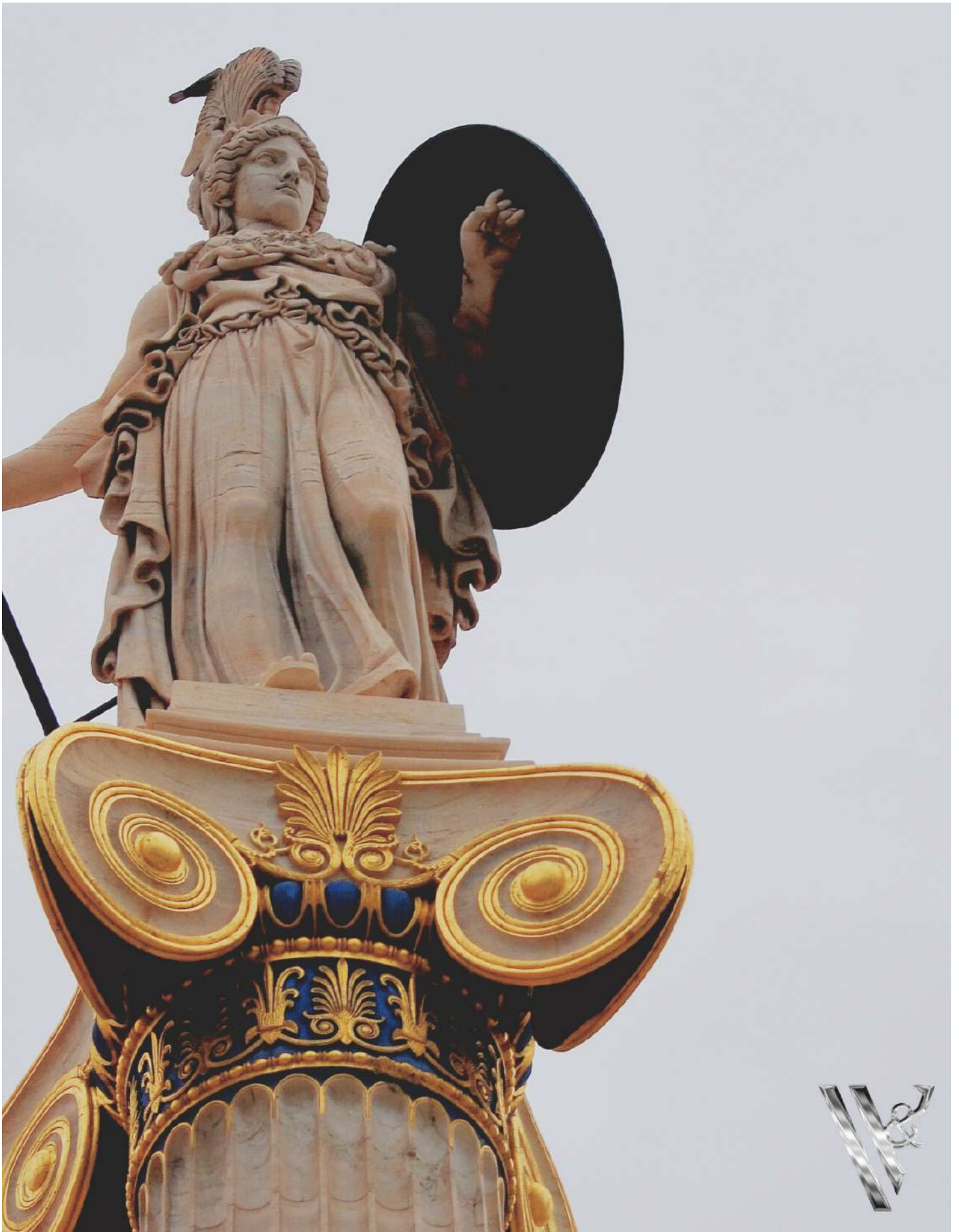


ESTABLISHMENT IN GREECE OF FOREIGN COMPANIES FROM AN IMMIGRATION PERSPECTIVE

INVESTING THROUGH A LOW TAX JURISDICTION STRUCTURE



VARDIKOS & VARDIKOS

BRANCH OFFICES IN GREECE



Greece provides a reasonably hospitable climate for Foreign Investment. In this respect, VARDIKOS & VARDIKOS, an International Law Firm, greatly offers professional advice in order to appraise the investment opportunity and choose the appropriate investment scheme. Foreign Corporations may establish a branch in Greece. There is no distinction on whether the country of origin is a low or a high tax jurisdiction.



