

Greece

Summary of key findings

1. Consistent with the agreed methodology this first annual peer review covers: (i) the domestic legal and administrative framework, (ii) certain aspects of the exchange of information framework as well as (iii) certain aspects of the confidentiality and appropriate use of CbC reports. Greece's implementation of the Action 13 minimum standard meets all applicable terms of reference in relation to its domestic legal and administrative framework. The report, therefore, contains no recommendations.

Part A: Domestic legal and administrative framework

2. Greece has rules (primary and secondary laws) that impose and enforce CbC Reporting requirements on the Ultimate Parent Entity (UPE) of a multinational enterprise group ("MNE" Group) that is resident for tax purposes in Greece. The first filing obligation for a CbC report in Greece commences in respect of fiscal years beginning on 1 January 2016 or later. Greece meets all the terms of reference relating to the domestic legal and administrative framework.¹

Part B: Exchange of information framework

3. Greece is a signatory to the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011) which is in effect for 2016, and it is also a signatory to the CbC MCAA; it has submitted a full set of notifications under Section 8 of the same agreement and intends to have the CbC MCAA in effect with all other jurisdictions that provide notifications under Section 8(1)(e) of the same agreement. It is noted that Greece has signed a bilateral Competent Authority Agreement (CAA) with the United States which is currently in the process of being ratified. As of 12 January 2018, Greece has 53 bilateral relationships activated under the CbC MCAA or exchanges under the EU Council Directive (2016/881/EU) and under the bilateral CAA. Greece has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions (including legislation in place for fiscal year 2016). Against the backdrop of the still evolving exchange of information framework, at this point in time, Greece meets the terms of reference relating to the exchange of information framework aspects under review for this first annual peer review.²

Part C: Appropriate use

4. There are no concerns to be reported for Greece. Greece indicates that measures are in place to ensure the appropriate use of information in all six areas identified in the *OECD Guidance on the appropriate use of information contained in Country-by-Country reports* (OECD, 2017a). It has provided details in relation to these measures, enabling it

to answer “yes” to the additional questions on appropriate use.³ Greece meets the terms of reference relating to the appropriate use aspects under review for this first annual peer review.⁴

Part A: The domestic legal and administrative framework

5. Part A assesses the domestic legal and administrative framework of the reviewed jurisdiction by reviewing the (a) parent entity filing obligation, (b) the scope and timing of parent entity filing, (c) the limitation on local filing obligation, (d) the limitation on local filing in case of surrogate filing and (e) the effective implementation.

6. Greece has primary law (hereafter the “Act”) and secondary law (the “regulations”) in place to implement the BEPS Action 13 minimum standard, establishing the necessary requirements, including the filing and reporting obligations.⁵ Guidance has also been published.⁶

(a) Parent entity filing obligation

Summary of terms of reference:⁷ Introducing a CbC filing obligation which applies to Ultimate Parent Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted (paragraph 8 (a) of the terms of reference).

7. Greece has introduced a domestic legal and administrative framework which imposes a CbC filing obligation on Ultimate Parents Entities of MNE Groups above a certain threshold of revenue, whereby all required Constituent Entities of the MNE Group are included in the CbC report and no entity is excluded from CbC Reporting other than permitted by the Action 13 report (OECD, 2015).

8. No inconsistencies were identified with respect to Greece’s domestic legal framework in relation with the parent entity filing obligation.

(b) Scope and timing of parent entity filing

Summary of terms of reference: Providing that the filing of a CbC report by an Ultimate Parent Entity commences for a specific fiscal year; includes all of, and only, the information required; and occurs within a certain timeframe; and the rules and guidance issued on other aspects of filing requirements are consistent with, and do not circumvent, the minimum standard (paragraph 8 (b) of the terms of reference).

9. The first filing obligation for a CbC report in Greece commences in respect of reporting fiscal years beginning on or after 1 January 2016.⁸ The CbC report must be filed within 12 months of the last day of the reporting fiscal year of the MNE Group.⁹

10. No inconsistencies were identified with respect to the scope and timing of parent entity filing.

(c) Limitation on local filing obligation

Summary of terms of reference: If local filing requirements have been introduced, that such requirements may apply only to Constituent Entities which are tax residents in the reviewed jurisdiction, whereby the content of the CbC report does not contain more than that required from an Ultimate Parent Entity, whereby the reviewed jurisdiction meets the confidentiality, consistency and appropriate use requirements, whereby local filing may only be required under certain conditions and whereby one Constituent Entity of an MNE Group in the reviewed jurisdiction is allowed to file the CbC report, satisfying the filing requirement of all other Constituent Entities in the reviewed jurisdiction (paragraph 8 (c) of the terms of reference (OECD, 2017b)).

