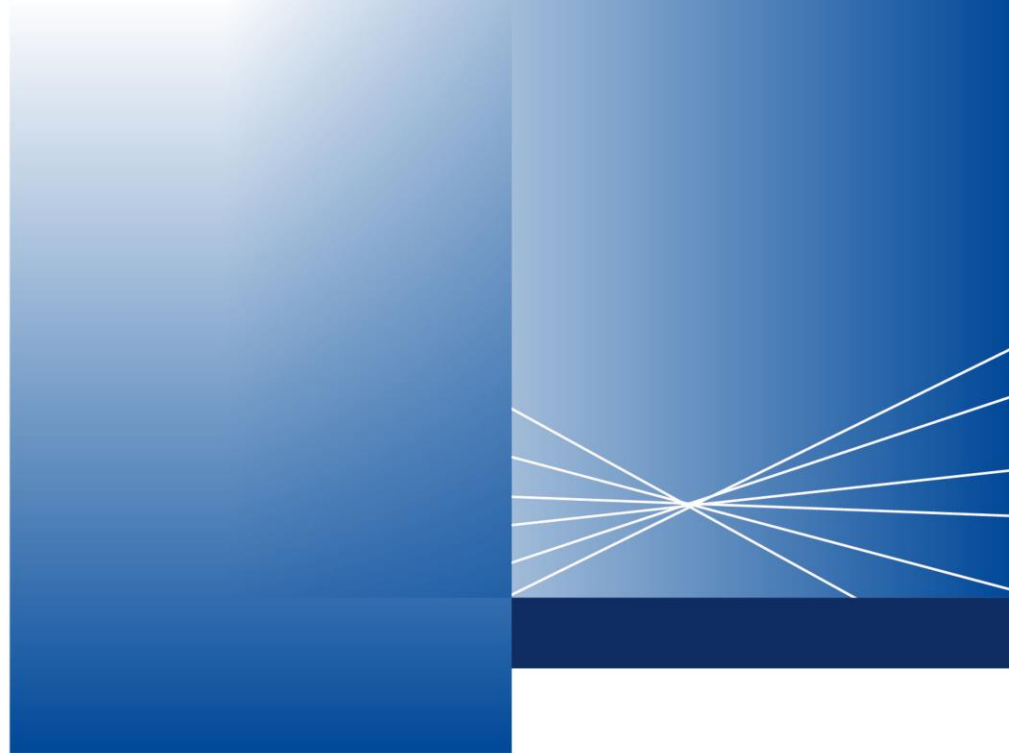




ΑΑΔΕ

Independent Authority
for Public Revenue (IAPR)

SERVING PUBLIC INTEREST
AND SOCIETY AT LARGE



SHORT – TERM RENTAL (STR)

Article 111 of Law 4446/2016

THE FUNDAMENTAL STR LAW IN GREECE – Relevant Provisions

ATHENS, SEPTEMBER 2024

Table of Contents

1. Article 111 of Law 4446/2016 updated by Law 5073/2023 – Measures for the Short – Term Rental (STR) of immovable property in the context of the sharing economy.	2
1.1 Paragraph 1.....	2
1.2 Paragraph 2.....	3
1.3 Paragraph 3.....	4
1.4 Paragraph 4.....	4
1.5 Paragraph 5.....	5
1.6 Paragraph 6.....	6
1.7 Paragraph 7.....	6
1.8 Paragraph 8.....	6
1.9 Paragraph 9.....	7
1.10 Paragraph 10.....	7
2. Relevant Provisions	8
2.1 Value Added Tax	8
2.2 Climate Crisis Resilience Fee	8

1. Article 111 of Law 4446/2016 updated by Law 5073/2023 – Measures for the Short – Term Rental (STR) of immovable property in the context of the sharing economy.

Article 111 of Law 4446/2016 is the fundamental law for the Short - Term Rental (STR) in Greece setting out the legal framework for this new economic activity and as well as the related tax obligations for all participants. It also includes core definitions and law binding procedures.

