

Greece

Transfer Pricing Country Profile

February 2022

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic legislation or regulation make reference to the Arm's Length Principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Income Tax Code (L.4172/2013, Article 50)
2	What is the role of the OECD Transfer Pricing Guidelines under your domestic legislation?	<p>The provisions of Income Tax Code with regards to Transfer Pricing are applied and interpreted consistently with OECD general principles and the OECD Transfer Pricing Guidelines.</p> <p>The OECD TPG are also followed during MAPs and APAs procedures.</p>	
3	Does your domestic legislation or regulation provide a definition of related parties? If so, please provide the definition contained under your domestic law or regulation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>Section g Article 2 of the Income Tax Code contains the Greek definition of related parties:</p> <p>'Associated person': any person who participates directly or indirectly in the management, control, or capital of another person with whom they are related or associated. In particular, the following persons are regarded as associated persons:</p> <p>aa) any person who owns directly or indirectly stocks, shares, or shareholding of thirty-three (33) percent or more, by value or by number, or profit rights or voting rights,</p> <p>bb) two or more persons if one person owns directly or indirectly stocks, shares, voting rights or participation in the capital of at least thirty-three (33) percent, by value or by number, or profit rights or voting rights,</p>	Income Tax Code (L.4172/2013, Article 2, Section g)

cc) any person with whom there is a direct or indirect relationship of substantial management dependency or control, or who has or could potentially have a decisive influence on another person, or where both persons have direct or indirect relationship of substantial management dependency or control with a third person or are potentially influenced by such third person.

Transfer Pricing Methods

4 **Does your domestic legislation provide for transfer pricing methods to be used in respect of transactions between related parties?**

- Yes
 No

If affirmative, please check those provided for in your legislation:

CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Decision No POL. 1097/9.4.2014, as in force, provides for the preference of the traditional transaction methods (Comparable Uncontrolled Price Method, Resale Price Method, Cost Plus Method) for determining transfer prices to transactional profit methods. Traditional transaction methods are regarded as the most direct means of establishing, whether conditions in the commercial and financial relations between associated enterprises are arm's length.

Transactional profit methods can be used under certain circumstances, i.e. if the traditional transaction methods cannot be applied reliably. In particular, where there is no or limited available reliable comparable data, traditional transaction methods might be difficult to apply and a transactional profit method might be the most appropriate method in view of the availability of information.

Furthermore, the Decision No POL. 1097/9.4.2014, as in force, contains additional regulations regarding TP methods. It refers directly to the OECD TP Guidelines for Multinational Enterprises and Tax Administrations, as updated from time to time.

Decision No POL. [1097/9.4.2014](#), as in force

5 **Which criterion is used in your jurisdiction for the application of transfer pricing methods?**

- Please check all that apply:
 Hierarchy of methods
 Most appropriate method

		<input type="checkbox"/> Other (<i>if so, please explain</i>)	
		<p>The selection of the TP method is dependent on the facts and circumstances of each case.</p> <p>For more details, please refer to Q4.</p>	
6	If your domestic legislation or regulations contain specific guidance on commodity transactions, indicate which of the following approaches is followed.	<input checked="" type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed. <input type="checkbox"/> Domestic legislation mandates the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>) <input type="checkbox"/> Other (<i>if so, please explain</i>)	
		<p>Greek's domestic legislation does not contain specific guidance on commodity transactions. The guidance on commodity transactions contained in the OECD TPG is followed.</p>	
Comparability Analysis			
7	Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Decision No POL. 1097/9.4.2014, as in force Additional link</p> <p>Decision No POL. 1142/2.7.2015</p>
		<p>Greece follows the process outlined in Chapter III of the TPG.</p> <p>Please refer also to the specific reference for domestic regulations with respect to Comparability Analysis.</p>	
8	Is there a preference in your jurisdiction for domestic comparables over foreign comparables?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9	Does your tax administration use secret comparables for transfer pricing assessment purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10	Does your legislation allow or require the use of an arm's length range and/or	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Decision No POL. 1097/9.4.2014, as in force Additional link</p>

	statistical measure for determining arm's length remuneration?	Please refer to the specific reference for domestic regulations with respect to the use of an arm's length range and statistical measure for determining arm's length remuneration.	Decision No POL. 1142/2.7.2015
11	Are comparability adjustments required under your domestic legislation or regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Decision No POL. 1097/9.4.2014 , as in force Additional link
		Comparability adjustments are not definitely required under internal regulations, but, in some cases, they may be necessary to account for differences between the situations being compared.	
Intangible Property			
12	Does your domestic legislation or regulations contain guidance specific to the pricing of controlled transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Greece's domestic legislation does not contain specific guidance on intangible transactions. The general legislative rules for transfer pricing of transactions at the arm's length price apply also to intangibles. Furthermore, as a source of interpretation, the TPG are used.	
13	Does your domestic legislation or regulation provide for transfer pricing rules or special measures regarding hard-to-value intangibles (HTVI)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		The TP rules, as provided by the Greek Tax legislation, are applied and interpreted in line with the principles and guidelines of the OECD, as in force. Consequently, the guidance and rules on HTVI within the amendments to the TPG made by the BEPS Actions 8-10 Final Report shall be followed to determine transfer pricing justification.	
14	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Rules regarding withholding taxes are applied.	

