

July 2026

New tax residence incentives for specialized fund management personnel employed by a Greek entity

The structure

The Greek entity will provide advisory and portfolio management services to Managers of **Alternative Investment Funds (AIFs)** established either:

- (i) in an **EU member state**, subject to **Directive 2011/61/EU** or
- (ii) in **cooperating jurisdictions** supervised by a competent authority accredited to **IOSCO**.

As the law requires an **affiliated relationship** between the Manager and the Greek entity, a consistent **transfer pricing** approach should be considered.

Furthermore, the Greek entity should incur expenses of at least **Euro 3,000,000** on an annual basis. These expenses may include salaries, employment benefits, and *additional performance rewards (carried interest)*.

Eligibility to tax benefits for the employees

With respect to the individuals employed by the new entity, they should be **non-Greek residents** for the last **5 out of 6 years**.

Such individuals are registered under the existing "**5C tax residence regime**" applicable to employees transferring their tax residence in Greece.

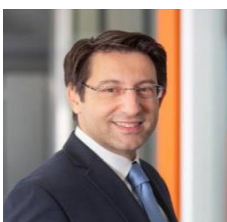
The tax incentives

Once their application is approved, eligible employees receive a **50% tax exemption** on their employment income.

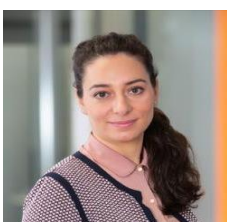
In addition, any discretionary bonus received in the form of additional performance rewards (**carried interest or performance fees**) is subject to a final **5% capital gains tax rate**. The related expenses are **tax deductible** at the level of the Greek entity.

The law also provides safeguards to ensure that neither a **place of effective management** in Greece for the foreign AIFs nor a **permanent establishment** arises from services provided in Greece to the AIFs and their managers.

We are here to continue the conversation:



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