11. Greece has introduced local filing requirements in respect of reporting fiscal years beginning on or after 1 January 2016.¹⁰ No inconsistencies were identified with respect to the limitation on local filing obligation.¹¹

(d) Limitation on local filing in case of surrogate filing

Summary of terms of reference: If local filing requirements have been introduced, that local filing will not be required when there is surrogate filing in another jurisdiction when certain conditions are met (paragraph 8 (d) of the terms of reference).

12. Greece's local filing requirements will not apply if there is surrogate filing in another jurisdiction by an MNE group.¹² No inconsistencies were identified with respect to the limitation on local filing in case of surrogate filing.

(e) Effective implementation

Summary of terms of reference: Providing for enforcement provisions and monitoring relating to CbC Reporting's effective implementation including having mechanisms to enforce compliance by Ultimate Parent Entities and Surrogate Parent Entities, applying these mechanisms effectively, and determining the number of Ultimate Parent Entities and Surrogate Parent Entities which have filed, and the number of Constituent Entities which have filed in case of local filing (paragraph 8 (e) of the terms of reference).

13. Greece has legal mechanisms in place to enforce compliance with the minimum standard: there are notification mechanisms in place that apply to the Ultimate Parent Entity, the Surrogate Parent Entity or any other Constituent Entities of the MNE Group resident in Greece.¹³ There are also penalties in relation to the CbC Reporting obligation: (i) penalties for failure to file and (ii) penalties for late or inaccurate filing.¹⁴ Greece also indicates that the Governor of the Independent Authority for Public Revenue (IAPR) is competent for issuing the acts of penalties and that the specific provisions relating to tax audit, penalties and recovery of the Law 4174/2013 (A'170) would be applied accordingly to CbC Reporting.

14. There are no specific processes in place that would allow to take appropriate measures in case Greece is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information

reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. As no exchange of CbC reports has yet occurred, no recommendation is made but this aspect will be further monitored.

Conclusion

15. In respect of paragraph 8 of the terms of reference (OECD, 2017b), Greece has a domestic legal and administrative framework to impose and enforce CbC requirements on the Ultimate Parent Entity of an MNE Group that is resident for tax purposes in Greece. Greece meets all the terms of reference relating to the domestic legal and administrative framework.

Part B: The exchange of information framework

16. Part B assesses the exchange of information framework of the reviewed jurisdiction. For this first annual peer review process, this includes reviewing certain aspects of the exchange of information network as specified in paragraph 9 (a) of the terms of reference (OECD, 2017b).

Summary of terms of reference: within the context of the exchange of information agreements in effect of the reviewed jurisdiction, having QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites (paragraph 9 (a) of the terms of reference).

17. Greece has sufficient legal basis that permits the automatic exchange of CbC reports. It is a Party to (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011) (signed on 21 February 2012, in force on 1 September 2013 and in effect for 2016) and (ii) multiple bilateral Double Tax Agreements (DTAs) and one Tax Information and Exchange Agreement (TIEA) which allow Automatic Exchange of Information.¹⁵

18. Greece signed the CbC MCAA on 27 January 2016 and has submitted a full set of the notifications under Section 8 of the same agreement. It intends to have the CbC MCAA in effect with all other jurisdictions that provide notifications under Section 8(1)(e) of the same agreement. It is noted that Greece has signed a bilateral CAA with the United States on 27 September 2017 which is currently in the process of being ratified. As of 12 January 2018, Greece has 53 bilateral relationships activated under the CbC MCAA¹⁶ or exchanges under the EU Council Directive (2016/881/EU) and under the bilateral CAA. Greece has taken steps to have Qualifying Competent Authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions (including legislation in place for fiscal year 2016). Against the backdrop of the still evolving exchange of information framework, at this point in time, Greece meets the terms of reference.

Conclusion

19. Against the backdrop of the still evolving exchange of information framework, at this point in time, Greece meets the terms of reference regarding the exchange of information framework.

Part C: Appropriate use

20. Part C assesses the compliance of the reviewed jurisdiction with the appropriate use condition. For this first annual peer review process, this includes reviewing certain aspects of appropriate use.

Summary of terms of reference: having in place mechanisms to ensure that CbC reports which are received through exchange of information or by way of local filing can be used only to assess high level transfer pricing risks and other BEPS-related risks and for economic and statistical analysis where appropriate; and cannot be used as a substitute for a detailed transfer pricing analysis or on their own as conclusive evidence on the appropriateness of transfer prices or to make adjustments of income of any taxpayer on the basis of an allocation formula (paragraphs 12 (a) of the terms of reference).

