 2015, governs the accounting record-keeping requirements. Law 4308/2014 applies to all public limited companies, limited liability companies, SAs and private companies. Further, the law is applicable to all general partnerships, limited liability partnerships by shares, limited partnerships, sole proprietorships and any public benefit institutions like public benefit foundations if these entities receive income from any business activity (required by article 13 of the TPC).

158. Article 3 of Law 4308/2014 stipulates the requirements of maintaining accounting records. All relevant legal persons and arrangements covered by the law are required to maintain a record of each transaction and the date of such transaction besides keeping details of resulting revenue, profits, expenses, losses, purchases and sales of assets, discounts, rebates, taxes, fees and all kinds of contributions to insurance organisations. The accounting system used by the relevant entity must keep details of the balance sheet and changes to it. Accounting books must be maintained in Greek although accounting documents like sales invoices can be kept in any language.

159. Law 4308/2014 categorises all companies into Large, Medium, Small and Very Small based on factors like total assets, annual turnover and average personnel employed. For general partnerships, limited partnerships and

civil code partnerships, classification is solely based on the criterion of net turnover. All partnerships below turnover of EUR 1.5 million are considered very small. The size of the entities determines the kind of financial statements they must maintain and also has a bearing on the need to get their accounts audited. Large and medium entities are required to prepare balance sheets, profit and loss statement, changes to equity, cash flow statement (large only) and notes. Further, they are required to get their books audited by an external auditor. Large and medium entities must prepare their accounts as per the International financial reporting standards (IFRS). Small and very small entities need not prepare an equity statement or cash flow statement and do not need to get their books audited. Further they are not required to adhere to IFRS (unless they are considered of public interest) and continue using their existing system of accounts. Since 1 January 2015, all SAs, LLCs, Private Capital Companies and LLPs limited by shares are required to maintain all accounts under a double entry accounting system. Very small entities and businesses like proprietorships and general partnerships having a turnover of less than EUR 1.5 million are allowed to maintain their accounting records using a single entry accounting system. Besides these, in some specific businesses and for non-profit legal entities governed by private law and having a business turnover below EUR 1.5 million are also permitted to maintain accounts under a single entry accounting system.

160. Accounting records may be kept either in Greece or out of Greece. However, when the records are kept out of Greece, the law provides for ensuring access to such records. Upon being requested to produce accounts for audit, an entity must produce the same to the requesting authority. Greece requires all companies to have a Greek resident natural person as a director or as a legal representative to act on behalf of the company. Further, although a company can have a legal person as a director, such legal person must appoint a Greek resident natural person to act on its behalf as a director. Greek authorities informed that this legal requirement ensures that at all times accounting records, even if they are not kept in Greece, are in the control of a natural person in Greece and this is available to the Competent Authority.

161. Greek authorities have informed that all SAs, LLCs, Private Companies, European Economic Groups, European Companies and European Co-operative Companies are required not only to prepare their accurate financial accounting statements, but also to submit them electronically to GEMI. Further, all limited liability partnerships and partnerships that have partners who are other legal entities, must similarly submit their financial statements to GEMI. Such submissions must be made within nine months of the end of the fiscal year to which it pertains.

162. The Tax Law requirements complement the accounting requirements under Law 4308/2014. Chapter 4, article 13 of the TPC specifically provides for books and record-keeping obligations on any person with an income from

business to maintain a reliable accounting system and accounting records in accordance with Greek accounting standards. Such records need to be produced to the Tax authorities when requested.

163. Foreign companies and foreign partnerships carrying on business activities in Greece leading to taxable income in Greece are similarly required to maintain accounting records in accordance with Law 4308/2014 to the extent of their Greek income and assets. For branches or agencies of foreign companies located in Greece and where the parent company is located in another member state of the EU or any other country, there is an obligation to publish the annual and/or consolidated financial statements. In such cases, the financial statements are sufficient to have been prepared in accordance with the law of the EU member state or of the third country. The above financial statements are translated into Greek and are registered in the branch or agency's division within 30 days from the date of their publication in the respective Registry of Companies or Companies of Member State with relevant indication (date of publication, registration number, exact number publicity link, and so on). If the company has more than one branch, the registration is performed in all the branches/agencies of the company and not in the optional branch/agency. From 1 January 2014 income acquired in Greece by foreign companies from real estate is considered as income from business activity, regardless of whether or not they acquire a permanent establishment in Greece.

164. Foreign trusts that are administered in Greece or in respect of whom, Greek residents are trustees are not subject to the requirements of maintaining accounting records. As noted earlier under element A.1.4, Greece does not recognise trusts under its laws but there is no prohibition on any Greek resident to act as a trustee of a trust established under the laws of a foreign country. In such situations, there are no obligations on such a trustee to maintain accounting records. As noted in the 2013 Report, if such a trustee acts as a trustee in the course of its business and any income arises to such a trustee from the operations of managing the trust, under the requirements of the tax law, accounting records in respect of the business activity would need to be maintained. However, this requirement does not cover the accounting records of the trust itself. Since no legal change has been made in respect of the recommendation made in the 2013 Report, the recommendation that an obligation should be established to maintain reliable accounting records including underlying documentation for trusts with Greek-resident administrators or trustees in all circumstances is retained as such.

Shipping companies

165. Shipping companies and NEPAs are required to maintain some accounting records under the respective governing laws. Shipping companies are required to draw up a balance sheet or an accounting statement

showing their financial position at the end of each accounting period unless otherwise provided for in their incorporation deed. Where the incorporation deed does not require the preparation of accounting statements, such shipping companies are not obliged to prepare and maintain accounting records under Law 959/1979. In respect of NEPAs, the governing Law 3182/2003 requires maintenance of accounting records and provides that such records should be presented to the Tax Authority when asked to do so.

166. Law 4308/2014 under article 1(2), as well as Circular 1003/2014 issued by IAPR which defines the entities subject to the provisions of this Law, do not specifically mention shipping companies and NEPAs because entities are listed under these provisions according to their legal form and not according to their activity. Greek authorities have confirmed that Circular 1003/2014 covers any entity obliged, under tax or other law, to keep accounting records and shipping companies and NEPAs are understood to be covered by the Circular.

167. In addition, Greek authorities have informed that the obligations of the Tax Law apply to shipping companies as they are engaged in a business activity. Provisions of article 13(1) of the Tax Procedure Code are applicable to shipping companies (including NEPAs) having income from business. Therefore, they are required to maintain their accounting records in accordance with Law 4308/2014 (accounting standards) as the Tax Code requires accounting records to be maintained in accordance with Law 4308/2014.

168. While the Greek Tax Authorities do not maintain specific statistics in respect of audits by category of the taxpayer, they have submitted some statistics in respect of tax audits covering shipping companies (refer to paragraph 180 and 181). The applicability of the tax law is premised on the entity having an income from business. Many NEPAs are exempt from income tax. It is not clear whether such companies would have their accounting records in line with the standard available at all times unless their compliance with the tax law obligations are suitably monitored. As noted in paragraph 181, it is not clear whether this has been done adequately.

Companies and other entities that cease to exist and retention period

169. There are accounting obligations in respect of companies that cease to exist. In respect of liquidated companies, article 170 paragraph 3 of Law 4548/2018 provides that the accounting records must be kept by a magistrate or a person appointed by the court as its own for a period of 10 years from the last time such accounting records were prepared. Further, all documents submitted to GEMI by such companies are to be maintained by GEMI for a period of 20 years from the date of their submission to GEMI or for 15 years from the dissolution of the company, whichever is earlier. Similarly,

accounting submissions made by limited partnerships and partnerships with partners that are legal entities, continue to be retained with GEMI even after such partnerships cease to exist.

170. In the case of companies that have not been liquidated (or are not in the process of liquidation) but become inactive due to non-compliance or non-renewal of duration of existence or simply do not carry on any business activities, the requirements of preparing and maintaining accounting records continue to apply as normal on them and their directors. As noted in paragraph 71, there are 1 776 companies that are inactive in the GEMI database. Greek authorities have informed that the tax authorities have the powers to audit such companies. In the past, tax authorities have carried out tax audits based on risk-assessment and have imposed sanctions where accounting records were not found maintained. However, specific statistics in this regard are not available. Inactive companies continue to retain their legal personality and can potentially continue holding assets outside of Greece. Although the risk of non-availability of accounting records by inactive companies may not be very big in practice, Greece should ensure that accounting records with underlying documentation are available in respect of inactive companies (see Annex 1).

171. Article 7 of Law 4308/2014 requires that all accounting records be retained for at least five years from the end of the accounting period to which they pertain or to any other longer period prescribed by any other law. Accounting records can be held in any form, provided there is a system for searching, displaying and printing or reproducing the records. The TPC prescribes a similar retention period: at least five years from the end of the relevant tax year. This limit may be extended if the taxpayer's case is under the tax determination procedure by the Tax Administration. Tax law obligations for record retention continue to apply in case where an entity like partnerships cease to exist or carry on commercial activities. In such cases, partners continue to remain liable for maintaining the accounting records for the prescribed retention period.

A.2.2. Underlying documentation

172. Article 5 of Law 4308/2014 emphasises reliability of the accounting system used by the relevant entities. For ensuring the reliability of the accounting statements, the underlying documents must be kept in order, be complete and accurate and identify, record and process the accounting data resulting from an entity's transactions. All accounting records must be maintained in compliance with the Law and should support the preparation of financial statements in accordance with the requirements of the Law. Sub-clause 3 of article 5 emphasises that the accounting system should enable a person with the requisite knowledge and experience, to obtain, within a

reasonable time, an understanding of the entity's structure and operations, of the records kept in respect of the transactions and the financial position of the entity. Thus, the law requires the maintenance of all invoices for purchases and sales and all contractual documents for transactions in all types of assets to be duly maintained.

Oversight and enforcement of requirements to maintain accounting records

173. The Special Services of GEMI – YGEMH has some oversight over the submissions of financial statements made by the obliged legal persons and arrangements. However, this is limited to issues of late filing or non-filing. YGEMH does not go into examining the accuracy of the records maintained and submitted.

174. The primary oversight and enforcement in respect of maintenance of accounting records arises from the oversight of the tax authorities. The Services of Independent Authority for Public Revenue (IAPR) carry out monitoring activities to ensure that all legal entities and legal arrangements which are required to maintain accounting records and underlying documentation under tax law are compliant with their accounting requirements. Paragraph 1 of article 23 of TPC provides that

the Tax Administration has the power to verify, to check and to cross-check the fulfilment of the tax obligations by the taxpayer, the accuracy of the tax returns submitted to the Tax Administration and to verify the calculation and payment of the due tax, by auditing documents, accounting data and disclosure data and similar information, by asking questions to the taxpayer and to third parties, by investigating facilities and means of transport used to carry out business activities, in accordance with the procedures and using methods specified in the Tax Procedure Code.

Such audits are regularly conducted by the Local Tax Offices (D.O.Y.) and the Audit Centers (in Athens, Piraeus, and Thessaloniki (FAE)), Audit Center for Large Enterprises (K.E.ME.EP.) and the Audit Center for Taxpayers of Great Wealth (K.E.FO.ME.P)). Cases for audits are selected on the basis of risk-assessment criteria determined on the basis of a decision by the Governor of IAPR. The decision is issued by the end of each year and may be amended at any time. The decision determines the number of partial and/or comprehensive audits to be carried out in the following year as priority cases, based on risk analysis criteria, information from internal or external sources or, exceptionally, other criteria. In practice, cases are selected primarily through an automatic Risk Assessment System that selects cases based on a confidential set of criteria.

