



# Recent tax changes impacting real estate reporting formalities and real estate transactions

A number of tax changes have recently been introduced in connection with real estate reporting formalities, the Unified Real Estate Tax (ENFIA) and real estate transactions. The most important change is undoubtedly the abolition of the joint liability of purchasers of real estate for specific tax liabilities of the sellers.

You may find below a summary of the recent changes and an update on the revised ENFIA that applies to private individuals and has resulted in tax disputes that are currently pending before Courts.

---

## Changes introduced in connection with E9 reporting by the Governor of the Independent Authority for Public Revenue (IAPR)

### Extension of the deadline to report changes in the E9 return for FY 2023

By means of a decision of the Governor of the IAPR (A. 1033/2023) the deadline for filing the E9 return for reporting new property rights or for amending property rights referring to 1st January 2023 is extended from 31st March to 12th April.

### Changes in the E9 reporting

By means of a decision of the Governor of the IAPR (A. 1035/2023) minor changes have been introduced in the E9 return as from 1st January 2023, which

require however for some taxpayers to revisit and update their E9 returns.

Relevant taxpayers are those who hold:

- bare ownership rights,
- buildings that have been purchased off the plans by their developers and
- properties that are situated in Special Spatial Development Plans for Public Property under Law 3986/2011 and Integrated Development Plans under Law 4062/2012.

---

## **Changes introduced by the recently enacted Law 5036/2023 (GG A' 77/28-3-2023) titled "Debt settlement scheme and other tax and customs regulations, pension protection from inflation and other provisions to support society and entrepreneurship"**

### **Purchaser's joint liability for ENFIA and gift and/or inheritance tax liability of the seller is abolished**

Until the Law enactment, purchasers of real estate properties were jointly liable with the seller for past seller's tax liabilities from the annual ENFIA and from gift and/or inheritance taxes corresponding to the real estate transferred. The new law abolishes purchaser's joint liability for transactions signed as from its publication.

Furthermore, no certificate will need to be collected by the seller to certify that the gift and inheritance tax corresponding to the property has been paid. The collection of such certificates was known to cause significant delays.

### **Changes in the E9 return until 30th June without penalties**

Taxpayers are entitled to amend their E9 return until 30th June 2023 without incurring the Euro 100 penalty for delayed filing. The payment of the ENFIA will be still made in instalments up until the end of February. A quasi-similar provision allowing for delayed amendments of the E9 return without the imposition of penalty had also applied last year.

### **Reductions to the basic tax to apply for the main ENFIA for low value properties are extended also to FY 2023**

The recently enacted Law provides that the reductions to the basic tax for the purpose of computing that main ENFIA that applied for FY 2022 will also apply, under requirements, for FY 2023. Namely properties that fall within tax zones 2 and 3 (i.e. with basic tax of 2.80 and 3.70 Euro per sq. met) will be taxed with the basic tax that corresponds to tax zones 1 and 2 instead (i.e. with basic tax 2 and 2.80 Euro respectively). This will apply to properties located in areas where the objective value system applied on 1st January 2022 provided that the recent increases of such values did not exceed the amount of Euro 50.

### **Automatic reporting of changes in the E9 returns through the digital platform of the Information Systems**

As per the new tax Law the uploading of the transfer deed in the electronic platform "My Property" by the notary will digitally and automatically update the E9 return of the counterparties in the transaction, thus saving the parties of an additional obligation post-closing.

## **Changes of the requirements for the issuance of tax clearance certificates for the sale of real estates by taxpayers who have tax debts**

Taxpayers who have entered into a tax debts' settlement scheme or have tax debts that are either not mature or are under suspension are entitled to obtain a tax clearance certificate with a maximum duration of one month.

In case that the tax clearance certificate is requested by a taxpayer for the purpose of real estate sale the tax clearance certificate provides that the following amounts will be withheld from the purchase price.

<b>Type of tax debts</b>	<b>Amount to be withheld</b>	<b>Requirement as regards the purchase price</b>
Tax debts under a settlement scheme	70% of the purchase price and up to the amount of the tax debt	Purchase price should not be lower than the objective value
Tax debts under suspension that are higher than €50,000	50% of the purchase price and up to the amount of the tax debt	
Both type of tax debts as above	Percentage to be determined with refence to the objective value; the amount to be withheld should not be lower than the tax debts and not higher than the purchase price	If purchase price is lower than the objective value

A joint decision of the Minister of Finance and of the Governor of the IAPR will

provide for the procedure to be followed for obtaining the tax clearance certificate in the above cases and will determine the details for applying the percentages of the amounts to be withheld from the purchase price. The Governor of the IAPR is also authorised to determine by means of decision the amounts to be withheld from the purchase price in case that the taxpayer wishes to sell real estate and has outstanding but not mature gift and inheritance debts.

