Recent Customs and Tax Developments

Law 5222/2025 introducing
A. Overview of the New Customs Code
B. Key Changes in Tax Legislation

A. Overview of the New Customs Code

1. Comprehensive legislation has been introduced in the form of new National Customs Code 5222/2025 (the **New Law**). The purpose of the new Code is to establish a transparent and clear framework for the conduct of customs procedures, to address tax evasion and smuggling and to update the applicable legislation. The most significant provisions include:
   a. digital submission of declarations and the use of electronic systems for all types of transport, with detailed specifications regarding electronic declarations;
   b. mandatory arrival notifications and stricter procedural timelines;
   c. enhanced digital monitoring and data exchange among customs authorities, including the use of digital surveillance systems and the installation of integrated monitoring infrastructure;
   d. data sharing with other authorities: customs authorities are granted access to all relevant information systems of public law enforcement agencies, through the implementation of cooperation protocols and will collaborate with domestic and foreign services and provide mutual assistance;
   e. clear definition of the conditions governing the operation, management and control of free zones, including the terms for storage, handling and movement of goods within them;
   f. stricter oversight and enhancement of digital record-keeping: free zones are subject to customs surveillance and in port free zones, a space must be designated for container

inspections;

g. full alignment with EU customs legislation and enhanced monitoring: customs officers are authorized to utilize any appropriate technological means or software for investigation, data extraction and surveillance purposes;
h. introduction of rules for new product categories, including the imposition of excise duty on products such as refill liquids for electronic cigarettes, electrically heated tobacco products and nicotine pouches;
i. simplification of movement, exemption and refund procedures in accordance with harmonized EU standards; the movement of excise goods under suspension within the EU, including transit through third countries, is explicitly provided for and conducted via electronic administrative documents through automated systems;
j. revision of CO_2-based tax adjustments and implementation of the WLTP measurement standard for newer vehicles; determination of CO_2 emissions and Euro standards is carried out by customs authorities based on type-approval or Certificates of Conformity (CoC);
k. introduction of digital cross-border transport controls: a new system is established within the Independent Authority for Public Revenue (**IAPR**) to enhance customs supervision and monitoring of goods, containers and vehicle movements; the movement of excise goods under suspension is conducted via automated systems;
l. creation of a Unified Central Register for the Supply Chain (EKMEA), covering the tobacco supply chain, processed tobacco products, e-cigarettes, electrically heated products and nicotine-containing or nicotine-free products;
m. modernization of the vehicle taxation framework, confirming the shift to new emissions measurement standards, strengthening digital monitoring across the supply chain (notably through the introduction of the Professional Vehicles Monitoring System) and tightening requirements for authorized vehicle warehouse operators, particularly with respect to compliance history; and
n. preservation of the fundamental definitions of customs infringements, while significantly strengthening enforcement and sanctions: this includes the imposition of higher fines for specific offenses, stricter consequences for repeat violations and license revocations and the extensive use of electronic systems and data sharing to more effectively combat tax evasion and smuggling.

B. Key Changes in Tax Legislation

1. In addition to the provisions of the new Customs Code, the New Law contains a multitude of other significant provisions pertaining to Income taxation, the Value Added Tax Code (**VAT Code**), the Greek Accounting Standards, the Tax Procedure Code, Law 2523/1997, the Property Tax Code and the Special Real Estate Tax (**EFA**).

2. Amendments Relating to Income Tax:
   a. amendments are introduced to the alternative taxation regimes of Articles 5A, 5B and 5C of Law 4172/2013 (Income Tax Code – **ITC**); in particular, the requirement for the creation of a new job position by individuals who are tax residents abroad and transfer their tax residence to Greece to be employed as salaried workers is abolished;
   b. to avoid a unilateral obligation on the part of the Greek tax authorities to notify the tax authorities of the taxpayer's former country of residence, this notification is now subject to the principle of reciprocity; and
   c. a tax exemption from inheritance or donation tax in Greece is provided for movable property located abroad, which is transferred to the same individual or to a third party due to death or donation respectively for natural persons (investors) transferring their tax residence to Greece.
3. Any payment made by an employer to cover medical expenses of an employee or their family members is excluded from taxable income from employment and pensions under certain conditions.
4. Where real estate is leased or subleased to a natural or legal person, the rental amount must be paid into a bank account of the lessor. Any rent paid outside the banking system by persons engaged in business activities will not be recognized as a deductible business expense, and any related property expenses will not be deductible from the lessor's taxable income. The lessee will be excluded from any benefit or financial support related to the lease.
5. The operating conditions for Special Purpose Family Wealth Management Companies (**Family Offices**) are redefined:
   a. minimum operational expenditure threshold is reduced to €500k per annum from €1m;
   b. their scope of activity is expanded and Family Offices may now provide advisory services to trustees concerning trusts in which natural persons or their family members participate as settlors or beneficiaries; and
   c. for the purposes of tax residency, the provision of services by a Greek Family Office to foreign companies related to individuals or their families shall not constitute exercise of actual management or place of effective management in Greece.
6. Incentives are provided, under certain conditions, to entities that are required to issue electronic invoices if they voluntarily choose to issue their transaction documents electronically only prior to the date on which this becomes mandatory.
7. Amendments Relating to Value Added Tax (VAT):
   a. the new law includes provision for the place of supply and taxation of services relating to access to cultural, artistic, sporting, scientific, educational, entertainment or similar events, as well as ancillary services directly linked to such access;

b. in accordance with EU legislation, the special scheme applicable to small enterprises is revised, specifically in relation to their exemption from the obligation to pay VAT on supplies of goods and services;
c. the VAT rate is reduced from 13% to 6% on imports of works of art, collectors' items or antiques, as well as the supply of works of artistic value by creators or their successors; and
d. the special exemptions under Article 32 of Law 5144/2024 concerning the supply and importation of fuels and other goods intended for the supply of ships are extended to specific categories of vessels.

8. Amendments to the Greek Accounting Standards (Law 4308/2014):
   a. the provision concerning simplified invoices is amended;
   b. handwritten retail receipts are abolished;
   c. mandatory electronic invoicing is established for transactions between entities subject to the provisions of Law 4308/2014; and
   d. provisions are introduced to ensure the authenticity of origin and the integrity of the content of an electronic invoice.
9. Amendments to the Tax Procedure Code (TPC) and Law 2523/1997:
   a. tax returns related to Capital are exempted from the penalties imposed for failure to submit or for late submission;
   b. increased fines are provided for in cases of transportation of goods without the required supporting transport documentation (eg dispatch notes);
   c. legal entities subject to the Greek Accounting Standards are required to accept payments exclusively through interconnected Electronic Funds Transfer at the Point of Sale (EFT/POS) terminals and penalties are imposed for non-compliance;
   d. a provision is introduced for the issuance of a tax clearance certificate with no or reduced withholding tax for individuals jointly and severally liable in relation to legal entities; and
   e. a Real Estate Ownership and Management Registry (MIDA) is established within the IAPR, which contains all relevant information and data concerning the ownership and management of real estate.
10. Amendments to the Property Tax Code (Law 5219/2025):
    a. the required period during which the deceased must have been a non-resident of Greece for their movable property located abroad to be exempt from inheritance tax is reduced from 10 to 5 years; and
    b. benefits granted in the form of payments by an employer to cover medical expenses of an employee or their relatives are exempted from donation tax.

11. Amendments to the Special Real Estate Tax (EFA):
    a. a tax exemption is provided for the value of real estate rights held by non-profit institutions, both domestic and foreign and regardless of where their statutory seat is, provided they demonstrably pursue charitable purposes in Greece.



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