175. The TPC provides for sanctions in respect of non-filing, late-filing or incorrect or inaccurate filing of tax returns. When a legal person or arrangement does not submit or submits a late tax declaration for the beginning of their business activity, a fine of EUR 2 500 is imposed. Further, article 54 of the TPC provides for sanctions from EUR 100 to EUR 20 000 for violations ranging from non-filing of tax returns, misreporting information, non-compliance with tax administration's request for information or not maintaining accounting records or not issuing invoices.

176. The TPC provides for administrative fines following the audit findings and according to article 58 of the TPC, fines are provided for inaccurate filing or non-filing of (income) tax return. Depending on the amount of under-statement of income, varying levels of fines ranging from 10% to 50% of the tax liability are imposable. In the case of non-filing of the income tax return, which would result in a tax liability, a fine of 50% of the amount of tax not declared is imposed.

177. Tax evasion is considered a crime and criminal prosecution is applicable. For tax evasion exceeding EUR 100 000, imprisonment of two years is applicable.

178. Greek authorities have provided the following statistics in respect of the audits carried out and penalties imposed where non-compliance was noted.

Tax audits conducted and taxes collected

	2016	2017	2018
Total tax audits undertaken by Local Tax Offices and Audit Centres	23 512	26 779	26 364
Total fines imposed (EUR mln)	679	879	n.a. ^a
Total taxes assessed (taxes + surcharges + fines) (EUR mln)	3 049	3 755	1 898

Note: a. Fines data not available for 2018 due to changes in codification of Public Revenue.

Source: IAPR.

179. Greek authorities have informed that 4.4%, 4.8% and 4.8% of all tax returns filed by legal persons were taken up for tax audits during 2016, 2017 and 2018 respectively. The number of cases selected for tax audits annually takes into account the availability of adequate number of tax auditors. About 1 130 tax auditors are engaged in tax audits under the Directorate of Audits. Greek authorities have informed that tax audits almost always involve examination of accounting records. Further, fines imposed in respect of tax

law violations are duly followed up and collected. While data based on type of taxpayer is not available, in general, the number of tax audits carried out by Greek authorities appears to be adequate. Furthermore, in all cases where an exchange of information request is presented to the Greek Competent Authority, a tax audit is undertaken and the adequacy and accuracy of the accounting records is verified before such information is provided to the requesting jurisdiction.

180. As noted in paragraphs 165-167 above, ensuring accounting information in respect of shipping companies and NEPAs is largely dependent on applicability and compliance with the Tax Law obligations as the relevant laws for shipping companies do not provide for explicit accounting record maintenance obligations. The statistics for tax return filings by type of company are not readily available with the Greek authorities. For tax audits of shipping companies and NEPA, as data on different types of companies audited is generally not maintained, Greek authorities have submitted some indicative figures from the local tax offices and audit centres in Athens, Piraeus and Thessaloniki, which have significant number of shipping companies. The following table shows the data submitted by Greece.

Estimated audits of (mostly) shipping companies

Tax Agency	Year	Number of audits	Amount audited (EUR)
DOY of Ships (Local Tax Offices)	2016	125	9 873 413
Audit Centre for Large Enterprises (K.E.ME.EP)		306	591 280 052
Audit Centres (FAE)		2 385	350 997 047
DOY of Ships (Local Tax Offices)	2017	186	25 587 470
Audit Centre for Large Enterprises (K.E.ME.EP)		407	788 400 617
Audit Centres (FAE)		2 465	1 628 866 710
DOY of Ships (Local Tax Offices)	2018	279	20 115 589
Audit Centre for Large Enterprises (K.E.ME.EP)		417	606 745 305
Audit Centres (FAE)		2 771	210 257 100

Source: Greek Tax Authority.

181. Some dedicated local tax audit offices (DOYs) carry out tax audits on shipping companies. It is not clear what percentage of shipping companies are audited by these DOYs. Selection of cases for tax audits are conducted on a risk-assessment basis or for answering EOI requests as is the case for all other types of entities. Further, Audit Centres (FAEs) at Athens, Piraeus and Thessaloniki also carry out tax audits, although all the entities audited by FAEs in the table above may not be shipping companies. Further, since many NEPAs are exempt from tax, it is not clear how many NEPAs have

been audited. Considering that there are altogether over 8 000 shipping and NEPA companies in Greece and the tax law requirements are the primary requirement for meeting the international standard on accounting records, it is recommended that Greece ensure that accounting information with underlying documentation is always available in respect of all shipping companies and NEPAs in line with the standard.

182. Overall, it can be concluded that Greek tax authorities audit system provides for an adequate level of supervision in respect of obligations to maintain accounting records for most types of entities in Greece.

Availability of accounting information in EOIR practice

183. During the review period, Greece reported having received 62 requests for accounting information. Greece was able to provide responses in 49 cases and the peers expressed satisfaction in all these cases. Greece, was in the process of answering one more request. In the other 12 cases, Greece reported that the information provided by the requesting jurisdiction was unclear to allow proper identification of the taxpayer. Clarifications had been sought from the requesting jurisdiction in these cases and Greece was in communication with the treaty partner to identify the taxpayers in order to obtain and provide the requested information.

A.3. Banking information

Banking information and beneficial ownership information should be available for all account holders.

184. The 2013 Report had found that the legal and regulatory framework in respect of element A.3 was in place and the element was rated “Compliant”. Since the 2013 Report, the erstwhile AML Law 3691/2008 has been replaced by the new AML Law 4557/2018 which fully incorporates the 4th EU AML Directive and partially incorporates the 5th EU AML Directive.

185. Bank of Greece is in charge of overall supervision and enforcement of the AML obligations that are applicable to all credit and financial institutions. Thus, all banks’ compliance with the AML Law 4557/2018 is under the direct supervision of Bank of Greece. In respect of CDD and the obligations to identify and maintain up-to-date beneficial ownership information on all customers, the previous AML law provided for essentially the same requirements as the new law except for the definition of beneficial owners in the new law, which is now fully in line with the standard. The record retention requirements are also in line with the standard.

186. The Greek Tax Administration maintains an in-house database of banking information, which has been specially developed to enable ready availability of substantial banking information on a significant number of accounts.

187. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

A.3.1. Record-keeping requirements

Availability of banking information

188. Banks are required to maintain banking information on all their customers in compliance with the obligations of keeping all records of transactions on customer accounts as per Law 4557/2018 as well as the Bank of Greece regulations. Banks are required to retain all necessary documentations on all kinds of transactions of their customers for at least five years following the end of business relationship or completion of an occasional transaction. Banks are also required to retain all information obtained through the CDD measures, including customer identifications, business correspondence, and internal documents concerning any decisions taken within the bank for at least five years following the end of a business relationship or the execution of occasional transaction. Banks are further required to retain originals or copies of the legal documents necessary for the identification of the transactions, and their record-keeping procedures should ensure reproduction of information on identification and transactions of customers, for the banks to respond to requests for information by the Competent Authorities. Banks are required to ensure that all the aforementioned documentations of all kinds of transactions and on CDD information are available swiftly to the competent authorities.²¹

189. Since 12 December 2013, Greece has established a Registry of Bank Accounts and Payment Systems to facilitate the process of requesting for banking information from the Tax Administration.²² Through this Registry, tax auditors can submit requests for information to banks which are obliged to provide the requested information within 24 hours.

21. L.4557/2018, Article 30; BCC Decision 281/2009, Article 7; PISC Rule 154, Article 13.

22. Article 62 of Law 4170/2013 transposing Council Directive 2011/16/EU and other provisions and article 5 of Ministerial Decision 1258/31.01.2013 as in force.

190. Further, the Greek Tax Administration has also put in place the Special Property Enhancement Control Software which is a database of about 1.2 million TINs and contains bank account information for these TINs from 2002 to 2014. Banks have provided data into this secure database for all deposit accounts (savings, sight, current and term), granting accounts (loan accounts, overdraft accounts and credit cards) and investment accounts (all kinds of portfolios of investment products and securities, such as mutual funds, bonds, shares, banknotes, derivatives and repos). Further, information is also available on analytical movements and major transactions on these accounts, start-end balances, account details and account holders and co-holders in case of joint accounts. This mechanism has recently been institutionalised by introducing the Software into Law 4583/2018. With this becoming a legal requirement, the Greek Tax Administration has plans to expand the coverage of the database to periods beyond 2014. While this database is not exhaustive on its own, as it does not contain full year account statements, it does provide substantial information on a large number of accounts. Based on this information, Greek tax authorities can ask for further specific details from banks, including the bank statements. Furthermore, they can carry out further audit verifications to establish details about beneficial ownership of joint accounts. Greek authorities have informed that the information in the software is meant to be kept fully in line with the EU General Data Protection Regulation with data protection and privacy requirements in line with the Regulation.

Beneficial ownership information on account holders

191. The standard as strengthened in 2016 specifically requires that beneficial ownership information be available in respect of all account holders. As noted in the discussion under A.1, the definition of beneficial owner under Law 4557/2018 in respect of banks' dealings with their customers is in line with the standard. Where the customer is a company, the definition requires the identification of beneficial owners on the basis of ownership interest or on the basis of direct or indirect control, including through other means. In case no beneficial owner can be identified, the senior management person needs to be recorded as beneficial owner. Further, in respect of trusts or similar legal arrangements carrying out functions similar to those of a trust, the definition of beneficial owner specifically requires the identification of the settlor, the trustees, the protector (if any), beneficiaries or class of beneficiaries and any other person exercising ultimate effective control over the trust.

192. Customer due diligence is dealt with in Chapter C of the AML Law covering articles 11 to 19. Article 11 prohibits banks from keeping secret, anonymous or only numbered accounts, anonymous passbooks, anonymous safety deposit boxes, accounts under fictitious names or accounts that do not contain the full name of their beneficiary as per the identification documents

or the Greek TIN or the tax identification number of the country of tax residence of such a customer. If the customer does not belong to a country with whom Greece has an information exchange agreement, such a customer is required to obtain a Greek TIN before the bank account can be opened.

193. Article 12 requires banks to apply due diligence when establishing a business relationship with a customer.²³ Banks are required to monitor their customers and whenever there are doubts about the veracity or adequacy of the previously obtained information, they must obtain the information from their customers to suitably identify and verify the customers or beneficial owners. Banks are required to independently verify the documents submitted by the customer based on their own risk assessment of the customer and not rely only on the information provided in the Beneficial Ownership Register set up under article 20 of the AML law. Article 13 paragraph 1 requires that banks must identify their customers and verify the identity of the customers on the basis of documents, data or information obtained from a reliable and independent source. Moreover, para 7 of the same article requires that obliged persons apply, at the appropriate time and depending on the risk, due diligence procedures not only to new customers but also to existing customers. When the customer acts through an authorised person, banks are required to confirm and verify the identity of the said authorised person as well. Bank of Greece clarifies further in the AML/CFT regulatory framework that banks review and update the CDD on existing customers depending on the customer's risk profile on an ongoing basis. Specifically, banks are required to review on a regular basis or whenever there are triggers indicating a change in the customer risk profile, the data in their possession and, at least on an annual basis, the data on high-risk customers. Such risk triggers indicating a change in the customer's risk profile, include a transaction that appears different from usual or there is a substantial change in customer data or legal status like an obvious change in ownership structure, capital, registered shareholders or beneficial owners, registered address, name or activities. As an additional control for high-risk customers, banks are required in the context of enhanced CDD to update and re-evaluate the customer's profile at least once every year. The minimum timeframe for frequency of updating beneficial ownership information does not extend to customers not considered high-risk. For medium or low risk customers the frequency of KYC information update is defined by the banks, on a risk based basis, within their AML policies and procedures, which Greece authorities inform, in practice, does not exceed 3 years cycle for medium risk and 4-5 years for low risk customers, given of course that no other triggers for CDD update have arisen.

