



Indirect taxation – Recent changes

Extension of the application of special VAT rates in certain islands

By virtue of a Ministerial Decision (No 2/95717, Government Gazette 5888/31.12.2018) which was published on 31 December 2018, implementing an Act of Legislative Content (Government Gazette A' 221/31.12.2018), the application of the special VAT rates (the Mainland rates reduced by 30%) for the islands of **Leros, Lesbos, Kos Samos and Chios** is extended for a period of six months, namely **from 1 January 2019 until 30 June 2019**, for the supply of goods and services, provided the necessary criteria are met. The VAT rates for these islands are 17% (standard rate) and 9% and 4% (reduced rates).

For the Greek Mainland and all other islands (with the exception of the abovementioned five islands), the VAT rates are 24%, 13% and 6% respectively.

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Pursuant to the Act of Legislative Content, the reduction by 30% of the VAT rates for the five abovementioned islands is granted through the issuance of a Ministerial Decision, upon conditions.

In this context, a new extension may be granted through the issuance of a Ministerial Decision every six-month period of each year (namely, in June and December), based on the average annual number of guests (refugees hospitalized on the said islands) according to the data of the Reception and Identification Centre of the Ministry for Migration Policy and the Hellenic Police, under the supervision of a service that will be appointed by the European Commission, for the 12 month period that expires at the end of the month prior to the issuance of the Ministerial Decision.

Changes in Annex III of the Greek VAT Code (Law 2859/2000)

By virtue of article 58 of Law 4583/2018 (Government Gazette A' 212/18.12.2018), Chapter A "Goods" of Annex III of the VAT Code is amended (through the inclusion of a new paragraph 30A). In particular:

- White walking sticks (canes) of tariff class code C.N. EX 6602 and typewriters with Braille types of tariff class code C.N. EX 8472, which are destined to serve people with vision (eyesight) disabilities, are reclassified from the reduced VAT rate (13%) to the super reduced VAT rate (6%).

The said change is effective from 18 December 2018.

By virtue of article 58 of Law 4587/2018 (Government Gazette A' 218/24.12.2018), paragraph 1 of Chapter B "Services" of Annex III of

the VAT Code is amended. In particular:

- Concert tickets are subject to the super reduced VAT rate (6%) as from 1 January 2019.

The amendment was introduced in accordance with the option provided by the EU Principal VAT Directive, in an effort to stimulate the market, through the price reduction of concert tickets and to enhance culture, by way of analogy with the sale of theatre tickets, which are also subject to the 6% rate.

The new provision covers exclusively concert tickets, which do not include any other supply, except for a musical spectacle.

VAT refund

By virtue of Circular POL. 1230/2018 (Government Gazette B' 5909/31.12.2018), the format and content of the "VAT Refund Application by a taxable person not established in an EU Member-State" – Application Form 015 – VAT) (based on the provisions of the 13th Council Directive 86/560/EEC) is amended.

The new application form is written both in the Greek and English languages, whereas all sections are clearly stated, so that claimants do not omit to complete any of the required fields, facilitating in such way the processing (of VAT refund claims) by the competent authorities.

It has also been clarified that the process for submission of the VAT refund claim under Circular POL. 1390/2001 remains in force and applicable.



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