



## Persons transferring their normal residence to Greece

### 1. **Q** Persons Entitled to Duty / Tax Relief

**A** A. Persons who transfer their normal residence to Greece:

#### **1. Transfer of normal residence**

Persons (foreigners or even Greeks) who have their normal residence abroad and transfer it to Greece, in order to settle permanently, may import-transfer, under the tax relief provided, their personal belongings (household items, cars, etc.). In any case luxury tax, when applicable, will have to be paid.

A person's normal residence is the place where someone usually resides, that is to say, for at least one hundred and eighty five (185) days per twelve-month period, because of personal and professional bonds. In case of a person without professional bonds, someone's normal residence is the place where he/she usually resides (for at least 185 days per 12-month period), because of personal bonds, that produce strong bonds between the person and the place where he/she lives, i.e. in order to determine the normal residence of a person, the personal (family) bonds prevail.

Consequently, in order to ascertain whether a person has his/her normal residence at a place abroad, he/she must prove, on the one hand, that he/she stays in this place for at least one hundred and eighty five (185) days in each 12-month period and, on the other hand, that his/her stay in this place is due to him/her having his/her personal and professional bonds. In case of a person without professional bonds, normal residence is considered the place that this person resides for at least 185 days per 12 months having only his personal bonds there, from which we can conclude that the person has strong bonds with this place, meaning that personal bonds prevail in order to see which his normal residence is.

Studying at a University or another faculty of a country does not mean that the person has transferred his/her normal residence in this country.

#### **2. Establishing the right of transferring the normal residence**

The professional bonds of a person are proved by means of practicing his profession. The personal bonds of a person are proved since his family has settled down in a place or since he has established other bonds in this place. We indicatively mention some supporting documents, for establishing the right of transferring the normal residence:

- The person is settled with his/her family (evidence of residence for himself/herself and the other members of the family).
- The person has the citizenship of the country or, if he/she is a Greek citizen, he/she has a permanent residence and work permit, issued by the competent authorities.
- The person is working in this country.
- The person is a taxpayer-citizen of this country.
- The person owns or rents a house in this country.
- The person is insured through the social security system of this country.
- The person is registered in the city in which he/she has settled.
- Papers concerning children's education (if there are any).
- Papers concerning transactions (electricity, telephone bills, etc.).
- Any other papers, by which strong bonds of the person with this place result, in combination with the above.

#### **3. Conditions for Duty / Tax relief**



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In order the tax relief to be granted, the person concerned must have his/her normal residence abroad, at least the last two (2) twelve-month periods before he/she transfers his normal residence, i.e. before he/she receives the transfer of normal residence certificate by the competent Greek Consular Authority.

In practice, there are only two cases which ascertain the establishment of the transfer of normal residence right:

**First case:**

Before the date of issuance of the above mentioned certificate, the person concerned must have his/her normal residence abroad the last two twelve-month periods.

**Second case:**

When the first case does not apply, because the person concerned was in Greece for any reason (tourism, studies, work or other), the following conditions must apply, on the time basis of his/her date of arrival in Greece, which will be taken into consideration:

- The transfer of normal residence certificate is issued within (24) months from the arrival of the person concerned in Greece at the latest or whether the person is retired the certificate should be issued within 36 months from the date of his arrival in Greece and
- The person concerned must have his/her normal residence abroad during the last two twelve-month periods, before his/her arrival in Greece.

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## 2. **Q** Personal Belongings on which Duty / Tax Relief is provided

**A** Personal belongings, as far as transfer of normal residence is concerned, are the belongings of the person entitled to the relief that are of his/her personal use or of other members of his/her family.

**Specifically, personal belongings are:**

**1. Household items:**

That is to say personal objects, including a personal computer and a bicycle, domestic clothing, furniture and equipment of the house.

With regard to household items operating with electricity, tax relief is provided for one piece of each item.

**2. Means of transport:**

- A passenger car for private use, up to nine (9) seats, including the driver's seat (or an automotive caravan) and its trailer.
- A trailer (not allowed, if an automotive caravan is also imported).
- A motorbike or a motorcycle.
- A pleasure boat.
- A private airplane.

**3. Other items:**

- Domestic supplies.
- Domestic animals.
- Horses.
- Portable instruments of mechanical or liberal arts, which are relative and essential for the practice of the beneficiary's profession, i.e. light tools and instruments which are used as portable and their use does not depend on installation.

Personal belongings should not be, because of their type or quantity, of any commercial interest, or be intended for economic professional activity, except for portable instruments and tools that are relative and essential for practicing the profession of the



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person entitled to the relief.

Tax relief is not provided on:

- Vehicles of public use (with ten or more seats, including the driver's, lorries for transportation of goods, any other special vehicle).
- Items that are, because of their type or quantity, of any commercial interest or are intended for economic - professional activity (except for portable instruments).

Alcoholic products, tobacco and its products, except for the quantities that are given tax-free to the travelers.

### **3. Q Conditions for the Duty / Tax Relief**

**A**

1. The household items may also be new ones, provided that the beneficiary of the exception came into possession of those items in the country from which he/she transfers his normal residence, before the issuance of the transfer its normal residence certificate and are listed in detail on it.

2. A tax relief is granted, when the specific means of transport (one of each, as mentioned above), that the beneficiary had in his/her possession and used in the place of his/her previous residence for at least six (6) months before the issuance of the transfer his normal residence certificate and are listed on it, are imported.