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23. CDD must also be applied when enabling an occasional transaction in excess of EUR 15 000 whether carried out in a single operation or through multiple operations that appear to be linked, or for a transfer of funds in excess of EUR 1 000.

Since the time frame for updating CDD for accounts not considered high risk is not explicitly mentioned and varies across banks depending upon their internal policies, there could be situations where beneficial ownership on accounts not considered high-risk is not updated. Greece should clarify how often CDD information for normal or low-risk customers should be updated by banks (see Annex 1).

194. Article 14 provides that although CDD obligations should be completed before the conclusion of a business relationship with a customer or executing a specified transaction, provided the customer is identified, the verification procedures can be completed at the earliest even after commencement of business relationship with a customer. Further, banks are permitted to open an account for a customer without completion of all the CDD requirements provided there are adequate safeguards in place to ensure that the customer is unable to carry out any transaction, either itself or through someone on its behalf. Article 13 categorically states that inability to comply with the required CDD should result in the bank denying the execution of a transaction, refusal to enter into a business relationship with the customer or terminating the business relationship.

195. Banks are further required to identify the beneficial owner of a legal person or arrangement in line with the definition of beneficial owner as provided for in the Law. In respect of trust or any similar legal arrangement, banks are required to take reasonable measures to understand the ownership and control structure of such a customer.

196. Article 15 permits the application of simplified CDD in cases where after obtaining sufficient information about the business relationship, banks are able to conclude that the customer is low risk. Even in such cases, beneficial ownership information is to be obtained, except that the same is not required to be verified with the same level of rigour as in normal or enhanced CDD. Enhanced CDD would be required under situations wherein a bank's assessment a customer is high-risk. Determination of risk is dependent on the types of customer, geographic areas from where they come, and on the type of products, services or transactions they seek from the bank.

197. Article 19 permits banks to rely on a third party to perform CDD measures for identification of the customer and the beneficial owner. However, the ultimate responsibility for CDD measures remains with the bank. Only defined types of financial institutions (credit institutions, investment firms, mutual funds, and insurance companies), which are located in a EU or FATF member state, can be considered as “third party” on whose CDD a bank may rely on while on-boarding a customer. Banks must obtain from the third party all information regarding the customer and beneficial owner. Bank of Greece regulations for banks require that CDD information from third party must always be obtained.

Oversight and enforcement

198. Bank of Greece has powers to impose sanctions for banks' failure to comply with the AML/CFT requirements. Sanctions range from fines (up to EUR 5 million for banks, and EUR 1 million for employees including board members) to withdrawal of authorisation, or removal of the persons.²⁴

199. Bank of Greece conducts both offsite supervision and on-site inspections. Each supervised institution is risk assessed offsite on an annual basis. The results of the annual off-site risk assessment provide the basis for formulating the supervisory strategy, including on-site inspections programme, off-site supervisory actions and allocation of supervisory resources. The individual off-site risk rating along with any additional information and red flags pointed out by the examiners (e.g. specific deficiencies on the AML compliance function identified in previous inspections, emerging risk factors) are taken into account in order to properly decide on the supervisory actions and the allocation of AML/CFT supervisory resources, including decision about the focus, depth, duration and frequency of on-site and off-site activities, and supervisory staffing needs. One of the basic areas of supervisory focus of both off-site and on-site is financial institutions compliance with CDD and record-keeping obligations. Greece reported that the Bank of Greece had conducted a total of 56 on-site inspections between 2012 and mid-2018 specifically focussing on CDD measures applied by credit and financial institutions, AML risk assessment, organisational arrangements, IT systems and other areas of AML/CFT. From 2016 to 2019, a total of 19 on-site inspections have been conducted. On-site inspections identified several breaches for which monetary fines were imposed and a wide range of corrective measures were imposed and were followed up through time-bound off-site monitoring and assessment.²⁵ However, deficiencies pertaining to BO identification and record-keeping were generally rare and wherever identified, were promptly corrected by the financial institutions.

24. L.4557/2018, Articles 45 and 46, L.4261/2014, Articles 56 to 59, L.4364/2016, Articles 3(10) and 19(6), BCC Decision 290/2009, PISC Rule 154/2009, Article 19.

25. The FATF Mutual Evaluation Report of 2019 for Greece notes 46 on-site inspections on banks where a total of 127 breaches in respect of a variety of AML/CTF provisions were noted. Greek authorities have informed that these breaches were not repeated failures on the same issues, but different breaches on various provisions of the AML legislation. In respect of ML/TF Risk assessment, 22 breaches were noted, while in respect of enhanced CDD measures another 22 breaches were identified. Banks were followed up for prompt corrective action.

Availability of banking information in EOI practice

200. In practice, Greece has reported receiving 23 requests for banking information during the review period. Greek authorities have informed that they were able to respond to most of the requests. However, two peers pointed out that they are still awaiting banking information requested in two cases (one each). Both peers acknowledge that the Greek authorities have been in constant touch with them and are providing regular status updates in these cases. Greece has recently informed that in one of these two cases all of the information has been provided recently except for some specific details sought in respect of banking transactions above a threshold, while in the other case a partial response has been given recently. Some peers have observed that in general where there was a delay in responding to a request by the Greek authorities, it is in respect of banking information requests. Greek authorities have informed that there is no systemic issue in the availability of banking information. The occasions where there has been some delay in obtaining such information has been due to the volume of the information that had to be gathered. Greek authorities have informed that on some occasions they had to obtain such information from multiple banks and bank accounts in respect of multiple taxpayers.

Part B: Access to information

201. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information, and whether rights and safeguards are compatible with effective EOI.

B.1. Competent authority’s ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

202. The 2013 Report concluded that Greece had the relevant access powers in order to obtain and provide information for exchange of information purposes, regardless of domestic tax interest or professional secrecy. The Competent Authority relies primarily on the Tax Audit Directorate in order to obtain the requested information. Tax auditors have wide-ranging access powers to access information in the process of a tax audit, like directly accessing GEMI database or seeking the information from other governmental agencies, from the taxpayer or from any other third parties.

203. Since the 2013 Report, there have been no significant changes in the access powers of Greek Tax Authorities even as the Tax Procedure Code (TPC) has been recast.

204. During the period under review, in most cases, the Greek authorities opened a tax audit to answer EOI requests. The tax administration has not failed to access the requested information because of any issues with its access powers. The inputs received from peers suggest no major issues in this respect, even though some delays in the answers were noted. Greece has put in place a system of prioritising tax audits arising from EOI requests from January 2019 to improve the timeliness of its responses to peers.

205. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

B.1.1. Ownership, identity and banking information

206. The Directorate of International Economic Relations (DIER) of the IAPR is the competent authority of Greece. The Greek competent authority directly answers an EOI request if it has direct access to the information requested. In most cases, it sends the EOI request to the appropriate tax office (see C.5.2).

Information in the hands of the tax authorities

207. The Greek tax authorities can directly access ownership and accounting information contained in its internal databases and in the taxpayers' files. These databases and files are fed by the information provided by the taxpayer or the third parties in compliance with their reporting obligations.

208. The tax authorities can also directly access the GEMI database for the legal ownership and accounting information that is available with GEMI. Further, tax authorities have been granted direct access to all information with the Central BO Register (Central Register of Beneficial Owners) (Art. 29 of the TPC).

Accessing information from another government agency, a taxpayer or a third party

209. If the information is not directly available in the hands of the tax administration, the Greek tax authorities can use, mostly in the context of a tax audit, the following access powers in order to obtain information:

- power to obtain a copy of books and records and other documents kept by the taxpayer (Art. 24 para. 1 and 2 of TPC). The tax authorities also have the power to seize books and records kept or maintained in accordance with the tax law and any other unofficial books, records, documents or data if they have any evidential value
- power to request information from the taxpayer (Art. 14 of TPC)
- power to request information from the other governmental authorities, including the judicial authorities, or from public organisations

or companies (Art. 15, paragraph 1 of the TPC). However, if the requested information or documents are in relation to a criminal case pending before the judicial courts, a prior written authorisation from the competent Prosecutor is required before the communication of the information or the documents to the tax authorities (article 15, para. 2 TPC) (although during the review period, this procedure was not required to be followed)

- power to request information from any other third party, such as financial institutions, collective investment organisations, notaries, lawyers (article 15, para. 3 TPC). However, if the third party is subject to professional secrecy and the requested information goes beyond the information about the financial transactions between the third party and the taxpayer, an authorisation of the Prosecutor is necessary in order to obtain this information
- power to visit the taxpayer’s professional premises. Entry into the taxpayer’s residence is also permitted but only under an order of the Competent Prosecutor, and the audit is conducted in the presence of a judicial officer (article 25 TPC).

210. In practice, the Greek Competent Authority answers an EOI request directly only if the requested information is entirely available in the internal tax databases containing the tax registration information. Therefore, the competent authority usually transfers the EOI requests to the relevant local tax auditor which will then be in charge of gathering the information. Requests are transferred to the local competent tax office if the taxpayer or the holder of the information requested can be clearly identified by the Competent Authority. This means that the information provided in the EOI request is enough for identifying without any doubts the taxpayer or the information holder.

211. The Competent Authority also has the option of using the services of another agency – the Audit and Insurance for Public Revenue Authority. This service was created in 2014 and it has replaced, in some of its missions, the Financial and Economic Crime Unit (SDOE), referred to in the 2013 Report. In practice, the Audit and Insurance Service receives the EOI request from the Competent Authority if it is not possible to identify the Local Tax Office which is in charge for the specific taxpayer. For instance, the Audit and Insurance Service would receive an EOI request on banking information if the Greek bank and/or the Greek bank account is clearly identified, whereas the taxpayer is not.

212. When the EOI request is transferred by the Competent Authority to the appropriate tax office, a tax audit procedure is opened under article 23 of the TPC in most cases. This procedure of tax audit allows the tax auditors to use their access powers listed above in paragraph 209. A tax audit may

be performed on all taxable persons (legal and natural persons) as well as legal entities (i.e. legal arrangements) in Greece. If the holder of information in Greece is not a Greek taxpayer, the Greek tax administration can use its access power to obtain information from third parties (article 15, paragraph 3 of the TPC).

213. In the context of an on-the-spot tax audit, the tax auditor must have a prior written order and must present this order to the taxpayer before the tax audit begins. According to article 25 of the TPC, this order contains the following information: date and reference number of the order, the name of the tax auditor(s), the name, address and tax identification number (if any) of the taxpayer, the tax period and the categories of taxes covered by the tax audit, the duration of the tax audit and the scope of the tax audit (“full” or “partial”). After the issuance of the prior order, the tax auditor can use all the access powers described above to gather the information.

214. As soon as the local tax audit office gathers the information requested, it communicates this information to the Competent Authority, even if the information gathered only partially answers the EOI request. However, some cases might require the final completion of the tax audit, in particular for the cases where the accuracy of the information gathered must be double checked by the tax administration. In such cases, the information would be transferred to the Competent Authority only after the completion of the tax audit.