## **Changes to the content and the procedural formalities around the ENFIA clearance certificates**

The most important changes that are relevant to the granting of the ENFIA clearance certificate that need to be attached both to the transfer deeds and the preliminary agreements for the transfer of real estates are the following

In cases of deeds for the transfer or establishment of a property right irrespective of the legal ground of the transfer, the ENFIA clearance certificate to be collected should certify that the specific property has been reported in the ENFIA assessment of the previous five years, and not all the real estate of the same taxpayer, as had been the case before hence significantly facilitating real estate transactions.

The taxpayer can transfer the real estate even before the full settlement of the ENFIA corresponding to the specific real estate provided that the ENFIA certificate explicitly refers to the ENFIA amount and to the interests that are outstanding and that the notary shall remit equal amounts to the tax administration within 3 working days from the execution of the deed, otherwise relevant deed would be null and void.

In cases of deeds for the acceptance of inheritance rights the ENFIA certificate that corresponds to the period that the deceased was liable to the ENFIA can be collected by the interested heir provided that the ENFIA corresponding to the

percentage of the rights inherited by the interested heir has been paid.

## Update on the ENFIA applicable to private individuals

### Constitutionality of the new formula of ENFIA applicable to private individuals is challenged before Courts

As a reminder starting from 1st January 2023 different rules apply for the computation of the ENFIA of private individuals and legal entities. The ENFIA

of private individuals is computed on the basis of the formula below whereas no supplementary ENFIA is assessed any more.

<b>(i) The main tax</b>	<b>Plus (ii) the tax per total property value</b>	<b>Plus (iii) the tax readjustment</b>	<b>Or Minus (iv) the tax decrease</b>
Applicable to all properties	Applicable to properties worth more than Euro 400K of taxpayers with total property value exceeding Euro 300K	Applicable to taxpayers with total property value exceeding Euro 500K	Applicable to taxpayers with total property value lower than Euro 400K

In particular, properties worth more than Euro 400,000 that are held by private individuals are subject to an additional ENFIA burden (see item ii above) that is computed based on taxable brackets on the value of the property that is in excess of Euro 400,000, ranging from 0.2% to 1%, increasing thus proportionally the overall ENFIA burden. As a result, taxpayers that hold properties of equal total value that are in the same location may be taxed differently depending on whether they hold properties whose value exceeds Euro 400,000. A number of taxpayers who have seen their ENFIA bills being increased as a result of the

ownership of properties whose value exceed Euro 400,000 have appealed against their 2022 ENFIA assessment act claiming that above different tax treatment infringes article 4 of the Greek Constitution, being thus incompatible with the principles of equality and taxable capacity regarding tax burdens. Relevant appeals had been brought initially before the Dispute Resolution Directorate and following their rejection on the ground that such Directorate cannot rule on matters of constitutionality are currently pending before Courts.

## Contact us



**Marina Allamani**  
Partner

[m.allamani@zeya.com](mailto:m.allamani@zeya.com)



**Myrto Stavrinou**  
Senior Stavrinou

[m.stavrinou@zeya.com](mailto:m.stavrinou@zeya.com)



**Anastasia Kritikou**  
Associate

[a.krtikou@zeya.com](mailto:a.krtikou@zeya.com)

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior permission. Application for permission for other use of copyright material including permission to reproduce extracts in other published works shall be made to the publishers. Full acknowledgement of author, publisher and source must be given.

Nothing in this newsletter shall be construed as legal advice. The newsletter is necessarily generalised. Professional advice should therefore be sought before any action is undertaken based on this newsletter.

Established in 1893, Zepos & Yannopoulos is one of the leading and largest Law firms in Greece providing comprehensive legal and tax services to companies conducting business in Greece.

280 Kifissias Ave., 152 32 Halandri, Athens, Greece  
[newsletters@zeya.com](mailto:newsletters@zeya.com)  
Tel.: (+30) 210 696.70.00 | Fax: (+30) 210 699.46.40

[www.zeya.com](http://www.zeya.com)  
Subscribe  
LinkedIn