



GREECE – March 2022

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GREEKS TO PAY LESS IN PROPERTY TAX

Greeks will pay less in property tax, whilst there are some updates in the Greek banking sector.

The European Central Bank will continue to accept Greek state bonds as collateral for supplying liquidity to Greek banks after June, according to an announcement on Thursday.

“The Governing Council has decided to continue to allow NCBs to accept as eligible collateral Greek government bonds (GGBs) that do not satisfy the Eurosystem’s minimum credit quality requirements but fulfil all other applicable eligibility criteria, for at least as long as reinvestments in GGBs under the pandemic emergency purchase programme (PEPP) continue,” an ECB announcement said.

The bank announced its decision to gradually phase out the package of pandemic collateral easing measures in place since April 2020 in three phases between July 2022 and March 2024. It said that bonds will continue to be accepted as collateral for bank loans until at least the end of 2024.

According to the Bank of Greece, Greek banks have drawn more than 50 billion euros in liquidity from the ECB.

Meanwhile, the Attica Bank Board of Directors elected as new independent non-executive members Ioannis Zografakis, Aimilios Giannopoulos and Grigorios Zarifopoulos, it said on Thursday, following the resignation of Venetia Kousia, Sotirios Karkalakos and Konstantinos Tsagaropoulos.

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It also elected Patrick Horend as a board member in order to complete the 11-member composition of the board, as stipulated by the General Meeting of September 2, 2020.

The election is valid for the remaining BoD term of office, or September 1, 2023.

Elsewhere, from this year and on a permanent basis, Greek citizens will have to pay 860 million euros less Uniform Real Estate Property Tax (ENFIA) than they did under the SYRIZA government in 2018, Finance Minister Christos Staikouras said on Wednesday in Parliament, during the debate on a draft finance ministry bill that modernises the operation of the capital market and also reduces ENFIA.

He said the new reduction in ENFIA was calculated at 360 million euros in nominal value but the reduction in tax actually collected was forecast to be closer to 240-250 million euros “because experience has shown that when tax rates are reduced, collectability increases.”

Staikouras noted that for every 1 pct increase in collectability, ENFIA (revenues) increased by 20 million euros.

THE DETAILS OF THE NEW ENFIA

Bill for amended Single Property Tax tabled in Parliament – here’s a full guide to rates

Only 6% of property owners in Greece will pay more for their Single Property Tax (ENFIA) this year, according to a bill introducing the amended version of the tax, tabled on Tuesday in Parliament in Athens. The vast majority of owners – an estimated 5 million taxpayers – will pay less than they did in 2021.

The main rates of the new Single Property Tax are as follows: For zone rates from 751 to 1,500 euros per square meters, the tax will drop from €3.70/sq.m. to €2.80/sq.m. The €1,501-2,500/sq.m. zones will see their tax rate drop from €4.5-6 sq.m. to €3.70/sq.m. As for the €2,501-3,000/sq.m. zones, the tax rate there will fall from €7.60/sq.m. today to €4.50/sq.m.

Furthermore, the new system will expand the 30% ENFIA discount for properties up to €100,000 euros each (it had been up to €60,000 until 2021), and the 25% discount will expand to properties of €100,001-€150,000. The bill also provides for the payment of the Single Property Tax in up to 10 interest-free monthly installments, up from six tranches in 2021.

Examples

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* The owner of a 100 sq.m. first-floor apartment on Santorini, with a zone rate of €4,950/sq.m., had to pay ENFIA of €1,744 in 2021. In 2022 the zone rate rises to €5,050/sq.m. and the tax due comes to €1,991.75, up 14.21%.

* With a zone rate of €4,900/sq.m. in 2021, a 250 sq.m. apartment on Mykonos, paid tax of €10,206. This year the zone rate has risen to €5,900/sq.m. and the tax due will increase 16.51% to €11,891.24.

* A first-floor apartment in Nea Filadelfia, Athens, with a zone rate of €1,200/sq.m., paid ENFIA of €372.96 last year. Its zone rate is now €1,500/sq.m., but the ENFIA due will be down 24.32% to €282.24.

* A 100 sq.m. first-floor apartment in Xanthi, Thrace, has its zone rate unchanged at €750/sq.m., but will pay 33.33% less ENFIA – €147 against €220.50.

* An apartment of the same description in Kaisariani, Athens, had a zone rate of €1,100/sq.m. in 2021 and paid ENFIA of €310. Its zone rate is now at €1,350/sq.m. but the tax due comes to €220.50, down 29.05%.

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