The condition of the 6-month possession, as well as the use of the particular means of transport, must be proved by evidence.

3. The ownership of them is proved by means of the title deed of the vehicle and its license of circulation that is in effect in each State and covers the required period of the six (6) months before the transfer of the normal residence.

The use of the vehicle for at least six (6) months is proved by the driving license of the beneficiary or by official documents stating that the beneficiary exclusively used a professional driver during the required period of six (6) months.

It is pointed out that the six-month ownership is combined with the simultaneous use and circulation of the means of transport in the place of previous residence of the beneficiary, where the beneficiary and the means of transport should be both at the same place during this period.

Specifically as far as passenger car or automotive caravan is concerned, the condition of 6-month ownership and use may exist as a whole or cumulatively, in relation to any of the family members (spouses and single children) that transfer their normal residence together, provided that each one of them establishes a right for exemption, i.e. the members of the family must have their normal residence abroad for more than two consecutive years, according to the above regulations concerning the beneficiaries.

4. When a person transfers its normal residence from the continents of America and Africa, as well as from the states of Australia, Iraq, Jordan, Kuwait, Saudi Arabia, Bahrain, Qatar and the United Arab Emirates, irrespective of him/her having a car in his/her ownership and use in the place of his/her previous residence, he/she may be granted a tax relief for a passenger car or automotive caravan bought in any country apart from Greece, even after the issuance of the certificate, on the condition that the customs clearance will take place within twelve months after the certificate has been issued and provided that the beneficiary has a driving license (Greek or foreign one) which is valid at the time of issuance of the certificate. The passenger car is required to be brand new, of new technology (with a catalyst) as far as exhaust emissions is concerned.

In this case, the Value Added Tax (VAT) is paid in Greece as well.



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The extent of tax relief amounts to 80% of the registration tax, on cars up to 2000 c.c. If the passenger car for private use or the automotive caravan that is imported has an engine capacity above 2000 cubic centimeters, the tax relief is limited to 50% of the registration tax.

5. All personal belongings (household items, means of transport, other items), under the provisions mentioned above, must be cleared as a whole or even partially, before the expiry of a 12-month period which begins from the date of issuance of the certificate. That is to say, they must be presented to the Customs House for clearance, the latest within (12) months from the date of issuance of the certificate.

In particular, means of transport must be presented to the Customs House for clearance, within one month from their entry in Greece, on the condition that this period does not exceed the effective duration of the certificate (12 months from its issuance).

#### 4. **Q** Restrictions

**A** 1. The personal belongings must be intended for use by the beneficiary person and the members of his/her family, for the needs of his/her household in Greece, where he/she settles and must not be intended for third non-beneficiary persons.

2. It is not allowed that household items and means of transport, before the lapse of one year from its customs clearance (starting from the date of acceptance of the customs receipt), in any way, formal or informal to be

- transferred
- let
- be left as a pledge or commodity
- conceded for use to third persons
- remain, not even for custody, in areas where similar items are traded or, with regard to cars, not even in parking lots for cars which are also trading areas of cars
- be driven (with regard to cars), not even once, by third persons, irrespective of the culpability of the beneficiary.

3. In case that the beneficiary wishes to sell the household items and the means of transport before the restrictive year lapses, he/she must previously ask for customs approval and pay the charges from which a relief was granted, plus dues for overdue payment since the importation date.

After expiry of the annual restrictive period, the beneficiary person has the possibility, only if approved by the competent Customs Authority (Customs which cleared the car), to transfer the car, provided however, that a percentage of the registration tax paid, depending on the time that has lapsed from the date of acceptance of the importation custom document until its payment, as follows:

- From 1 to 2 years, 50% is paid.
- From 2 to 3 years, 40% is paid.
- From 3 to 4 years, 30% is paid.
- From 4 to 5 years, 20% is paid.
- From 5 years and above, without payment.

The approval for the transfer of the car is granted upon application submitted to the competent Customs Authority, by the beneficiary.

In addition, after five years interval from the time of clearance of the vehicle, no approval of the Customs office is required for the transfer of the vehicle.

**5. Q Issuance procedure of transfer the normal residence certificate**

**A** 1. Persons who transfer their normal residence to Greece, as well as the category of Greeks working abroad, in order to be granted the tax relief, must produce to the Customs the transfer of normal residence certificate that is issued by the competent Greek consulate of their place of residence abroad.

In order that the persons concerned and the consulates to be facilitated, samples of such certificates have been drawn up, for each category.

The person concerned has to produce to the Consulate all essential supporting documents, supporting that he/she establishes a right of tax relief, either as a person having his normal residence abroad, or as a Greek working for more than two (2) consecutive years abroad and also supporting documents which show that all the other required conditions are met. Copies of the supporting documents, translated in Greek language, must be submitted by the person concerned to the competent Custom authorities.

Passports (valid as well as previous), of the beneficiary and all his/her family members must also be produced.

Additionally, a statement is submitted to the Consulate which includes a declaration of the family members living with the beneficiary abroad and also the family members that transfer their normal residence in Greece.

Any certificate issued in the past in the name of the same beneficiary, or his/her spouse, or any certificate of transfer of secondary residence, must be declared. In addition to that, the beneficiary must declare the exact address of his residence in Greece.

Finally, he/she declares in the detailed list all personal belongings (baggage, means of transport, other items), which he/she will import to Greece.

The right of tax relief may only be exercised once, as a whole for a family.