215. The timeline for each step of the tax audit procedure is contained in the “Handbook of selected operational procedures of IAPR’s Directorates” attached to an administrative document (from the General Directorate of Electronic Governance and Human Resources) issued in 2018. According to the Greek tax authorities, the average duration for a tax audit is between two and four months, depending on the complexity of the case, i.e. less than 180 days.

216. However, this procedure can sometimes delay the exchange of information. The tax audits opened for answering EOI requests are in addition to the other tax audits for domestic purposes that the tax auditors must perform. Therefore, in order to improve the timeline for gathering the requested information, the Director of the IAPR has issued, in 2019, a decision for giving the priority to the treatment of the incoming EOI requests over the other planned audits of the local tax office. Further, the Greek Competent Authority has also advised the local tax offices to follow the practice of exchanging as much information as is available to them at the earliest so that at least partial information can be communicated to the treaty partner, even though the domestic tax audit has not been fully completed.

217. Although peers did indicate that on some occasions there were delays in receiving responses to their requests, they were generally satisfied with the quality of responses received and did not raise any issues in relation with the procedure of tax audit or use of access powers by Greek authorities.

Accessing beneficial ownership information

218. In most cases, the tax administration first uses the GEMI in order to access ownership information. As this register does not contain comprehensive information on beneficial ownership, the information gathered through this register is usually checked with the information held by the obliged persons under AML laws, in particular the financial institutions, or with the information kept by the entities.

219. With the new AML law establishing the Central BO Register, the tax authorities will be able to access beneficial ownership information directly through the BO Register as their first source of BO information. This register has been operational since July 2019, but it is currently suspended for examining the legal interpretation of the scope of the information which must be reported and pending decisions on reporting obligations of certain entities (public services/enterprises and religious entities). Technical issues identified earlier have been resolved (see para. 98). The BO Register is likely to be fully operationalised from 1 October 2020. Once the BO Register is fully operationalised, this will be the main source of BO information for the Greek Tax Authorities.

220. During the period under review, the Greek competent authority received six requests on legal ownership information and beneficial ownership information was not requested. The legal ownership information was gathered and exchanged in all cases. For those cases, the Greek tax authorities used the GEMI database and requested the information directly from the taxpayer.

Accessing banking information

221. In the context of a tax audit or for the collection of the tax debts, the Greek tax authorities can request information or documents from other third parties, in particular from financial institutions (Art. 15, para. 3 of the TPC). The tax audit service can send a request, either written or electronically, which must be answered by the financial institution within 10 days of receipt. In complex cases, the deadline may be extended by another 20 days. While this is the usual process, in some cases, due to the volume of banking information sought, in practice, it has taken longer than the prescribed timeline to obtain and exchange information. Moreover, according to article 15, paragraph 4 of the TPC, the Secretary General of the IAPR may adopt a

Decision laying down certain categories of persons obliged to provide information automatically on their financial transactions with the taxpayers, the terms and conditions of such information and the details of such information. Decision 1033/2014 is such a Decision, according to which, third parties including financial institutions, submit annually information on their clients. For financial institutions this information includes interest, loans, credit cards and it is transmitted in an automated and systematic way, on a set date.

222. The requests of the tax auditors to the banks may be submitted electronically through the Registry of Bank Accounts and Payment Accounts (article 62 of Law 4170/2013). The electronic request must indicate the number of the tax audit order (to justify that the request is being made in the context of a tax audit) and the TIN of the taxpayer under the audit. Banks must reply electronically within 24 hours, with the information on the accounts in which the TIN participates or participated in the last 10 years. This information includes the account numbers, the opening and closure dates of those accounts and their current balances. This Registry also provides for the possibility of requesting and receiving detailed transactions of payment accounts for the past 10 years. Since March 2019, it is also possible to submit an electronic request for loan products and for a specific period of time for all transactions of the product concerned, which affect the accounting balance of the product. For obtaining detailed information on transactions, separate requests are required for each account and for each year. Banks are expected to reply within 48 hours for such requests. This exchange of information between the Greek tax authorities and the Greek financial institutions is made through asymmetric encryption procedures to ensure the confidentiality of data.

223. Moreover, the tax administration has created a specific internal tool for enhancing the use of financial data in the context of opened tax audits and for risk analysis purposes. This tool, named Special Property Enhancement Control Software (My_H@nDs.gr) has been operational since March 2017. It contains comprehensive electronic data on different categories of accounts (deposit accounts, granting accounts and investment accounts). In particular, it contains information about the account balances, the transactions recorded on the accounts (broken down into 47 pre-defined different categories of transactions), details on the category of account and/or on financial product held on the account and the information on the account holder and co-holders in case of a joint account. This database can be accessed by the tax auditors, either by entering the TIN or other identification information of a taxpayer or by processing risk analysis queries. The Special Property Enhancement Control Software, which contains the data provided automatically by the financial institutions, gives to the tax auditors the ability to access directly comprehensive banking information. This internal database has initially contained information related to the taxable periods between 2002 and 2014. According to a recent law (article 57 of the Law 4583/2018 creating the article 62B of the

Law 4170/2013) this database will be broadened to the years following 2014. To date, the banking information about more than 1 200 000 unique persons, identified by their TIN, is included in this database.

224. The Greek competent authority indicated that although an EOI request can be handled more efficiently if sufficient identification details are provided, the name of the taxpayer or of the bank is not mandatorily required. In the case where only a bank account number is provided, the competent authority will transfer the EOI request to the Audit and Insurance Service for further identification and investigations.

225. During the period under review, the Greek Competent Authority received 23 requests on banking information. The information was gathered and exchanged in all cases (although partially in one case). Some peers raised an issue of delayed answers in relation with banking information. According to the Greek authorities, such delays do not relate to any specific type of information requested but depends upon the complexity and the volume of the requested information. In the one case of banking information which is still pending, bank statements have already been provided. However, the requesting jurisdiction had asked for further evidence regarding every single transaction above a specific threshold. This additional information was being gathered.

B.1.2. Accounting records

226. Usually, accounting information is partially available in the hands of the tax administration through the taxpayer's tax returns and the information provided through GEMI. If the requested information is not directly available to the tax administration, it can use the access powers in section B.1.1 to obtain this information directly from the taxpayer (article 14 of the TPC) or from the relevant third party (article 15 of the TPC).

227. During the period under review, the Greek competent authority received 62 requests on accounting information. The information was gathered and exchanged in 49 cases and Greece was in the process of answering for one more case. In the other 12 cases, clarifications had been sought from the requesting jurisdiction for the identification of the taxpayers. The peers did not raise any issue on this point.

B.1.3. Use of information gathering measures absent domestic tax interest

228. The 2013 Report concluded that the Greek authorities could use their access powers regardless of whether Greece needed the information for its own domestic tax purposes or not. The legal framework of the access powers of the tax administration has changed since the 2013 Report but no domestic tax interest has been introduced.

229. In particular, even if a tax audit has already been completed for a specific taxpayer, nothing prevents the Greek tax authority to open a new tax audit for the same taxpayer and the same taxable period for using its access powers in order to reply to an EOI request.

230. In practice, Greece has been able to exchange information on which Greece had no domestic tax interest (for instance for non-resident persons without tax liability in Greece) and the peers did not raise any issue in relation with any domestic tax interest limitation.

B.1.4. Effective enforcement provisions to compel the production of information

231. Greece has in place effective enforcement provisions to compel production of information. In case of failure by the taxpayer or a third party to their obligation to reply to the Greek tax administration's request for information, the TPC provides for the following sanctions (article 54, para.1(d)):

- EUR 100 in cases where the taxpayer is not required to keep accounting books
- EUR 250 in cases where the taxpayer is required to keep books and records on the basis of simplified accounting standards
- EUR 500 in cases where the taxpayer is required to keep books and records on the basis of full accounting standards.

232. When such offence is committed a second time within five consecutive years, the fine is doubled, and for each subsequent offence within that time, the fine is quadrupled (article 54, para.3).

233. Within the context of AML legislation (Law 4557/2018), administrative fines are imposed upon the obliged persons in cases of infringements with respect to their obligations (article 45 of this law).

B.1.5. Secrecy provisions

Bank secrecy

234. In Greece, banks are subject to secrecy requirements. The Credit institutions (CIs) are subject to bank secrecy provision in relation to the deposits (Legislative Decree 1059/1971, article 1(1)). Other non-banking financial institutions are subject to general professional secrecy legislation (Law 4261/2014, Art. 54). However, bank secrecy may be lifted for cases provided by law. In particular, the obligation of secrecy will not apply for exchange of information between the financial institutions and some governmental authorities such as the tax administration (in particular on the basis

of the article 15, para. 3 of the TPC), the FIU or the authorities in charge of the banks' supervision.

235. In practice, bank secrecy has never been opposed to the tax administration for either domestic or EOI purposes. The representatives from the banking sector confirmed that they are used to provide information and to fully co-operate with the tax administration. The peers did not raise any issue in relation to bank secrecy.

Professional secrecy

236. The 2013 Report concluded that the specific professional secrets applied for lawyers, accountants and notaries did not impede the effectiveness of the exchange of information by Greece. The references in the legal framework have changed since the 2013 Report, but the content of the relevant provisions is similar.

237. Article 371 of the new Criminal Code (Law 4619/2019) provides for a general professional secrecy, applicable for the lawyers and for other legal representatives, such as the accountants and notaries for instance. This professional secrecy is broad and applies to all the information that the professionals can obtain during the practice of their activity. The professional secrecy of the lawyers is also defined in article 233 of the new Criminal Code. The principle of the professional secrecy of the accountants is also stated in articles 24 and 41 of Law 4449/2017.

238. The professional secrecy of the notaries is further defined in the Notaries Code (Law 2830/2000, article 13), in the Civil Procedure Code (Presidential Decree 503/1985, articles 400 and 401) and in the new Code of Criminal Procedure (Law 4620/2019, article 212). However, in Greece, the notaries are subject to several requirements to disclose the information in relation to deeds they drafted, for instance on the transactions of immovable properties or moveable assets.

239. The tax administration can override all these professional secrets by applying its access power provided by article 15, paragraph 3 of the TPC. However, paragraph 5 limits this access power to the information on the financial transactions between the third party subject to the professional secrecy and the taxpayer. In order to obtain further information covered by the professional secrets from the third party, the tax administration must obtain an authorisation from the competent Prosecutor. Greek authorities have informed that so far there has never been an instance where they had to approach the Prosecutor to seek information from an information holder covered by a secrecy provision. However, they were confident that even the authorisation from the Prosecutor could be obtained at short notice within a week if such a situation were to arise. Moreover, lawyers and accountants are

not the usual source of information for exchange of information in Greece because they are not involved in the life process of the entities or legal arrangements.

240. According to the Greek Competent Authority and the inputs provided by the peers, this limitation in the Greek access powers has never impeded the effective exchange of information in practice during the period under review. Indeed, these professions subject to the secrecy rules are not the main source of information to answer the EOI request. The representatives of these professions have confirmed that they generally co-operate with the Greek tax administration, both for domestic and EOI purposes.

