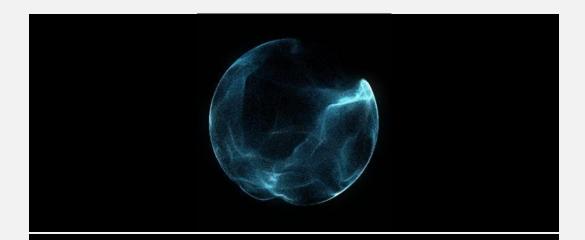


Greece | Tax Alerts | 19 February 2021



# New regulatory framework for family offices in Greece

On 17.02.2021, the Greek Parliament ratified a new law introducing a special tax regime for family offices.

In a nutshell:

# ✓ Scope of the provision:

Introduction of the "family office special vehicle" in the Greek Income Tax Code, subject to a special tax regime

# ✓ The legal form of the family office:

SA, LLC, General partnership, Limited partnership, Private Company, etc. other than a non-profit legal entity

#### ✓ Exclusive objective of the family office:

Support in the administration and management of assets' and investments' of the individuals and their family members

#### √ Vehicle's shareholders

Individuals (Greek tax residents), who are family members, as well as legal entities (in which the individuals or their family members participate)

# ✓ Minimum requirements:

- At least 5 employees within 12 months from the establishment and onwards and
- at least €1,000,000 annual operating costs in Greece

# ✓ Taxation:

Cost plus 7%; margin taxable at nominal 24% rate.

#### √ VAT regime

Transactions between the vehicle and its shareholders are deemed outside the scope of VAT

# ✓ The new regime attains to:

- Create a regulatory framework to "host" certain categories of personnel that serve both personal and business needs of the family members;
- create a pool of employees that will serve the needs of the family members;
- establish a framework that generates certainty regarding the tax treatment of services provided to individuals, i.e. competitive tax cost in terms of corporate income taxation and services outside the scope of VAT;

Greece is paving the way in creating a concrete structure for the family office, which in most countries does operate, but on a rather informal basis.



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