BENEFITS



- **The Personnel of the Foreign Company are entitled to obtain a work permit and a legal residence for themselves and all members of their family.**
- **A Foreign National can apply for the Greek Citizenship, provided that he / she resides in Greece for the last 5 years.**
- **Total Exemption from Corporate Income Tax in certain cases.**
- **Opening and Management of Bank Accounts.**
- **Full and Unconditional Access to all Countries of the EU.**
- **Easy UK and US Visa.**
- **No minimum Stay Requirement.**
- **Work Permit transferable to other EU Countries.**



INITIAL STAGE

- **Pre – approval of name and / or trade name of the Branch Office by the competent Authority.**
- **Submission of the relevant Application and the supporting documentation.**

***The time between the filling of the application and the establishment is approximately 1 month.**



GENERAL DOCUMENTATION



- ❖ **Certificate of Incorporation.**
- ❖ **Corporate resolution for the establishment of the Branch Office in Greece.**
- ❖ **Power of Attorney in favor of the appointed Director of the Branch.**
- ❖ **Certificate of Good Standing.**
- ❖ **Certificate of the fully paid-up Capital of the Company; if the company is not established in another country of the EU.**
- ❖ **(The minimum amount of the fully paid up capital is 24.000 Euros for S.A. And 2.400 Euros for limited liability Companies, or the equivalent in any other currency).**
- ❖ **Certificate of Directors.**
- ❖ **Resolution of the Board of the Directors for the establishment of the Branch Office.**

***All the documents issued abroad must be endorsed with Apostille or from a Greek Consular Authority and must be translated into Greek Language before filling. Certain Company structures, must receive special permission from the Ministry of Economy in Greece and the Ministry of Mercantile Marine.**



GENERAL PROCEDURE

An Application is submitted to the competent authority and should include the following:

- The parent company's Nationality
- The legal form under which the parent company is operating
- The legal form of the office in Greece (branch office, agency, or office of the parent company)
- The Branch Office's activities ❖ The name of the person who will be the Director/ Manager in Greece

The application has to be submitted and signed by a Greek attorney at law. In case that the Director / Manager of the office in Greece is not a Greek National, a Greek Attorney at Law should be appointed as such in order to receive all official correspondence.



TYPES OF OFFICES

- 1.Branch office in Greece
- 2.Shipping companies
- 3.Headquarters



1. BRANCH OFFICE IN GREECE - GREEK LAW 2190/1920



Permissible Activities:

Any commercial activities or provision of services. In terms of accountancy, the branch office must maintain at its registered address the respective books.

The type of the books depends on:

- **The total gross income**
- **The legal form of the parent company (S.A. or Limited Liability)**

Depending on the nature of its activities and the place where they will be provided, the branch office may be liable to VAT payment. The income which derives from the activity of the branch office in Greece is taxable according to the applicable Greek laws (present tax rate is 26%).



2. SHIPPING COMPANIES - GREEK LAW 27/1975 AND 3427/2005



Branches or Offices of Foreign Companies dealing exclusively with:

- **The Management of Vessels**
- **Average Adjustments/ Insurance Services**
- **Brokerage in the Sale and Purchase of vessels**
- **Sale and Purchase of vessels**
- **Chartering**

Chartering of Ships under Greek or Foreign Flag may be exempted from income taxation, despite having a permanent establishment in Greece, in exchange for their obligation to import foreign currency to finance their local operation.

It is mandatory for a Bank Guarantee from a Greek or a foreign bank of acknowledged standing to be deposited, which will be forfeited in favor of the Greek State in case of breach of the provisions of Law 89/67.

The Minimum of funds imported and spent on office expenses in Greece amount to USD 50.000,00





They are entitled to the following facilities concerning the taxation, provided they are exclusively engaged in commercial activities whose objects lie outside Greece:

Total exemption of the Company from:

- ❖ **Custom duties**
- ❖ **Import taxes**
- ❖ **Stamp duties**
- ❖ **Contributions**
- ❖ **Turnover tax**
- ❖ **Luxury tax and any other taxes, duties or charges in favor of the State;**
- ❖ **Total exemption from taxes, duties, or charges for any article necessary for equipping their office in Greece**
- ❖ **Exemption from income tax**

The only Current Tax Liability is a tax that varies accordingly to the amount imported and spent in Greece.



3. HEADQUARTERS - GREEK LAW 3427/2005



Foreign companies may be established in Greece according to the provisions of Law 3427/05, aiming exclusively at the provision of the following services to their head-offices or affiliates abroad (within the meaning of Article 42e of Law 2190/1920):

- **Consulting Services**
- **Centralized Accounting Services**
- **Quality Control of Production, Products, Procedures and Services**
- **Preparation of Studies, Designs and Contracts**
- **Advertising and Marketing Services**
- **Data Processing Services**
- **Receipt and Supply of Information and Research & Development Services**





Established Companies under this regime, are obliged:

- a. To employ a staff of at least 4 employees in Greece and**
- b. To have at least 100,000 Euro per year operating expenses in Greece.**

Tax incentives for Companies established:

- The Gross Income from services provided (only collected by bank remittances) is calculated according to the cost-plus method.**
- Profit Margins (amounting to not less than 5%) are set separately for each company, in application of competent regulatory authority criteria (Committee of Ministry of Economy), mainly consisting in the nature of services provided, the area of business activity and the OECD Guidelines on intra group charges.**





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