B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

241. The 2013 Report found that the rights and safeguards applicable to persons in Greece were compatible with effective EOI. Greek law does not provide for any prior notification rights for the person covered by a request for information. The rights applicable in the context of the on-the-spot tax audit include a prior order sent to the taxpayers in order to inform them of the opening of the tax audit. The taxpayers are informed of the existence of an EOI request after the completion of the tax audit, when the tax audit report is sent. However, the Greek tax audit services can avoid the disclosure of this information to the taxpayer if requested by the requesting competent authority. Moreover, even if the taxpayer can challenge the tax audit report, this cannot block the EOI in practice.

242. Therefore, the notification requirements, rights and safeguards in Greece are found compatible with an effective exchange of information. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

B.2.1. Rights and safeguards should not unduly prevent or delay effective exchange of information

Notification

243. The Greek law does not require notification of the persons concerned prior to or after providing the requested information to the requesting jurisdiction. Moreover, the Greek tax authorities do not have to inform the information holder about the purpose of the domestic request for information while seeking the information.

244. In practice, as described above, the Greek tax authorities would open, in most cases, a tax audit to gather the requested information from a Greek taxpayer. For limited audit or limited on-the-spot tax audit,²⁶ there is no requirement for the tax auditor to inform the person subject to the tax audit procedure (referred below as the “taxpayer”) about the impending audit. On the contrary, in case of a full on-the-spot tax audit, the tax procedure requires the issuance of a prior written notice in order to inform the taxpayer of the impending tax audit (article 23, paragraph 2, (b) of the TPC). In all cases (limited or full on-the-spot tax audit) the tax auditor must present an audit order to the taxpayer. As described in section B.1.1 above (para. 213), this audit order contains information about the scope of the tax audit (Art. 25 of the TPC). The reason for opening the tax audit is not communicated to the taxpayer. Therefore, when a tax audit is opened to answer an EOI request, the taxpayer is not informed that it is being opened for gathering information requested under EOI. Nevertheless, upon completion of the tax audit, the tax audit report is communicated to the taxpayer. This tax audit report does provide the reason for the tax audit and it is at this stage the taxpayers would know that the tax audit has been conducted in order to respond to an EOI request. However, Greek authorities have informed that the Greek tax auditors can remove this information from the tax audit report, if the requesting jurisdiction has requested not to inform or alert the taxpayer. In this case no notification takes place, i.e. there is no post-exchange notification.

245. The Greek Competent Authority has informed that there is no legal requirement for the tax audit to have been completed before the gathered information is communicated to the Competent Authority for exchange with the requesting jurisdiction. Hence, tax auditors can communicate the gathered information even prior to the issuance of the tax audit report to the taxpayer. However, as a matter of practice, tax auditors finalise the tax audit before transmitting the collected information to the Competent Authority’s

26. A full audit is performed for all taxations and all tax items as well as for contributions and fees. A limited audit is the one that does not have the above elements of a full audit and focuses on some specific issues.

office. This is done to ensure the accuracy of the collected information. Greek authorities informed that they have asked the tax auditors to transmit the gathered information at the earliest to the Competent Authority's office unless there are concerns about the information's accuracy till the finalisation of the tax audit.

246. As noted in the 2013 Report, financial institutions cannot inform their clients that information has been requested from them by the tax authorities before, during or after the exchange of information has taken place. The only situation where financial institutions can inform their clients is when they have proceeded to freeze any accounts held by their clients. The representatives of the banks have confirmed that they do not inform their clients of the reason of the communication of information to the tax administration. In any case, while seeking information from financial institutions, tax auditors do not specify that the information is being sought to answer an EOI request.

Appeal rights

247. Obtaining and providing the requested information cannot be appealed in Greece. Greek authorities have confirmed that while the taxpayer can challenge the tax adjustment resulting from a tax audit, Greek law does not provide for any appeal right against the exchange of the information gathered during the tax audit or otherwise. Greek authorities can proceed to share the collected information regardless of any appeals against the tax adjustments made during tax audits. In practice, there has not been any instance where a taxpayer has challenged the exchange of information before a court to prevent such exchange. Greece has more than three decades of experience in EOI and such a situation has never arisen. Nevertheless, Greek authorities clarified that in case of appeal against a tax adjustment arising from an EOI request related tax audit, if the EOI request letter is demanded by the taxpayer, the same would be disclosed to the taxpayer only after a consultation with the requesting competent authority.

Part C: Exchanging information

248. Neither the Greek Competent Authority nor its EOI partners reported having experienced practical difficulties with the application of rights and safeguards.

249. Sections C.1 to C.5 evaluate the effectiveness of Greece’s network of EOI mechanisms – whether these EOI mechanisms provide for exchange of the right scope of information, cover all Greece’s relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether Greece’s network of EOI mechanisms respects the rights and safeguards of taxpayers and whether Greece can provide the information requested in an effective manner.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

250. The 2013 Report noted the variety of instruments – bilateral and multilateral agreements as well as EU Directives and Regulations – through which Greece can exchange information for tax purposes and also provide assistance in tax administration. The 2013 Report concluded that Greece’s network of EOI mechanisms was generally in line with the standard. It was noted, however, that the ratification process of Greece’s EOI arrangements could take several years and was delayed on some occasions. As a result, while legal and regulatory framework for element C.1 was determined to be in place, the element was rated Largely Compliant.

251. Since the last review, Greece has signed three new DTCs and two of them have entered into force.²⁷ A new protocol to the DTC with Switzerland has also been entered into force in 2013. These new EOI arrangements have been ratified by Greece promptly as the process of ratification took less than one year after signing. Therefore, the recommendation in relation with

27. DTC with San Marino (in force), Singapore and the United Arab Emirates (in force).

Greece’s ratification procedure timeline can be removed and the rating is upgraded to “Compliant”.

252. Greece currently has a broad network of EOI agreements in line with the standard, covering 137 jurisdictions through 59 bilateral agreements, the EU Directive and the Multilateral Convention. Greece’s interpretation of “foreseeable relevance” is in line with the standard. This was also confirmed by peers.

253. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

Other forms of exchange of information

254. In addition to exchange of information on request, Greece also exchanges information spontaneously, but to a lesser extent.

255. Greece is also involved in automatic exchange of financial account information. The first exchanges took place in September 2017. Country-by-country reporting (CbCR) from large enterprises are also being exchanged automatically with treaty partners since June 2018.

256. As of 1 January 2017, Greece implemented Directive 2015/2376/EU pursuant to which information on rulings is exchanged automatically with other EU member states.

257. Greece is currently implementing the EU Directive 2018/822/EU pursuant to which information on cross-border arrangements will be exchanged automatically with other EU member states from 1 July 2020. The transposition of the Directive is currently going on and the draft law will be placed before the Parliament shortly.

C.1.1. Foreseeably relevant standard

258. Exchange of information mechanisms should allow for exchange of information on request where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction.

259. The three DTCs as well as the protocol with Switzerland entered into by Greece since the 2013 Report are in line with the standard of foreseeable relevance.

260. Moreover, the Greek domestic law (article 29 of the Tax Procedure Code (TPC) states that the international mutual administrative assistance is always provided for in accordance with the latest update of Article 26 of the OECD Model Tax Convention. This provision ensures that Greece interprets systematically its EOI instruments, even the ones departing from the last wording of the Model, in line with the EOIR standard.

Clarifications and foreseeable relevance in practice

261. The Greek competent authority, when assessing the foreseeable relevance of a request received, does not require specific material. During the assessed period, Greece did not decline a request for lack of foreseeable relevance.

262. If needed, some requests for clarifications are sent to the requested jurisdiction to get further information. The competent authority sent 22 requests for clarifications, but mainly for obtaining further details on the identification of the taxpayer,²⁸ rather than for challenging the foreseeable relevance of the received request.

Group requests

263. None of Greece's EOI agreements or domestic law contain language prohibiting group requests. In accordance with article 29 of the Tax Procedure Code, Greece interprets its agreements and domestic law as allowing it to provide information requested pursuant to group requests in line with Article 26 of the OECD Model Tax Convention and its commentaries.

264. Greece has not received group request during the assessed period. The competent authority has indicated that no specific process is in place for the treatment of group requests. Such group requests would be treated in a same way as individual requests.

C.1.2. Provide for exchange of information in respect of all persons

265. All of the EOI relationships of Greece allow for exchange of information for all persons, whether or not they are tax resident in the requesting jurisdiction or Greece. In practice, during the period under review, there was no instance where Greece, refused to exchange information on the basis that

28. As explained in the 2013 Report, since the spelling of the Greek name of the taxpayer can be written in many different ways in other languages, the taxpayer's TIN is an essential information for the Greek authorities to work to speed up the gathering of the requested information. If the TIN cannot be provided, all other identification information can be useful for identifying the relevant person.

the person of whom the information being requested was not covered by the EOI provision of the agreement. No issue in this respect was raised by peers.

C.1.3. Obligation to exchange all types of information

266. All of the EOI relationships of Greece allow for exchange of all types of information, including bank information, information held by a fiduciary or nominee, or information concerning ownership interests.

267. During the period under review, Greece received 23 requests for banking information. There was no case where the requested information could not be provided and the practice of Greece conforms to the standard. No issue has been reported by peers in this respect.

C.1.4. Absence of domestic tax interest

268. EOI partners must be able to use their information gathering measures even though invoked solely to obtain and provide information to the requesting jurisdiction. The 2013 Report found that most of Greece's DTCs were old treaties and do not include the wording of the Article 26(4) of the OECD Model Tax Convention. It also noted, however, that there were no domestic interest restrictions on Greece's powers to access and exchange information.

269. All the EOI instruments signed or amended by Greece after 2005 include the Article 26(4) of the OECD Model Tax Convention. Greece confirms it would propose a similar provision in any new or renegotiated DTC. Moreover, most of Greece's EOI partners are covered by the MAC or the EU Directive which are in line with the standard. During the period under review, Greece has never declined a request for the reason of the absence of domestic tax interest and no issue has been reported by peers in this respect.

C.1.5 and C.1.6. Civil and criminal tax matters

270. None of Greece's EOI instruments apply the dual criminality principle to restrict exchange of information and all provide for EOI in both civil and criminal tax matters.

271. There has been no case during the reviewed period where Greece declined a request because of a dual criminality requirement or because it was in relation with criminal tax matters. Peer input raised no issues in this respect.

C.1.7. Provide information in specific form requested

272. There are no restrictions in Greece’s EOI agreements or domestic laws that would prevent it from providing information in a specific form. During the review period, Greece reports that it provided information in the specific form requested by partners, if so indicated. No peers raised any concerns.

C1.8 and C.1.9. Signed agreements should be in force and be given effect through domestic law

273. The 2013 Report noted that all but two of Greece’s EOI instruments and one protocol were in force at the time of the review. However, the 2013 Report also noted that the length between the signature and the ratification of the EOI instrument by Greece was long. Therefore, Greece was recommended to continue its efforts to ensure the expeditious ratification of all EOI arrangements signed.

274. Since the 2013 Report, Greece has ratified two new DTCs and one protocol,²⁹ bringing all its EOI arrangements into force, except the DTC signed with Singapore on 30 May 2019. For these three EOI instruments, the time between the signature and ratification by Greece is less than one year. The Greek authorities explain that they have been able to reduce the timeframe for the ratification of the DTC mainly by enhancing the coordination with the all other Greek Ministries which can give an opinion on the treaty after its signature. Given the efforts put in by the Greek authorities for reducing the timeframe of the DTCs ratification, and their positive results, the recommendation of the 2013 Report has been removed.³⁰

275. The following table summarises outcomes of the analysis under element C.I in respect of the Greece’s EOI mechanisms.