Intra-Group Services

15	Does your domestic legislation or regulations provide guidance specific to intra-group services transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Greece does not have specific rules on intra-group services, but the TP rules, as provided by the Greek Tax legislation, are applied and interpreted in line with the principles and guidelines of the OECD, as in force.	
16	Do you have any simplified approach for low value-adding intra-group services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		As a source of interpretation, the work of the EU Joint Transfer Pricing Forum on low-value adding intra-group services and the OECD TPG may be used.	
17	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Rules regarding withholding taxes are applied.	

Financial Transactions

18	[NEW] Does your domestic legislation or regulations provide guidance specific to financial transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Greece does not have specific rules on financial transactions, but the TP rules, as provided by the Greek Tax legislation, are applied and interpreted in line with the principles and guidelines of the OECD, as in force.	
19	[NEW] Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Income Tax Code (L.4172/2013, Article 49)

	financial transactions? <i>(e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</i>	<p>Greece has implemented Article 4 of the Council Directive (EU) 2016/1164 (Interest limitation rule), according to which exceeding borrowing costs are deductible during the tax year in which they are incurred only up to thirty percent (30%) of the taxpayer's earnings before interest, tax, depreciation and amortization (EBITDA). Exceeding borrowing costs can be deducted up to the amount of EUR three million (3 000 000) (Article 49 of the Income Tax Code).</p>	
Cost Contribution Agreements			
20	Does your jurisdiction have legislation or regulations on cost contribution agreements?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Greece does not have specific rules on CCAs, but the TP rules, as provided by the Greek Tax legislation, are applied and interpreted in line with the principles and guidelines of the OECD, as in force.</p>	
Transfer Pricing Documentation			
21	Does your legislation or regulations require the taxpayer to prepare transfer pricing documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p><i>If affirmative, please check all that apply:</i></p> <input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG <input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG <input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG <input type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return) <input checked="" type="checkbox"/> Other (specify): <p>Summary Information Table The Summary Information Table contains information regarding the group they belong to, the functions performed and the risks assumed, as well as a short description of the transfer pricing documentation method adopted.</p>	<p>Tax Procedure Code (L.4174/2013, Article 21) Decision No POL. 1097/9.4.2014, as in force Additional Link Decision No POL. 1142/2.7.2015 Adaptation of Greek Legislation to the provisions of Directive (EU) 2016/881 and other provisions (L.4484/2017) Law 4490/2017 Decision No POL. 1184/22.11.2017, as in force Decision No POL. 1341/2019</p>

22	<p>Please briefly explain the relevant requirements related to filing of transfer pricing documentation (i.e. timing for preparation or submission, languages, etc.)</p>	<p>Transfer Pricing Documentation File is consisting of the Master File and the Greek Documentation File and shall be prepared until the filing deadline for income tax returns. The TP Documentation File shall be accompanied by the Summary Information Table, which shall be submitted electronically to the Tax Administration within the same deadline.</p> <p>TP Documentation File shall be kept at the headquarters of the taxable person throughout the time period, for which there is an obligation to keep the books and records of the respective fiscal year. TP Documentation File shall be made available to the Tax Administration upon request by the latter, within thirty (30) days from serving the relevant request to the taxable person.</p> <p>The Master File may be kept in an internationally accepted language, preferably English, when it is a foreign group, with an obligation to be translated into the Greek language upon request of the tax authority within a reasonable timeline and not more than thirty (30) days from receiving the relevant request. In all other cases, the TP Documentation File shall be kept in the Greek language.</p> <p>The CbC Reporting relevant to each year should be submitted to the Tax Administration no later than 12 months after the last day of the relevant fiscal year. However, the notifications (Constituent Entities of MNE Groups are required to inform their tax administration about the identity of the Reporting Entity that will be filing the CbC Report) must be submitted until the last day of the relevant fiscal year.</p>	
23	<p>Does your legislation provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>According to the Greek Tax legislation, in cases of late filing or failure to file or inaccurate/incomplete filing of the Summary Information Table or the TP Documentation File, the following fines shall be imposed:</p> <ul style="list-style-type: none"> • In the case of late filing or inaccurate/incomplete filing of the Summary Information Table, a fine shall be imposed amounting to one thousandth (1/1000) of the transactions of the taxable person for which there was an obligation for documentation. This fine may not be lower than EUR 500 nor higher than EUR 2 000. • In the case of late filing of an amending Summary Information Table, the said fine shall be imposed only if there are changes in the amounts of the transactions, and the overall differences are above EUR two hundred thousand (200 000). 	<p>Tax Procedure Code (L.4174/2013, Article 56) Decision No POL. 1252/20.11.2015 Adaptation of Greek Legislation to the provisions of Directive (EU) 2016/881 and other provisions (L.4484/2017)</p>

