

Immigration & Tax Law Combo Briefing: Special Edition

Investing in Greece for non-EU Citizens

- A. Alternative Taxation (Article 5A)
- B. Investor Residence Permits
- C. Eligible Investment Categories and Specific Requirements
- D. Conclusion

This Briefing is intended for non-EU citizens who wish to invest in Greece, with a minimum capital commitment of €500k. Through such an investment, investors gain two significant benefits:

1. eligibility for a favorable alternative taxation regime; and
2. a residence permit in Greece for a minimum period of five years, with the right to travel freely within the European Schengen Area.

A. Alternative Taxation (Article 5A)

By making the requisite investment, the individual may transfer their tax residence to Greece and become subject to the alternative income taxation regime, thereby enjoying the following tax benefits for a period of 15 consecutive tax years:

1. non-Greek-sourced income is exempt from taxation and is not subject to reporting obligations;
2. an annual flat tax liability of €100k applies to all non-Greek-sourced income. This benefit may be extended to close relatives of the qualifying individual upon payment of an additional annual tax of €20k per person;
3. assets held outside Greece are not subject to gift or inheritance tax; and
4. no justification is required for funds remitted to Greece.

The following requirements must be cumulatively satisfied:

1. individuals must not have been tax resident in Greece for seven out of the eight years immediately preceding the transfer of their tax residence to Greece;
2. investments must exceed €500k and must take the form of real estate, securities or shareholdings; and
3. investments must be concluded within three years from the date of the application.

B. Investor Residence Permits

Investments must have a value of at least €500k and may take one of the following forms: establishment and operation of a business; participation in the share capital of a Greek company; financial investments; or investments in real estate.

Duration and renewal: Residence permits are issued for a single period of five years, regardless of the type of investment, and may be renewed for an equal period.

Family members: Investors have the right to be accompanied by family members, namely spouses, children and direct ascendants (parents).

Minimum stay requirement: There is no obligation to reside in Greece for a minimum of 6 months as is the case with other residence permits.

Access to the labor market: Investor residence permits do not confer the right to work within Greece.

C. Eligible Investment Categories and Specific Requirements

Establishment and Operation of a Business in Greece: The eligible corporate forms include a Société Anonyme (SA), a General Partnership, a Limited Partnership, a Limited Liability Company (LLC) or a Private Capital Company (*IKE*). The investor is required to submit a business plan and a set of supporting documents to the Ministry of Development demonstrating a positive impact on national growth and the economy.

Participation in a Greek Company: Investment through participation in a Greek company may take the form of participation in a non-listed company: the investor acquires a stake of at least 33% in the share capital of a Greek Société Anonyme not listed on a regulated market. The amount must be paid in cash, must be at least €500k, and must be made in the context of a share capital increase. It can also take the form of participation in a listed company: the investor acquires shares in a company traded on a regulated market with a nominal value of at least €500k without any minimum ownership percentage requirement.

Financial Investments: This category includes the following forms of investment, each with a minimum value of €500k:

1. Acquisition of shares or bonds through a Capital contribution to a company with its registered office or establishment in Greece.
2. Participation in a Real Estate Investment Company (REIC).
3. Participation in a Venture Capital Company (VCC) or Venture Capital Fund (VCF).
4. Purchase of Greek Government Bonds with a value of at least €500k and a remaining maturity of at least three years at the time of purchase, through a credit institution established in Greece that also acts as custodian.

Investment in Real Estate (Golden Visa): An eligible investment is the purchase of property (residential land, plot of land or agricultural land). The minimum investment amount is €500k. Where the investment is in residential land, this must involve a single property with a minimum main area of 120sq.m. The minimum acquisition value is €800k for property located in the Region of Attica, the Regional Unit of Thessaloniki, the Regional Units of Mykonos and Thira (Santorini), and islands with a population exceeding 3.1k residents.

D. Conclusion

Greece's legal framework has introduced incentives to attract international investors and high net worth individuals. Non-EU citizens considering relocation may benefit from assessing the interaction between the country's investor residence permit programme and the Alternative Taxation Regime for foreign-sourced income.

The draft bill, which had been submitted to public consultation by the Ministry of National Economy and Finance and aimed at improving the applicable timelines under the flat tax regime, has now been enacted into law enhancing predictability and efficiency for prospective applicants.

In light of the legal, tax, and regulatory considerations involved, investors should carefully assess the investment and relocation structures available to them, ensuring alignment with their personal circumstances, business objectives, and ongoing compliance obligations.

KEY CONTACTS

**Fotodotis Malamas**

Partner

fmalamas@bernitsaslaw.com

**Maria Kloni**

Counsel

mkloni@bernitsaslaw.com

**Katerina Batsika**

Associate

kbatsika@bernitsaslaw.com

**Stella Vasdeki**

Associate

svasdeki@bernitsaslaw.com

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