EOI mechanisms

Total EOI relationships, including bilateral and multilateral or regional mechanisms	137
In force	126
In line with the standard	126 ^a
Not in line with the standard	0
Signed but not in force	11
In line with the standard	11
Not in line with the standard	0

29. DTC with San Marino and the United Arab Emirates and Protocol with Switzerland.

30. Furthermore, the TIEA with Guernsey that had been signed in 2010 and was not in force at the time of the 2013 Report has now entered into force.

Among which – Bilateral mechanisms (DTCs/TIEAs) not complemented by multilateral or regional mechanisms	2
In force	2
In line with the standard	2 [Egypt, Uzbekistan]
Not in line with the standard	0
Signed but not in force	0
In line with the standard	0
Not in line with the standard	0

Note: a. The 1988 Multilateral Convention applies between Greece and the United States and is implemented by both countries in accordance with the standard.

276. Greece has in place the legal and regulatory framework necessary to give effect to its agreements for exchange of information. In practice, the peers did not report case where Greece was not able to obtain and provide information due to a lack of effect of the EOI arrangements in its domestic law.

C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction's network of information exchange mechanisms should cover all relevant partners.

277. As noted in the 2013 Report, Greece has a long history of exchange of information in tax matters. Since the last review, Greece has signed a new DTC with Singapore. Greece currently has an extensive EOI network covering 137 jurisdictions through 59 bilateral agreements, the EU Directive and the Multilateral Convention. This network includes all its major trading partners.

278. The Greek competent authority has confirmed its policy to enter into EOI instruments with all relevant partners. The peers did not raise issues in relation with the negotiations of an EOI agreement with Greece. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such a relationship, Greece should continue to conclude EOI agreements with any new relevant partner who would so require (see Annex 1).

279. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

280. The 2013 Report found that the confidentiality provisions in Greece's EOI instruments and domestic laws were in line with the standard. As Greece has redrafted its Tax Procedure Code, the references provided in the 2013 Report are no longer applicable, but the content of the new domestic provisions ensure an appropriate level of confidentiality. Peer inputs did not indicate that there was any breach in the confidentiality of information exchanges during the assessed period.

281. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

C.3.1. Information received: disclosure, use and safeguards

282. The 2013 Report concluded that all of Greece's EOI instruments had secrecy provisions ensuring that all information received will be kept secret. Since the 2013 Report, Greece has signed new DTCs with Singapore, San Marino and the United Arab Emirates. These DTCs contain the appropriate provision on the confidentiality rules for exchange of information. Further, the EU Directive 2011/16/EU on administrative cooperation in tax matters, which entered into force in 2013, also contains provisions for ensuring the adequate confidentiality of the information exchanged under this instrument.

283. Greece's legal framework has changed since the 2013 Report as the tax procedure law has been redrafted. However, Greece's domestic law still ensures the confidentiality of the data exchanged. Pursuant to article 17 of the TPC, all the current and former Greek tax officials have to maintain secrecy regarding all information and data on taxpayers received by them in the exercise of their duties. Article 17 of the TPC also provides that tax officials can share the information with some other administrations or agencies and, under particular circumstances, with third parties. However, according to paragraph 1 of article 28 of Greece's Constitution, the international conventions, once entered into force, are part of Greece's legal framework and prevail over all other contrary provisions in the domestic law. Therefore, the legal provisions of article 17 of the TPC waiving of the confidentiality of tax information, are superseded by the confidentiality provisions of the international

agreements entered in by Greece, all of which provide for the confidentiality of the information received or sent under the provisions of such agreements. The 2016 Terms of Reference clarified that although it remains the rule that information exchanged cannot be used for purposes other than tax purposes, an exception applies where the authority supplying the information authorises the use of information for purposes other than tax purposes, in accordance with the amendment to Article 26 of the OECD Model Tax Convention introducing this element, which previously appeared in the commentary to this Article. Therefore, any information received in the context of an EOI request can be shared with other Greek authorities or third parties only if the Greek competent authority has obtained the prior authorisation of its EOI partner. The sharing of the information received from abroad under the EOI instruments with other authorities or agencies is done either by the local tax offices or by the Competent Authority. In order to ensure the correct application of the confidentiality provision, the Competent Authority always reminds the local tax offices about the confidentiality provisions for EOI while providing the information received from abroad. Hence, the local tax offices are aware of the need to request, through the Greek competent authority, the authorisation of the foreign partner before transmitting or sharing the received information for non-tax purposes with any other person.

284. In the period under review Greece reported that requests where the requesting partner sought Greece's consent to use the information for non-tax purposes have been received in some cases. Greece has always provided its consent for the non-tax use of the exchanged information. Similarly Greece has requested its partners to use information received for non-tax purposes several times. Greece received the authorisation of its foreign partners for the non-tax use in all but one case. In this one case, as the foreign partner denied its authorisation, the information was not shared with the other authority.

285. The Criminal Code and the Civil Servant Code contain legal provisions on confidentiality and on criminal and administrative penalties or sanctions which can be applied in case of failure to comply with these confidentiality requirements. According to the provisions of the Criminal Code (law 4619/2019), the breach in confidentiality leads to criminal penalties ranging from 10 days to 5 years imprisonment concerning misdemeanours and from 5 years to 10 years imprisonment concerning felonies. Furthermore, together with the imprisonment penalties, financial penalties are applied. According to the provisions of the Civil Servant Code (law 3528/2007 as reformed), breach in confidentiality in respect of matters which are designated as confidential by the legal provisions constitutes a disciplinary offence which leads to administrative measures and disciplinary sanctions,³¹ even in

31. The following disciplinary sanctions can be applied: written reprimand, fine up to twelve months wages, suspension of the right of promotion up to five years,

cases where breach of the provisions of the Criminal Code has not occurred. In practice, a few cases of breach of confidentiality have been noted, but none in relation with EOI. In those cases, the tax officials who breached confidentiality had been immediately suspended and their access to IT systems had been blocked.

286. For supporting the confidentiality provisions in practice, the Greek authorities have issued written policies on physical access to the tax offices (entrance checks) and on IT security (access code, access granted upon request for specific databases, etc.). The hard copies of EOI files are stored in locked closets of the competent authority office. The electronic access to EOI files is granted only for IAPR officials of the competent authority. Clean-desk policy is followed at the Competent Authority office. As the treatment of an EOI request usually requires the involvement of the local tax office, the communication between the competent authority and the local tax office is carried out securely and confidentially. In all communications with the local tax office, field officials are always reminded about the EOI confidentiality provisions.

C.3.2. Confidentiality of other information

287. The confidentiality provisions in Greece’s EOI instruments and domestic law do not draw a distinction between information received in response to requests and information forming part of the requests themselves. All other information, such as background documents, communications between the requesting and the requested authorities and within the tax authorities, are treated confidentially.

288. As explained in section B.1, the Greek tax authority in most cases has to open a tax audit in order to gather the information requested by its EOI partner. The notification sent to the taxpayer or to the holder of the information for launching the tax audit does not include the information on the EOI request. However, the information on the EOI request is usually included in the tax audit report, which is drafted at the end of the tax audit and sent to the taxpayer. Nevertheless, the information contained in the tax audit report on the EOI request is limited to the points of examination. The EOI request itself is never disclosed, except in the potential case where it is demanded by the taxpayer in the context of an appeal against a tax adjustment arising from an EOI request related tax audit (see para. 247). The letter of the EOI request itself is never disclosed. Moreover, if requested by the requesting jurisdiction, the Greek competent authority can ask the local tax office to not indicate the existence of an EOI request in the tax audit report as a reason for the audit.

suspension of managerial duties, relegation down to two grades, temporary cessation of the civil servant’s duties from three up to twelve months with deprivation of wages, final cessation of the civil servant’s duties.

289. Peers did not raise any issue in relation with the confidentiality of other information.

C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

290. The 2013 Report concluded that all the Greece's EOI instruments contained a provision corresponding to Article 26(3) of the Model Tax Convention which ensures that the parties are not obliged to provide information which would disclose any trade, business, industrial, commercial or professional secret or information the disclosure of which would be contrary to public policy (*ordre public*). The three DTCs with San Marino, Singapore and the United Arab Emirates signed after the 2013 Report contain similar provisions and provide for the rights and safeguards of taxpayers in line with the standard.

291. The domestic provisions relating to the professional privileges of the relevant professionals are also in line with the standard (see Section B.1.5 above). Peers have not indicated any issue relating to the application in practice of the exceptions to provide information included in their EOI agreements with Greece.

292. The table of recommendations, determination and rating is as follows:

Legal and Regulatory Framework
Determination: The element is in place
Practical Implementation of the standard
Rating: Compliant

C.5. Requesting and providing information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

293. The 2013 Report assessed the requests for information received or sent during the period between 1 January 2009 and 31 December 2011. It noted that in many instances, Greece was not able to provide answers or status updates within 90 days. Therefore, it was recommended that Greek competent authority ensure a consistent implementation of its new procedure for checking the status of the request and sending updates to its counterparts.

294. Since then, the practice of the Greek competent authority has evolved as Greece has sent to its partners a status update when the answer has not been provided within 90 days. Greece's main EOIR partners have confirmed this practice. The Greek competent authority has also paid attention to send reminders to the local tax services in charge of gathering the information. However, even though peers are generally satisfied with the timeliness and quality of the answers provided by Greece, there have been some delays in providing some of them. Greece is therefore recommended to continue its efforts to improve the timeliness of its replies.

295. The Greek Competent Authority has centralised all the incoming and outgoing EOI requests. For the incoming EOI requests, the competent authority makes the usual checks on the name of the person who signed the request and on the foreseeable relevance. If needed, a request of clarification is sent to the foreign authority. When the competent authority cannot answer directly to the EOI request, the request is transferred to the appropriate local tax service. For the outgoing EOI request, the request is drafted by the local tax services and then sent to the Greek competent authority. Once the conditions for submitting the request (in particular its foreseeable relevance) is validated, the competent authority translates the request and sends it to the foreign competent authority.

296. Concerning the outgoing requests, the peers have not raised specific issue on the quality and on the relevance of these requests.

297. The table of recommendations and rating is as follows:

Legal and Regulatory Framework		
This element involves issues of practice. Accordingly, no determination has been made.		
Practical Implementation of the standard		
	Underlying Factor	Recommendations
Deficiencies identified	Peers were in general satisfied with the quality of the answers provided by Greece. More than half the requests were answered within 180 days. However, the requested information was not provided in all cases in a timely manner.	Greece should continue its efforts to improve the timeliness of its replies.
Rating: Largely Compliant		

C.5.1. Timeliness of responses to requests for information

298. Over the period under review (1 January 2016 to 31 December 2018), Greece received 204 EOI requests. The information requested related to ownership information (6 cases), accounting information (62 cases), banking information (23 cases) and other type of information (113 cases). The category of the other type of information contains for instance requests about the address of the taxpayer or his/her residency status. Greece's most significant EOI partners for incoming requests were Germany, Russia and Norway.

299. The following table relates to the requests received during the period under review and gives an overview of response times of Greece in providing a final response to these requests, together with a summary of other relevant factors impacting the effectiveness of Greece's practice during the period reviewed.