		<ul style="list-style-type: none"> • In the case of inaccurate filing of the Summary Information Table, the said fine shall be calculated based on the amounts related to the inaccuracy, and shall be imposed only if such inaccuracy is higher than 10% of the overall transactions for which there was an obligation for documentation. • In case the Summary Information Table is not filed, a fine shall be imposed amounting to one thousandth (1/1000) of the transactions for which there was an obligation for documentation, which may not be lower than EUR 2 500 nor higher than EUR 10 000. • In case the TP Documentation File is made available to the Tax Administration from the thirty-first (31st) day from the notification of a relevant invitation until the sixtieth (60st) day, a fine equal to five thousand (5 000) euro shall be imposed; if it is made available from the sixty-first (61st) day until the ninetieth (90th) day, a fine equal to EUR ten thousand (10 000) shall be imposed, while if it is not made available at all or if it is made available after the ninetieth (90th) day, a fine equal to twenty thousand EUR (20 000) shall be imposed. <p>It is noted that if it is discovered in the context of an audit that the same violation has been committed again, within five years from the issuance of the initial act, the aforementioned fines shall be doubled, and if the same violation is committed again at any time, the fines imposed shall be four times the original fine.</p> <p>Regarding Country-by-Country Reporting, in case of not filing, a fine shall be imposed amounting to EUR 20 000. In case of late filing or inaccurate/ incomplete filing of Country-by-Country Report, a fine shall be imposed amounting to EUR 10 000.</p>	
24	<p>If your legislation provides for exemption from transfer pricing documentation obligations, please explain.</p>	<p>Exemptions from the obligation to keep TP Documentation Files are provided in the following cases:</p> <p>a) when the intercompany transactions or transfer of operations do not exceed EUR 100 000 per tax year in total, where the turnover of the taxable person does not exceed EUR 5 million per tax year, or</p> <p>b) when the intercompany transactions or transfer of operations do not exceed EUR 200 000 per tax year in total, where the turnover of the taxable person exceeds EUR 5 million per tax year.</p> <p>Additionally, legal entities, which are exempt from taxation under the provisions of Income Tax Code (L.4172/2013) or special provisions of other tax laws, are not obliged to document their transactions with their affiliated entities.</p>	<p>Tax Procedure Code (L.4174/2013, Article 21) Decision No POL. 1142/2.7.2015</p>

		In any case, individuals, regardless if they conduct their own business (individual enterprise), are not obliged to document their transactions with their related parties.	
Administrative Approaches to Avoiding and Resolving Disputes			
25	Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?	<p>Please check those that apply:</p> <p><input type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement programs</p> <p><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Unilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Bilateral APAs</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Multilateral APAs</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input type="checkbox"/> Other (<i>please specify</i>):</p>	<p>Tax Procedure Code (L.4174/2013, Article 22)</p> <p>Decision No POL. 1284/31.12.2013</p> <p>Decision No POL. 1129/30.8.2017</p> <p>Decision No POL. 1226/6.10.2020</p> <p>Greece's MAP Profile</p>
		For further information, please refer to the OECD MAP Profile for Greece.	
Safe Harbours and Other Simplification Measures			
26	Does your jurisdiction have rules on safe harbours in respect of certain industries, types of taxpayers, or types of transactions?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
27	Does your jurisdiction have any other simplification measures not listed in this questionnaire? If so, please provide a brief explanation.	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
Other Legislative Aspects or Administrative Procedures			
28	Does your jurisdiction allow/require taxpayers to make year-end adjustments?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

		In Greece, a year-end adjustment is possible when this leads to an arm's length outcome.	
29	Does your jurisdiction make secondary adjustments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Attribution of Profits to Permanent Establishments			
30	[NEW] Does your jurisdiction follow the Authorised OECD Approaches for the attribution of profits to PEs (AOA)?	<input checked="" type="checkbox"/> Yes Greece's domestic law follows the AOA.	
		<input checked="" type="checkbox"/> No <i>In how many tax treaties?</i> There are no tax treaties at the moment that contain the new version of Article 7 of the OECD MC. For tax treaties that do not contain the new version of Article 7 of the OECD MC, Greece would apply the profit attribution to PEs following the article in the respective tax treaty and would not follow the AOA.	
31	[NEW] Does your jurisdiction follow also another approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Other Relevant Information			
32	Other legislative aspects or administrative procedures regarding transfer pricing	N/A	
33	Other relevant information (e.g. whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire)	N/A	

For more information, please visit: <https://oe.cd/transfer-pricing-country-profiles>