



Tax incentives to attract foreign individuals into Greece vol.3: Reversing brain drain

After having aimed at high-net-worth individuals and foreign retirees, the Greek Government has just submitted to Parliament the third set of tax incentives aiming to attract foreign tax resident individuals into Greece.

The scope

This time, tax incentives are addressed to executives, employees, freelancers and other entrepreneurs wishing to relocate and work from Greece. Reversing Greece's brain drain, luring the "work from anywhere" crowd, reducing the payroll cost for foreign investors setting up new activities in Greece, as well as addressing post-Brexit immigration needs are a few of the drivers of the new plan.

The incentive

Qualifying individuals will benefit from a 50% income tax break on their annual Greek source salary or business income over a period of 7 years. The tax break will apply also with respect to the corresponding special solidarity contribution. The marginal income tax rate on salary income and business income earned by individuals is 44%. An exemption also applies from deemed income rules on the use of main residence or privately used vehicles for qualifying individuals.

Conditions to qualify

Qualifying individuals should:

- Have held their tax residence outside Greece for at least 7 out of the 8 last years
- Be residents of an EU/EEA country or a country with which Greece holds an administrative cooperation agreement
- Become employed by a Greek company or a Greek permanent establishment of a foreign company (this condition does not apply with respect to freelancers and other entrepreneurs); to be noted that only newly recruited employees are eligible for the plan
- Stay in Greece for at least 2 years

Key dates

1st January 2021: The new tax incentive plan enters into force.

31st July of each year: Deadline for filing applications to qualify for the relevant year expires.

How we can help you

Assessing whether the new tax incentive regime works for you is a question to be addressed under several angles: tax treatment of foreign source income, residence permit in Greece, labour, employment & social security, set up of operations in Greece, just to name a few.



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