Statistics on response time

	2016		2017		2018		Total	
	Num.	%	Num.	%	Num.	%	Num.	%
Total number of requests received [A+B+C+D+E]	49		93		62		204	100
Full response: ≤90 days	21	43	37	40	21	34	79	39
≤180 days (cumulative)	29	59	52	56	28	45	109	53
≤1 year (cumulative)	[A] 34	69	62	67	43	69	139	68
>1 year	[B] 11	22	20	22	3	5	34	17
Declined for valid reasons	1	2	2	2	6	10	9	4
Outstanding cases after 90 days	28		56		41		125	100
Status update provided within 90 days (for outstanding cases with full information not provided within 90 days, responses provided >90 days)	28	100	56	100	41	100	125	100
Requests withdrawn by requesting jurisdiction	[C] 1	2	7	8	1	2	9	4
Failure to obtain and provide information requested	[D] 0	0	0	0	0	0	0	0
Requests still pending at date of review	[E] 3	6	4	4	15	24	22	11

Notes: a. Greece counts each request with multiple taxpayers as many requests, i.e. if a partner jurisdiction is requesting information about 4 persons in one request, Greece counts that as 4 requests. If Greece received a further request for information that relates to a previous request, with the original request still active, Greece will append the additional request to the original and continue to count it as the same request.

b. The time periods in this table are counted from the date of receipt of the request to the date on which the final and complete response was issued.

300. Greece was able to provide full responses within 90 days for 38.7% of the requests, within 180 days for 53.4% of the requests (cumulatively) and

within a year for 68.1% of the requests (cumulatively). 16.6% of the requests were answered in more than a year, while 11.2% requests were pending. According to the Greek authorities, the requests that were fully dealt with within 90 days usually related to cases for which all the information was already at the disposal of the competent authority (i.e. registry information) or at the disposal of the local tax offices. The requests that were not fully dealt with within 180 days do not relate to a particular type of information. Such requests may involve more in-depth investigations, for example cross-checking of numerous transactions and data from various sources. Moreover, the Greek competent authority performs an important work of translation before sending the information to its EOI partners. Although this task of translation contributes to the quality of the answers provided, it also consequently expands the timeline of the answers.

301. Some peers have noted that the requests that are not fully dealt with within 180 days usually relate to banking information. The Greek competent authority has not confirmed this assertion, but it has explained that some requests on banking information might have been more challenging if it was requested to provide some specific and additional underlying documentation for transactions that stand out in terms of amounts. Greek authorities have affirmed that longer time in some cases were not dependent on the types of information requested but were specific to the facts and circumstances of those cases.

302. During the period under review, Greece never failed to provide information. However, it declined nine requests for valid reasons, mainly because the legal basis mentioned in the EOI request was not applicable or because the person in Greece to whom the request related was not identifiable in the Greek database.

303. Moreover, Greece's EOI partners withdrew 11 requests, mainly because the tax audits in their territory were over. For these cases, even if the requests were sent in advance, the Greek competent authority has indicated that the "urgent" box was unchecked and then, it was not aware of the deadline of the tax audits.

304. During the assessed period, Greece sought clarifications from its EOI partners for 22 requests. The main reason of these clarifications was to obtain further details on the identification of the taxpayer because of transliteration uncertainties. Indeed, as explained in the 2013 Report, since the spelling of the Greek name of the taxpayer can be written in many different ways in other languages, the taxpayer's TIN is an essential information for the Greek authorities to work to speed up the gathering of the requested information. If the TIN cannot be provided, all other identification information can be useful for identifying the relevant person.

305. As on the date of review, 22 requests were pending. The Greek competent authority has explained that these cases do not relate to a particular request or type of information. The main reasons explaining that these requests are still pending are the same than the explanations provided for the requests that are not fully dealt with within 180 days (complex cases involving several holders of information and the need for in-depth investigations).

306. In conclusion, although the Greek competent authority has coped with requests requiring a significant effort for gathering the requested information, the answers are not often provided in a timely manner. Greece is therefore recommended to continue to improve the timeliness of its replies.

Status updates and communication with partners

307. In the peer inputs provided, Greece's EOI partners were generally satisfied of their EOI relationship and communication with Greece. The Greek competent authority uses, with its foreign partners, electronic means of communication with appropriate encryption. If no electronic mean of communication is available, the EOI requests and answers are sent by regular mails.

308. A few peers reported that they did not receive status updates for the cases where Greece was not able to answer in 90 days. However, most of Greece's EOI partners indicated that they have systematically received status updates in such cases. The Greek authorities have confirmed that every quarter they examine all pending requests in their database in order to inform their partners of the status of their pending requests. According to the Greek competent authority, the few cases where a peer has noted non-provision of status updates should have arisen from some technical communication problem with respect to the treaty partner. As a matter of policy, Greek authorities confirmed that they have been sending status updates within 90 days in all cases where information could not be provided to a treaty partner. Greek competent authority has addressed the recommendation issued in the 2013 Report on the status updates.

C.5.2. Organisational processes and resources

309. The organisational process and resources of the Greek competent authority were considered adequate in the 2013 Report. The competent authority continues to have appropriate human, material and procedural resources to carry out its EOI functions.

Organisation of the competent authority

310. The Directorate of International Economic Relations (DIER) of the IAPR is the competent authority of Greece with the Director being the

official authorised to sign as the Competent Authority. Within the DIER, the Department of International Administrative Co-operation (Department C) is in charge of performing the tasks in relations with EOIR. The Head of Department C also has the authority to sign as Competent Authority in the absence of the Director. In this department, four employees are dedicated to incoming and outgoing EOI requests in the field of direct taxes and work under the supervision of the Head of the Department. The Greek competent authority keeps track of the EOIR activity through an excel database. All incoming and outgoing requests are registered in this database with a unique reference number. This database provides the competent authority with the ability to extract the relevant cases according to search parameters (the date of the receiving/sending a communication, the jurisdiction involved, etc.).

Resources and training

311. The four officials engaged in EOI work hold postgraduate qualifications in law, finance, management and organisational psychology. The officials' work experience ranges from 9 to 30 years in the field of tax administration.

312. The officials of Department C have regular EOI trainings through the attendance in the meetings at international level on EOI matters, in particular the EU Fiscalis meetings. The activity of those officials is also supported by an internal handbook on EOI which deals with the main issues of EOI (foreseeable relevance of the outgoing requests, confidentiality of the information received, etc.). This handbook is available for the local tax audit services through the IAPR website. Given the extensive experience of the officials engaged in EOI work, new entrants to the Department are trained under the guidance of the more experienced senior colleagues.

Incoming requests

Competent authority's handling of the request

313. Department C is responsible for handling the incoming requests. When a request is received from a foreign competent authority, the Greek competent authority verifies if the request has been signed by the competent authority of the requesting jurisdiction, if the legal basis mentioned in the request is applicable (in particular in respect of the taxation periods covered by the request), if the requested information is foreseeably relevant and if the information provided for identifying the taxpayer or the holder of the requested information is enough for processing the request.

314. Once these verifications are done, the Greek competent authority registers this request in its EOI database and sends an acknowledgement of

receipt to the foreign competent authority indicating if the request can be processed. If the Greek competent authority needs further information on the foreseeable relevance of the request or on the identification of the persons, it will request that information at the same time of the acknowledgement of receipt.

315. If the EOI request is valid and complete, the Greek competent authority can directly answer this request if it has direct access to the information requested. In most cases, the competent authority sends the EOI request, after translating it in Greek, to the appropriate tax office (local tax office or operational tax audit office). Then, the local tax office is responsible for gathering the information requested with its access powers. The communication between the Greek competent authority and the local tax office is carried out through a confidential electronic platform. The competent authority provides all the relevant information to the tax services for processing the request, including information on the urgency of the request if so specified by the EOI partner.

316. Usually, as described in section B.1, the local tax office opens a tax audit to gather the requested information. This procedure of tax audit is well framed by deadlines for each step of the procedure and ensures good quality of the answer as the tax auditors verify, at the same time, the accuracy of the data collected. However, this procedure also leads to extended timeline as those tax audits opened for answering to EOI requests are in addition to the other tax audits for domestic purposes that the tax auditors must launch. Since 2019, the Director of the IAPR has issued a decision for giving the priority to the treatment of the incoming EOI requests over the other tasks of the tax services. The purpose of this decision is to streamline the process of treatment of EOI requests and to reduce the timeliness of the answers provided. As noted above, Greece is recommended to continue to improve the timeliness of its replies.

Verification of the information gathered

317. Once the information requested is gathered by the tax office, this information is sent to the Greek Competent Authority through the electronic platform. The Competent Authority verifies if the information gathered by the tax office fully satisfied the EOI request. If it is not the case, the Competent Authority asks the tax office to gather the missing information and sends a partial answer to its EOI partner. If the tax office confirms that it cannot obtain further information, for instance because a holder of the information cannot be identified, a final answer is sent to the EOI partner indicating the impossibility to obtain the information. The Greek competent authority always translates the information gathered into English before sending the reply to the EOI requesting partner.

318. During the assessed period, Greece has not reported any failure or impossibility to provide information and the peers confirmed that they were generally satisfied by the quality of the answers provided by Greece.

Practical difficulties experienced in obtaining the requested information

319. In almost all cases, Greece managed to obtain the requested information from the local tax office, using the access powers. In general, practical difficulties in obtaining the requested information related to complex cases, involving several holders of information requested or the need for in-depth investigations, which could imply delay in answering an EOI partner. In the context of a tax audit, the local tax office faced similar difficulties as for a tax audit for domestic purposes, for instance the delay from the taxpayer in providing the requested data in a timely manner.

Outgoing requests

320. During the period under review, Greece sent 850 requests to its EOI partners. The local tax audit office initiates a request for seeking information from a treaty partner. Once the local tax office has exhausted the domestic means for obtaining the relevant information, it can send the draft EOI request to the Greek competent authority. The internal handbook on EOI provides the local tax office with guidelines for drafting the EOI request. It gives explanation on the conditions for submitting an EOI request, in particular on the foreseeable relevance. Moreover, the Greek competent authority also provides written guidelines for specific types of requests or specific jurisdictions.

321. When the Greek competent authority receives a draft EOI request from a local tax service, it verifies the foreseeable relevance of the request. If needed, further explanation is requested from the local service to justify the foreseeable relevance and the EOI request is not sent to the foreign jurisdiction until the tax service provides this explanation. If the draft request complies with the conditions for submitting the request, in particular with the foreseeable relevance requirement, the Greek competent authority translates it into English and sends it to the relevant foreign competent authority.

322. Greece has been requested to provide clarification in 110 cases. During the onsite visit, Greece specified that the clarifications sought are usually in relation with the internal procedures of the requested jurisdictions which may need a specific information in order to use their access powers. According to peer input, the foreseeable relevance of the outgoing Greek request is rarely challenged. When the Greek competent authority receives a request for clarification, it translates it and then sends it to the local tax service which has submitted the request. In general, the competent authority

requires an answer from the local tax service within two months. If the local tax service fails to provide an answer to the request of clarification within this timeline, the outgoing EOI request is withdrawn.

C.5.3. Unreasonable, disproportionate or unduly restrictive conditions for EOI

323. There are no factors or issues identified in Greece that could unreasonably, disproportionately or unduly restrict effective EOI.

Annex 1: List of in-text recommendations

The Global Forum may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, the circumstances may change and the relevance of the issue may increase. In these cases, a recommendation may be made; however, it should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be stated in the text of the report. A list of such recommendations is reproduced below for convenience.

