

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

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A. Updates to the List of Preferential Tax Regime Countries for 2021

1. By virtue of Decision A. 1027/2023 (Government's Gazette Bulletin B' 1539/13.3.2023), the Ministry of Finance issued an updated list of preferential tax regime jurisdictions for 2021 as follows:

1	St. Eustatius	22	Maldives
2	Albania	23	Montenegro
3	Timor-Leste	24	Republic of Moldova
4	Anguilla	25	Mongolia
5	Andorra	26	Monaco
6	Vanuatu	27	Barbados
7	Bermuda	28	Bahamas
8	North Macedonia	29	Bahrain
9	Bosnia and Herzegovina	30	Belize
10	Bulgaria	31	Bonaire
11	British Virgin Islands	32	Cayman Islands
12	Gibraltar	33	Marshall Islands
13	Guernsey	34	Turks and Caicos Islands
14	United Arab Emirates	35	Isle of Man
15	Ireland	36	Hungary
16	Qatar	37	Paraguay
17	Kyrgyzstan	38	Saba
18	Kosovo	39	Saudi Arabia
19	Cyprus	40	Jersey
20	Liechtenstein	41	Turkmenistan
21	Macau		

B. Updates to the List of Non-Cooperative Countries for 2021

1. By way of Decision A. 1028/2023 (Government's Gazette Bulletin B' 1676/20.3.2023), the Independent Authority of Public Revenues issued the updated list of countries considered to be non-cooperative for 2021. The tax consequences of performing transactions with residents in these countries are as follows:
 - a. payments executed to a tax resident in a preferential tax regime country or a non-cooperative country are non-deductible, unless the Greek taxpayer can provide evidence that the respective expenses correspond to real and ordinary transactions which do not result in the shifting of profits, income or capital aimed at tax avoidance or evasion;
 - b. payments made to a tax resident of an EU or EEA country may be deducted if there is a legal basis for the exchange of information between Greece and the relevant country.
2. For the purposes of the Controlled Foreign Companies (CFC) Rules, the non-distributed income of a CFC, subject among other things to tax in a non-cooperative country or in a country with a preferential tax regime, may be considered as taxable income of the Greek tax resident who controls it. The CFC Rules do not apply to EU tax resident CFCs and EEA tax resident CFCs (EEA countries with which an agreement for the exchange of information is in force), provided the establishment or economic activity they pursue is not artificial and aimed at the avoidance of tax due.
3. The following countries are included in the list of the noncooperative countries for 2021:

1	Sint Maarten	9	Vietnam
2	Haiti	10	Gabon
3	Cote d' Ivoire	11	Ghana
4	Algeria	12	Guyana
5	Anguilla	13	Guinea
6	Antigua and Barbuda	14	Guatemala
7	Vanuatu	15	Eswatini
8	Kingdom of Lesotho	16	Jordan

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17	Kazakhstan	32	Dominica
18	Cambodia	33	Honduras
19	Belarus	34	Palau
20	Congo (Rep. of)	35	Panama
21	Liberia	36	Papua New Guinea
22	Madagascar	37	Paraguay
23	Maldives	38	Rwanda
24	Mali	39	Seychelles
25	Mauritania	40	Thailand
26	Barbados	41	Tanzania
27	Benin	42	Togo
28	Botswana	43	Trinidad and Tobago
29	Burkina Faso	44	Djibouti
30	Namibia	45	Chad
31	Niger	46	Philippines

4. Within the framework of the Convention on Mutual Administrative Assistance in Tax Matters (MAC), the following countries are considered as non-cooperative countries with respect to the time period determined by the Ministry of Finance:

	Country	Time Period
1	Eswatini	1.1.2021 - 30.06.2021
2	Jordan	1.1.2021 - 30.11.2021
3	Namibia	1.1.2021 - 31.03.2021
4	Paraguay	1.1.2021 - 31.10.2021

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