

# Greece\*

## Solutions for shipping companies Opportunities in Greece

Shipping is one of the most vibrant sectors of the Greek economy, contributing substantially to the economy's well being. Indeed, it is the only sector in which Greece is clearly a world leader, and in a highly competitive sector which comprises a significant share of world output, as freight turnover reached USD 380 billion in 2005, reflecting the fact that over 95% of world trade is undertaken by ship. In this competitive market, Greek shipowners control 16% of the world's seagoing fleet (i.e. nearly 3,500 vessels) and 21.5% of the world's tanker and dry cargo fleet.

### Administration of the merchant marine

Greece is presumably one of the few countries in the world that has a dedicated specialised Ministry dealing exclusively with all issues related to merchant marine. This Ministry, namely the Ministry of Mercantile Marine comprises of 27 Directorates with a wide domain of responsibilities:

- Is responsible for the organisation, improvement, preservation and development of shipping, its linkage with the national economy, the support of tourism, the provision of sea transport services, the protection of human life and property at sea, search and rescue, the protection of the marine environment, the safety of navigation, as well as the adoption and implementation of the country's maritime policy;
- Organises and oversees maritime education, regulates and solves issues of maritime labour oversees the administration of Organisations and Insurance Foundations;
- Oversees the administration, organisation, and operation of the country's ports, the organisation and administration of the pilotage service and the implementation of the country's port policy;

- Organises and oversees the policing of ships, of the sea area of the ports and of the sea borders in accordance with the relevant internal and international legislation.

### Management companies

- A particular regime ("Law 89") applies to Greek offices of foreign shipping companies;
- Such offices may act as agents, intermediaries or managing entities for the related vessels, irrespective of the latter's register;
- The said offices are exempt from any taxes and duties already in force or to be levied in the future;
- The exemption extends to ship owners or other operators of the vessel.

### Merchant shipping

- Greek corporate law provides for the establishment of an Ocean-going Shipping Investment Company (OSIC-EE[IN]);
- An OSIC must be listed on the Athens Stock Exchange within 2 years from its inception;
- Specific capital adequacy requirements and other minimum requirements apply (e.g. number of vessels);
- OSICs enjoy the minimal taxation scheme based on tonnage and the VAT regime described below.



## Tax framework

- Greek tax law has been, traditionally, favorable to shipping;
- Income from shipping activities is taxed on the basis of the vessels' tonnage. Consequently, tax calculated in the above matter is practically negligible;
- No other corporate taxation applicable to shipping income earned by Greek corporate entities or the shareholders thereof;
- The above reduced tax provisions apply to cargo and passenger shipping;
- Shipping income earned in Greece by vessels registered in other countries are mostly exempt from Greek tax, on the basis of the relevant Double Tax Treaties;
- The import and/or delivery of merchant vessels, the chartering thereof and supplies made thereto are exempt from VAT;
- Similarly, no inheritance or donation taxes are associated with merchant vessels in Greece.

## Contacts

For more information, please contact:

**Aristidis Panolaridis**  
aristidis.panolaridis@gr.pwc.com  
Tel.: +30 210 687 4559

**Konstantinos Karlis**  
konstantinos.karlis@gr.pwc.com  
Tel.: +30 210 687 4554

Information in this leaflet is presented in a summarised form and is intended for general guidance only. Specific advice should be obtained before any action is taken.  
© 2006 PricewaterhouseCoopers. All rights reserved. PricewaterhouseCoopers refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.