Recent Developments in Tax Legislation

A. **OECD Model Tax Convention – Update 2025**
B. **Circular E.2110/2025 on the EU Carbon Border Adjustment Mechanism (CBAM)**

A. OECD Model Tax Convention – Update 2025

1. On 5 January 2026 the OECD released the Side-by-Side (**SbS**) package (the **Package**) providing additional guidance on the Global Anti-Base Erosion Model Rules (**GloBE Rules**).
2. In summary, the Package includes the following main provisions:
   a. A simplified Effective Tax Rate (ETR) Safe Harbor applicable as of 1 January 2027.
   b. Extension of the transitional CbCR Safe Harbor by one year.
   c. Introduction of the SbS system as of 1 January 2026. The introduction of the SbS system will be effected by way of safe harbors and can exempt an entire Group from the IIR and the UTPR or only the Ultimate Parent Entity jurisdiction.
3. The Package is not expected to affect the current GloBE Rules for the 2024 and 2025 fiscal years. There will be no impact on the financial statements of MNEs with Ultimate Parent Entities established in jurisdictions eligible under the SbS system for the 2025 fiscal year.

B. Circular E.2110/2025 on the EU Carbon Border Adjustment Mechanism (CBAM)

1. By way of Circular E.2110/2025 (the **Circular**), the Independent Authority of Public Revenues (**IAPR**) provides operational customs guidance for implementing the CBAM in Greece under Regulation EU 2023/956 and its implementing acts. This focuses on scope, obligations, exemptions, the CBAM Registry and inter-authority cooperation.
2. The CBAM applies to imports into the EU of the specified carbon-intensive goods listed in Annex I (notably cement, iron and steel, aluminium, fertilizers, electricity and hydrogen) and

identified by TARIC codes.

3. It covers entries into free circulation and certain movements to offshore structures and also applies to processed products derived from inward processing where relevant.
4. Key exemptions include goods originating from specified territories/countries (e.g. EFTA states and certain EU customs territories) and, under conditions, electricity linked to coupled markets where no technical solution exists.
5. A de minimis exemption applies when an importer's total annual net mass of CBAM goods does not exceed 50 tonnes, calculated with reference to Annex VII of the CBAM. Exceeding it triggers full CBAM obligations for the year and possible customs blocking of further imports until compliance.
6. From 1 January 2026, only an Authorized CBAM Declarant may enter Annex I goods into free circulation in the EU.
7. Importers resident in an EU Member State, or their indirect customs representatives, must apply to the CBAM Registry to obtain authorization before import; applications are generally assessed within 120 days.
8. A temporary facilitation allows continued importing until 31 March 2026 if an application has been submitted and is pending a decision.
9. The CBAM Registry records authorized declarants, importers, applications, emission reports and accredited verifiers and facilitates communication among the European Commission, competent authorities and customs. It interoperates with customs through the EU Single Window Environment for Customs (EU SWE-C) and the CRMS2 risk system.
10. A transitional period ran until 31 December 2025, during which importers filed quarterly CBAM reports, as provided for by Implementing Regulation (EU) 2023/1773, aligned with the phased withdrawal of free EU ETS allowances.
11. Full CBAM requirements apply from 2026, including import by authorized declarants and registry-based validations in customs processing.
12. CBAM declarations must include the information required by Article 6(2) and address special customs procedures such as inward processing and re-imports.
13. When using actual embedded emissions, the declarant may request to reduce the number of CBAM certificates to reflect a verified carbon price already paid in a third country.
14. To use exemptions at customs (Code 44.1), the Circular prescribes specific codes, including:
    a. Code Y137 to invoke the de minimis exemption under Article 2a of the CBAM Regulation (≤50 tonnes per calendar year).
    b. Code Y134 for goods originating from Büsingen, Heligoland or Livigno (Annex III.1).
    c. Code 34a for EFTA origins (NO, CH, IS, LI) and origin from the territories Ceuta/ Melilla (XC/XL), with no special Code 44 needed.
    d. Additional codes apply where exemptions are tied to specific customs circumstances or

special procedures, including certain after-treatment scenarios.

15. If an importer exceeds the de minimis mass threshold without authorization, the competent authority issues a reasoned decision, informs on rights of appeal and obligations (including the requirement to obtain authorization), and notifies customs and the Commission through the CBAM Registry. Customs may prevent further imports until compliance is achieved.
16. Greece's National Competent Authority under Article 11 CBAM Regulation is designated by Article 60 of Law 5100/2024 as the Directorate of Strategic Planning and Programming of Investigations (AADE/SDOE), with the contact details specified in the Circular.
17. For imported electricity, the Circular reflects the special case where imports from coupled markets may be exempted when no technical solution exists for applying the CBAM. Measurement is border-specific in periods not exceeding one hour, and relevant registrations are handled in the Registry.

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