21. In order to ensure that a CbC report received through exchange of information or local filing can be used only to assess high-level transfer pricing risks and other BEPS-related risks, and, where appropriate, for economic and statistical analysis, and in order to ensure that the information in a CbC report cannot be used as a substitute for a detailed transfer pricing analysis of individual transactions and prices based on a full functional analysis and a full comparability analysis; or is not used on its own as conclusive evidence that transfer prices are or are not appropriate; or is not used to make adjustments of income of any taxpayer on the basis of an allocation formula (including a global formulary apportionment of income), Greece indicates that measures are in place to ensure the appropriate use of information in all six areas identified in the OECD *Guidance on the appropriate use of information contained in Country-by-Country reports* (OECD, 2017a). It has provided details in relation to these measures, enabling it to answer “yes” to the additional questions on appropriate use.

22. There are no concerns to be reported for Greece in respect of the aspects of appropriate use covered by this annual peer review process.

Conclusion

23. In respect of paragraph 12 (a) of the terms of reference (OECD, 2017b), there are no concerns to be reported for Greece. Greece meets these terms of reference.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved			Recommendation for improvement
Part A	Domestic legal and administrative framework	-	
Part B	Exchange of information framework	-	
Part C	Appropriate use	-	

Notes

¹ Paragraph 8 of the terms of reference (OECD, 2017b).

² Paragraph 9 (a) of the terms of reference (OECD, 2017b).

³ These questions were circulated to all members of the Inclusive Framework following the release of the Guidance on the appropriate use of information in CbC reports on 6 September 2017, further to the approval of the Inclusive Framework.

⁴ Paragraph 12 (a) of the terms of reference (OECD, 2017b).

⁵ Primary law (the “Act”) consists of CbC Reporting introduced in Greece by Law No 4490/2017, which was made public in the official gazette No A 150/11.10.2017 which can be accessed at: www.et.gr/index.php/anazitisi-fek (accessed 20 April 2018). See Article 1-8 and 15 in relation to CbC implementation. The secondary law (the “regulations”) explain the procedure of implementation of submission and exchange of CbC Reports in accordance with the provisions of the Act.

⁶ Technical guidance as well as general information is uploaded on the Independent Authority for Public Revenue (IAPR) in Greece. The text is available in Greek and can be accessed: www.aade.gr/epicheireseis/themata-diethnoys-dioiketikes-synergasias/country-country-reportingcbcdac4 (accessed 20 April 2018).

⁷ The « summary of terms of reference » is provided to facilitate the reading of the report. Reference should be made to the exact wording of the terms of reference published in February 2017 (OECD, 2017b).

⁸ See Article 15 of the Act.

⁹ See Article 6 of the Act.

¹⁰ See Article 15 of the Act.

¹¹ See Article 3 of the Act: Where there are more than one Constituent Entities of the same MNE Group that are resident for tax purposes in Greece and one or more of the conditions set out in point b of paragraph 2 apply, the MNE Group may designate one of such Constituent Entities to file the CbC Report, conforming to the requirements of the fifth article, with respect to any Reporting Fiscal Year within the deadline specified in the sixth article and to notify the Greek Tax Administration that the filing is intended to satisfy the filing requirement of all the Constituent Entities of such MNE Group that are resident for tax purposes in Greece.

¹² See paragraph 3 of Article 3 of the Act.

¹³ See Article 4 of the Act.

¹⁴ See paragraph 4 of Article 3 of the Act. In case of failure to file the CbC report, a penalty of EUR 20 000 is imposed, while in case of late or inaccurate filing, a penalty of EUR 10 000 is imposed.

¹⁵ Greece indicated it has 57 double tax treaties in effect which permit Automatic Exchange of Information with Albania, Armenia, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, China (People's Republic of), Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Georgia, Hungary, Iceland, India, Ireland, Israel, Italy, Korea, Kuwait, Latvia, Lithuania, Luxembourg, Malta, Mexico, Moldova, Morocco, Netherlands, Norway, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Serbia, Slovak Republic, Slovenia, Spain, South Africa, Sweden, Switzerland, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, Uzbekistan, United States) and one (1) TIEA (Greece-Guernsey).

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.

¹⁶ It is noted that a few Qualifying Competent Authority agreements are not in effect with jurisdictions of the Inclusive Framework that meet the confidentiality condition and have legislation in place: this may be because the partner jurisdictions considered do not have the Convention in effect for the first reporting period, or may not have listed the reviewed jurisdiction in their notifications under Section 8 of the CbC MCAA.

References

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