The article has been updated by Law 5073/2023.

1.1 Paragraph 1

For the purposes of this Article, immovable property shall mean:

- an apartment;
- a single-family dwelling, with the exception of single-family dwellings which are characterised as such owing to the decision to dispense with the formation of a condominium (horizontal ownership);
- any other type of dwelling that is structurally and functionally separate;
- rooms within apartments or single-family dwellings.

The sharing economy is defined as any model where digital platforms create an open market for the temporary use of goods or services which are often provided by individuals.

Digital platforms are defined as electronic, bilateral or multilateral markets where two or more groups of users communicate via the internet with the mediation of the platform administrator to facilitate a transaction between them. Short – Term Rental (STR) is defined as the letting or subletting of immovable property regardless of whether it is posted on a digital platform of the sharing economy or not, and regardless of whether the contract is concluded via the digital platform, for a specific duration of less than sixty (60) days and provided that no services other than the provision of bed linen are provided.

A short-term property letting manager (hereinafter 'property manager') is defined as a natural or legal person or any type of legal entity that undertakes to post the property on the digital platforms with a view to short-term letting, and generally takes care of the Short - Term Rental (STR) of the property. Property managers may be either the owner of the property or the possessor or the usufructuary or the subtenant or a third party.¹

1.2 Paragraph 2

The Short - Term Rental (STR) of immovable property **whether it is conducted** via digital platforms in the context of the sharing economy **or not**, shall be possible under the following conditions:

- a. The property manager must be registered in the 'Register of Short-Term Property Lets' kept by the Independent Authority for Public Revenue (IAPR).
- b. The number of the entry in the Register of Short-Term Property Lets must be visibly displayed when posting the property on the digital platforms and in any advertising tool.
- c. If the property managers have a Special Operating Logo (ESL) in accordance with Articles 1 to 4 of Law 4276/2014 (GG I 155) and Article 46(5) of Law 4179/2013 (GG I 175) or have submitted a notification in accordance with the Article 6 of Law 4442/2016 (GG I 230) and the articles 1 to 4 of Law 4276/2014, they do not have to be entered in the Register of Short-Term Property Lets but they must visibly display their Special Operating Logo (ESL) number or their notification number when posting the property on digital platforms and any advertising tool.

Each leased property must be entered separately in the Register of Short-Term Property Lets.

¹ As a third party "Administrator" is defined the administrator of exclusively the following cases:

- (a) the guardian of an inheritance;
- (b) the estate liquidator;
- (c) the executor of the will;
- (d) the insolvency representative;
- (e) the temporary administrator;
- (f) the escrow holder;
- (g) the guardian or custodian or judicial supporter or the person with parental responsibility, as the case may be.

1.3 Paragraph 3

- a. If all the apartments of a condominium or residential complex are rented out on short-term leases, the condominium or complex in question is considered tourist accommodation and must have a Special Operating Sign (ESL) or have submitted a notification.
- b. Property managers who do not have a Special Operating Logo (ESL) or have not submitted a notification shall be required to submit a Short - Term Rental (STR) Declaration in the Register of Short-Term Property Lets kept by the Independent Authority for Public Revenue (IAPR) and they shall not submit a Declaration of Particulars of Tenancies of Immovable Property.

The same obligation to submit a Short - Term Rental (STR) Declaration shall apply to the persons referred to in Article 46 (5) of Law 4179/2013.

1.4 Paragraph 4

- a. If the owners of the property or the possessors or the usufructuaries or the subtenants entrust the management of the property to a third person for the purpose of short-term letting, they shall be required to submit a Declaration of Particulars of Tenancies of Immovable Property, in which they shall enter the particulars of the property manager. If they fail to submit this declaration, they themselves shall be considered to be the property manager.
- b. If a property is jointly owned, where the property manager is one of the joint owners, the other joint owners shall not be required to submit a Declaration of Particulars of Tenancies of Immovable Property.
- c. If the owners of the property or the possessors or the usufructuaries or the subtenants rent the property with the right to sublet it, they shall continue to be required to submit the Declaration of Particulars of Tenancies of Immovable Property, in accordance with the provisions in force.