- **Element A.1:** Greece should monitor the practice of nominee shareholding in order to ensure that it does not impact the international exchange of information (paragraph 102).
- **Element A.1:** Greece should monitor that in practice, in accordance with the new AML law definition, beneficial owners of trusts are always identified in line with the standard (paragraph 138).
- **Element A.2:** Although the risk of non-availability of accounting records by inactive companies may not be very big in practice, Greece should ensure that accounting records with underlying documentation are available in respect of inactive companies (paragraph 170).
- **Element A.3:** Greece should clarify how often CDD information for normal or low-risk customers should be updated by banks (paragraph 193).
- **Element C.2:** Greece should continue to conclude EOI agreements with any new relevant partner who would so require (paragraph 278).

Annex 2: List of Greece's EOI mechanisms

Bilateral international agreements for the exchange of information

	EOI partner	Type of agreement	Signature	Entry into force
1	Albania	DTC	14 July 1995	13 December 2000
2	Armenia	DTC	12 May 1999	18 July 2002
3	Austria	DTC	18 July 2007	1 April 2009
4	Azerbaijan	DTC	16 February 2009	29 September 2010
5	Belgium	DTC	25 May 2004	30 December 2005
6	Bosnia and Herzegovina	DTC	23 July 2007	12 July 2012
7	Bulgaria	DTC	15 February 1991	22 January 2002
8	Canada	DTC	29 June 2009	16 December 2010
9	China (People's Republic of)	DTC	3 June 2002	11 November 2005
10	Croatia	DTC	18 October 1996	18 December 1998
11	Cyprus ^a	DTC	30 March 1968	16 January 1969
12	Czech Republic	DTC	23 October 1986	23 May 1989
13	Denmark	DTC	18 May 1989	18 January 1992
14	Egypt	DTC	27 November 2004	23 August 2006
15	Estonia	DTC	4 April 2006	1 August 2008
16	Finland	DTC	21 January 1980	4 October 1981
17	France	DTC	21 August 1963	31 December 1964
18	Georgia	DTC	10 May 1999	20 October 2002
19	Germany	DTC	18 April 1966	9 December 1967
20	Guernsey	TIEA	8 October 2010	7 March 2014
21	Hungary	DTC	25 May 1983	17 February 1985

	EOI partner	Type of agreement	Signature	Entry into force
22	Iceland	DTC	7 July 2006	31 August 2008
23	India	DTC	11 February 1965	17 March 1965
24	Ireland	DTC	24 November 2003	29 December 2004
25	Israel	DTC	24 October 1995	6 March 1998
26	Italy	DTC	3 September 1987	20 September 1991
27	Korea	DTC	20 March 1995	10 July 1998
28	Kuwait	DTC	2 March 2003	20 April 2005
29	Latvia	DTC	27 March 2002	7 March 2005
30	Lithuania	DTC	15 May 2002	5 December 2005
31	Luxembourg	DTC	22 November 1991	26 August 1995
32	Malta	DTC	13 October 2006	30 August 2008
33	Mexico	DTC	13 April 2004	7 December 2005
34	Moldova	DTC	29 March 2004	11 July 2005
35	Morocco	DTC	20 March 2007	17 November 2010
36	Netherlands	DTC	16 July 1981	17 July 1984
37	Norway	DTC	27 April 1988	16 September 1991
38	Poland	DTC	20 November 1987	28 September 1991
39	Portugal	DTC	2 December 1999	13 August 2002
40	Qatar	DTC	27 October 2008	20 March 2010
41	Romania	DTC	17 September 1991	7 April 1995
42	Russia	DTC	26 June 2000	13 December 2007
43	San Marino	DTC	26 June 2013	7 April 2014
44	Saudi Arabia	DTC	19 June 2008	1 April 2010
45	Serbia	DTC	11 November 2008	8 June 2010
46	Singapore	DTC	30 May 2019	
47	Slovak Republic	DTC	23 October 1986	23 May 1989
48	Slovenia	DTC	5 June 2001	8 December 2003
49	South Africa	DTC	19 November 1998	19 February 2003
50	Spain	DTC	4 December 2000	21 August 2002
51	Sweden	DTC	6 October 1961	20 August 1963
52	Switzerland	DTC	16 June 1983	21 February 1985
53	Tunisia	DTC	31 October 1992	29 September 2010
54	Turkey	DTC	2 December 2003	5 March 2004

	EOI partner	Type of agreement	Signature	Entry into force
55	Ukraine	DTC	6 November 2000	26 September 2003
56	United Arab Emirates	DTC	27 June 2013	4 February 2014
57	United Kingdom	DTC	25 January 1953	15 January 1954
58	United States	DTC	20 February 1950	30 December 1953
59	Uzbekistan	DTC	1 April 1997	15 January 1999

Note: a. Note by Turkey: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Convention on mutual administrative assistance in tax matters (as amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the Multilateral Convention).³² The Multilateral Convention is the most comprehensive multilateral instrument available for all forms of tax cooperation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The original 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the international standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The Multilateral Convention was opened for signature on 1 June 2011.

The Multilateral Convention was signed by Greece on 21 February 2012 and entered into force on 1 September 2013 in Greece. Greece can exchange information with all other Parties to the Multilateral Convention.

32. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention (the Multilateral Convention) which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately.

The Multilateral Convention is in force in respect of the following jurisdictions: Albania, Andorra, Anguilla (extension by the United Kingdom), Antigua and Barbuda, Argentina, Aruba (extension by the Netherlands), Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda (extension by the United Kingdom), Brazil, British Virgin Islands (extension by the United Kingdom), Brunei Darussalam, Bulgaria, Cabo Verde, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People’s Republic of), Colombia, Cook Islands, Costa Rica, Croatia, Curaçao (extension by the Netherlands), Cyprus, Czech Republic, Denmark, Dominica, Dominican Republic, Ecuador, El Salvador, Estonia, Faroe Islands (extension by Denmark), Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece, Greenland (extension by Denmark), Grenada, Guatemala, Guernsey (extension by the United Kingdom), Hong Kong (China) (extension by China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Jamaica, Japan, Jersey (extension by the United Kingdom), Kazakhstan, Korea, Kuwait, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Macau (China) (extension by China), Malaysia, Malta, Marshall Islands, Mauritius, Mexico, Moldova, Monaco, Montenegro, Montserrat (extension by the United Kingdom), Morocco, Nauru, Netherlands, New Zealand, Nigeria, Niue, North Macedonia, Norway, Pakistan, Panama, Peru, Poland, Portugal, Qatar, Romania, Russia, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Sint Maarten (extension by the Netherlands), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Tunisia, Turkey, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay and Vanuatu.

In addition, the Multilateral Convention was signed by the following jurisdictions, where it is not yet in force: Armenia (entry into force on 1 June 2020), Benin, Bosnia and Herzegovina, Burkina Faso, Gabon, Kenya, Liberia, Mauritania, Mongolia (entry into force on 1 June 2020), Oman, Paraguay, Philippines, Thailand,³³ Togo, United States (the original 1988 Convention is in force since 1 April 1995, the amending Protocol was signed on 27 April 2010).

33. Thailand signed the Multilateral Convention on 3 June 2020. As the legal framework of Greece is assessed as of 5 May 2020, this signature is not taken into account in the part C of the report.

EU Directive on mutual administrative assistance in tax matters

Greece can exchange information relevant for direct taxes upon request with EU member states under the EU Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation (as amended). The Directive came into force on 1 January 2013. All EU members were required to transpose it into their domestic legislation by 1 January 2013, i.e. Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom.

Annex 3: Methodology for the review

The reviews are based on the 2016 Terms of Reference and conducted in accordance with the 2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum in October 2015 and the 2016-21 Schedule of Reviews.

The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 5 May 2020, Greece's EOIR practice in respect of EOI requests made and received during the three year period from 1 January 2016 to 31 December 2018, Greece's responses to the EOIR questionnaire, inputs from partner jurisdictions, as well as information provided by Greece's authorities during the on-site visit that took place from 2-5 December 2019 in Athens.

List of laws, regulations and other materials received

- Hellenic Constitution: Article 28, Paragraph 1 dealing with application of international law in Greece
- Law 4548/2018 dealing with Sociétés Anonymes
- Law 4174/2013 Tax Procedure Code
- Law 4308/2018 Greek Accounting Standards, Related Arrangements and Other Provisions
- Law 4557/2018 Anti-Money Laundering and Countering Financing of Terrorism Law
- Law 4441/2016 Simplifying business start-up procedures removing regulatory barriers to competition regulation and other provisions – one-stop shop GEMI
- Law 3528/2007 Civil Servant Code – Excerpts on confidentiality provisions

Authorities interviewed during on-site visit

Ministry of Finance

Head (Competent Authority) and representatives, Division C, Directorate of International Economic Relations, Independent Authority for Public Revenue (IAPR)

Representatives, Directorate of Tax Audits, IAPR

General Commercial Registry, GEMI

General Secretariat of Information Systems

General Secretariat for Economic Policy

Directorate-General of Economic Policy

Bank of Greece

Hellenic Capital Market Commission

Department of Financial Policy – AML Division

Representatives, Bank Association

Representatives, Hellenic Accounting and Auditing Oversight Body

Representatives, Bar Association

Current and previous review(s)

Greece previously underwent an EOIR peer review in 2012, conducted according to the Terms of Reference approved by the Global Forum in February 2010 (2010 ToR) and the Methodology (2010 Methodology) used in the first round of reviews. Information on each of Greece's reviews are listed in the table below.

Summary of reviews

Review	Assessment team	Period under review	Legal framework as of	Date of adoption by Global Forum
Round 1 Combined Phase 1 and Phase 2	Mr Gianluca Pirozzi (Italy), Mr Wayne Lonnie Brown (Bermuda) and Ms Renata Teixeira (Global Forum Secretariat)	1 January 2009 to 31 December 2011	April 2012	November 2013
Round 2	Ms Adina Pescaru (Romania), Mr Julian Ainley (the United Kingdom), Ms Carine Kokar and Mr Puneet Gulati (Global Forum Secretariat)	1 January 2016 to 31 December 2018	5 May 2020	August 2020

Annex 4: Greece’s response to the review report³⁴

Greece accepts the recommendations of PRG and reassures that will make every effort to address the issues identified. Nevertheless on element A2 reiterates the fact that the accounting record-keeping requirement for shipping companies is not lying in their deeds of incorporation but in the tax law, which is applicable to all shipping companies operating in Greece. The provisions of the law are adequately monitored since the shipping companies are selected for tax audits under the same criteria with all other entities in Greece.

Furthermore, with respect to the in-text recommendation included in para. 193, Greece still does not consider that a specific timeframe should be set for updating the information on beneficial owners of normal or low risk legal entities, for the reasons already presented to the Assessment Team. In addition, such a requirement does not arise from the relevant Risk-Factor Guidelines of European Supervisory Authorities (not even the updated Risk-factor Guidelines currently under consultation <https://eba.europa.eu/eba-consults-revised-guidelines-money-laundering-and-terrorist-financing-risk-factors>) and is contrary to the risk-based nature of the requirements.

34. This Annex presents the Jurisdiction’s response to the review report and shall not be deemed to represent the Global Forum’s views.

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE
OF INFORMATION FOR TAX PURPOSES

**Peer Review Report on the Exchange of Information
on Request GREECE 2020 (Second Round)**

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 160 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

This report contains the 2020 Peer Review Report on the Exchange of Information on Request of Greece.



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