

Tax Flash

Draft bill on Voluntary Disclosure of undeclared taxable income

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The Ministry of Finance has published a draft bill on the Voluntary Disclosure of undeclared taxable income for public consultation. The text is still draft; however, we note the following key points:

- Greek tax residents owning as at 30 April 2015 undeclared funds and/or investments abroad may proceed to the filing of a special return and be taxed at the tax rate of 15% without any additional taxes, surcharges, other taxes, duties or contributions. Payment of 15% tax exhausts the tax liability.
- Following the expiration of the deadline to be set by law for the payment of the tax, the Greek tax authorities may use any available information provided by the foreign tax authorities in order to audit cases where the taxpayers had not taken advantage of this special tax treatment.
- In addition, taxable persons can submit a tax return declaring income derived from an unknown, illegal or unjustified source and be taxed at 30% with an exhaustion of their tax liability. It is unclear which cases fall within the scope of this provision.
- Many issues remain unclear that will be determined by the issuance of a Ministerial Decision such as the funds and investments that fall within the scope of the above provisions as well as procedures that needs to be followed.

Following the adoption of the final text by the Greek Parliament, we will inform you accordingly on the final regulations.