1.5 Paragraph 5

- a. In case of non-compliance with the conditions of paragraphs 2 and 8, property managers are imposed a separate administrative fine per year, equal to fifty percent (50%) of the gross revenue of the tax year in which the infringement is committed, which cannot be less than five thousand (5,000) euros. The fine constitutes public revenue, is imposed and collected in accordance with the provisions of the KEDE by the Independent Authority for Public Revenue (IAPR). From the detection of the violation, the manager of a short-term rental property is obliged within fifteen (15) calendar days to take the necessary compliance actions. In the event of further failure to comply with the conditions laid down in paragraphs 2 and 8 within one year of the adoption of the decision imposing the fine, the fine shall be imposed at twice the rate initially imposed.
 - b. In the event of failure to submit or inaccurate submission of a Short - Term Rental (STR) Declaration, a fine shall be imposed on the property manager equal to double the rent, as it appears on the digital platform on the day on which the check is conducted.
 - c. If the Short - Term Rental (STR) Declaration is submitted late, a separate administrative fine of EUR 100 shall be imposed. The fine referred to in the first subparagraph shall not be imposed if the income resulting from the overdue Short-Term Residence Declaration has been included in the income tax return of the relevant tax year.
 - d. In the event of failure to respond to the request of the Independent Authority for Public Revenue (IAPR) pursuant to paragraph 7, the fines of Article 54(2) (c) and (d) of Law 4174/2013 (GG I 170) shall be imposed.
- 5A. Short-term rental is subject to (as per para. 1) the temporary residence fee of para. 1 of Article 1 of Law 339/1976 (GG I 136).

1.6 Paragraph 6

For the application of this Article, inspections may also be carried out by joint inspection teams made up of officials from the Independent Authority for Public Revenue (IAPR) and the Ministry of Tourism. It shall also be possible to request the assistance of the Financial Police.

1.7 Paragraph 7

The Independent Authority for Public Revenue (IAPR) may ask each digital platform operating in the sharing economy for any information needed to identify the property managers and the properties posted on such platforms.

1.8 Paragraph 8

By joint decision of the Ministers of National Economy and Finance, Development and Tourism, for reasons related to the protection of housing, geographical areas may be defined, where restrictions on the Short - Term Rental (STR) of immovable property shall apply, as set out below:

- a. No more than two (2) properties per property manager's tax identification number may be made available for short-term lease.
- b. The letting of each property may not exceed ninety (90) days per calendar year and for islands with fewer than 10 000 inhabitants, the letting of each property may not exceed sixty (60) days per calendar year. It shall be possible to exceed the duration referred to in the preceding sentence, provided that the total income of the lessor or sublessor from all the properties made available for lease or sublease does not exceed EUR 12,000 in the relevant tax year.

1.9 Paragraph 9

A joint decision of the Ministers of National Economy and Finance and Tourism and the Director of the Independent Authority for Public Revenue (IAPR) shall lay down the terms of the cooperation of the Greek state with the relevant digital platform.

1.10 Paragraph 10

The details for the entry into force, the operation of the Register of Short-Term Property Lets and the procedure for submitting the Short - Term Rental (STR) Declaration, the carrying out of the inspection, the bodies imposing the penalties referred to in paragraph 5 as well as any other details necessary for applying this Article may be set out in a decision of the Director of the Independent Authority for Public Revenue (IAPR).

2. Relevant Provisions

2.1 Value Added Tax

With effect from 01.01.2024, Short-term rental is subject to VAT when the lessor is a legal person or legal entity or when the lessor is a natural person with three or more leased properties (article 28 of Law 5073/2023).

2.2 Climate Crisis Resilience Fee

Short-term rental is subject to the climate crisis resilience fee in accordance with article 30 of Law 5073/2023 (Relevant A.1217/2023).