

TAX BRIEFING: Monthly Insight

Recent Developments in Tax Legislation

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A. Law 5047/2023 Transposing DAC7 into Greek Legislation

1. By way of Law 5047/2023 (the Law), the Greek Parliament transposed Council Directive 2021/514/EU of 22 March 2021, known as DAC7, into Greek legislation.
2. DAC7 amends Directive 2011/16/EU on administrative cooperation in the field of taxation.
3. The reporting obligation introduced by Directive 2011/16/EU is extended under DAC7 to:
 - a. Greek legal entities providing Digital Platforms to sellers for the provision of business activities and Platform Operators in the EU;
 - b. Platform Operators that are not incorporated, managed or permanently established or resident in the EU and make available Digital Platforms to sellers for performing reportable activities in Greece; and
 - c. third parties upon request from the Greek competent authority (including platform managers, permanent establishment of non-Greek legal entities or internet service providers etc).
4. The object of the reporting obligation is the reportable sellers (**RS**).
5. RS are considered all users (whether they are individuals or entities), registered at any moment during the Reportable Period on the digital platform and carrying out a Relevant Activity against Consideration (either paid or credited).
6. The following sellers are excluded from the above obligation (Excluded Sellers – **ES**):
 - a. Governmental entities;

- b. entities whose stock is regularly traded on an established securities market or which are a related entity of an entity the stock of which is regularly traded on an established securities market;
- c. entities for which the Platform Operator facilitated more than 2,000 Relevant Activities by means of the rental of immovable property in respect of a Property Listing during the Reporting Period; or
- d. entities for which the Platform Operator facilitated less than 30 Relevant Activities by means of the sale of goods and for which the total amount of consideration paid or credited did not exceed €2,000 during the Reporting Period; and
- e. Relevant Activities are those carried out for Consideration and are any of the following:
 - the rental of immovable property, including both residential and commercial property, as well as any other immovable property and parking spaces;
 - personal services;
 - the sale of goods; and
 - the rental of any mode of transport.
7. To facilitate the work of tax authorities of Member states, the reported information should be exchanged within one month following the reporting. In order to facilitate the automatic exchange of information and enhance the efficient use of resources, exchanges of information should be carried out electronically through the existing Common Communication Network (CCN) developed by the European Union.
8. Reporting Platform Operators must complete the due diligence procedures by 31 December of the Reportable Period.
9. A Reporting Platform Operator shall report the information with respect to the Reportable Period to the competent authority of the Member state no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller. Where there is more than one Reporting Platform Operator, any of those Reporting Platform Operators shall be exempt from reporting the information if it has proof, in accordance with National law,

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that the same information has been reported by another Reporting Platform Operator.

10. The information that must be reported by the Platform Operator includes:
 - a. in the case of individuals, the name, registered office address, tax identification number (TIN), Member state of issuance, VAT number and date and place of birth;
 - b. in the case of entities, the tradename, TIN and the Member state of issuance, VAT number, exact address and any permanent establishment in the EU through which activities were carried out and:
 - the financial account identifier to which the consideration is paid or credited;
 - the competent authority of the Member state where the seller is resident;
 - the total consideration paid or credited during each quarter of the reportable period;
 - the number of relevant activities; and
 - any fees, commissions or taxes withheld or charged by the Platform Operator during each quarter of the Reportable Period;
 - c. for Reportable Sellers carrying out a Relevant Activity related to immovable property rental, the information under b, address of each property listing, respective land registration number, number of days each property listing was rented and any other document related to the property owned.
11. In the event of infringement of the above obligations, the competent authority may impose a fine in the range of €1,000 - €500,000. The total amount of the fine for late

submission of the seller's data may not exceed the threshold of €10,000 per reportable year.

12. In cases of non-compliance with the obligation to submit the required information or non-cooperation during the audit, apart from the above fines and by way of joint decision, the Minister of Finance and the Independent Authority of Public Revenue may also decide to interrupt access to the non-compliant Digital Platforms.
13. The new Law applies from 7 September 2023 and the first submission by Platform Operators will take place by 31 January 2024 with a reference period from 1 January 2023. The first exchange of information between the Member states is expected to take place by the end of February 2024.

B. Draft Source of Funds Declaration – Registration of the Obligated Persons with the Platform of the Ministry of Finance

1. By way of announcement by the competent authority, the list of declarants for the 2023 tax year that are obliged to submit Source of Funds Declarations (**SoFD**), including spouses, separated spouses or persons with whom a civil partnership has been entered into, commences on 4 September 2023 and the time limit is further extended to 6 November 2023 (from 4 September 2023).
2. Listed declarants whose marital status changed in 2022, compared to the latest initial or annual SoFD for 2022, as well as those who have not submitted an initial or annual SoFD for 2022, are required to log in to the new application 'Disclosure of Spouse of the Obligated Individual' by 20 October 2023 (the previous time limit was 24 September 2023).

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