

Tax

Flash

June 2020

E-books and e-invoicing soon to be implemented in Greece

A. Provision of tax incentives for the implementation of e-invoicing

In the draft bill entitled “Microfinance framework, regulations for the financial sector and other provisions”, it is envisaged that a series of incentives will be provided to entities that choose e-invoicing through the use of electronic data providers, as an exclusive way of issuing their sales documents (issuers), as well as to entities - recipients of goods or services that accept e-invoicing through any provider (recipients), for tax years up to 2022.

Incentives provided to entities that choose e-invoicing via providers (issuers)

For entities that will choose e-invoicing through a provider, the following incentives will be provided:

- Reduction of the statute of limitation period of the Tax Administration’s right to issue a tax determination act, for the years that an entity opted for e-invoicing through a provider, from five to three years and respective two-years reduction of the other statute of limitation periods.
- Provision of a 100% super-deduction of the amount of costs incurred for the initial purchasing of technical equipment and software required for the implementation of e-invoicing, which will be fully depreciated in the year they are incurred.
- Provision of a 100% super-deduction of the cost of production, transmission and electronic archiving of e-invoices for the first year of issuance of sales documents through e-invoicing.
- Reduction of the time, within which the Tax Administration will examine tax refund requests, from ninety to forty-five days, for the tax years for which an entity has opted for e-invoicing.

Incentives provided to entities that choose e-invoicing via providers (recipients)

For the entities that will select and declare the acceptance of the relevant documents using e-invoicing through any provider, the statute of limitation period of the Tax Administration’s right to issue a tax determination act, for the years in which this choice is made, will be reduced from five to four years and a corresponding one-year reduction of the other limitation periods will apply.

Timeframe for the provision of the incentives

The above incentives will be provided to the entities that will opt for e-invoicing through a provider for the tax years starting from January 1, 2020 onwards and are granted from the first year in which e-invoicing is applied and until the tax year 2022. With the exception of the super-deduction incentives, which are provided only during the first year of implementation, the relevant declarations should be filed by the end of the previous tax year of the tax year(s) covered by the declaration, so that incentives can be obtained.

Conditions for granting of the incentives for the tax year 2020

Exceptionally, for the tax year 2020 incentives are granted if, cumulatively:

- the relevant option is declared within two months of the entry into force of the obligation to transfer the documents to the myDATA digital platform;

- the entity applies e-invoicing as an exclusive way of issuing / receiving documents for the entire period from the date of filing of the above declaration and until the completion of its tax year;
- the data of the documents that have been issued or received in a different way until the date of filing of the above declaration shall be forwarded to the Tax Administration within the applicable deadlines;
- the e-invoicing selection declaration is not revoked within the next tax year.

Non-granting or withdrawal of incentives

The above benefits are not granted or withdrew:

- in case of revocation of the declaration, from the tax year of the filing of the revocation and onwards.
- if violations, which constitute tax evasion crimes (as defined in the applicable provisions) are found.

E-invoicing selection process

For the application of e-invoicing through a provider by issuers, the relevant option is declared electronically to the Tax Administration and constitutes the only way to issue, transmit and archive the entity's sales documents for all its activities, within the tax year(s) covered by such declaration. This declaration, which may be revoked, precludes the issuance of invoices in printed form for as long as it is valid and automatically and compulsorily implies the use of e-invoicing through a provider for the receipt of sales documents, in which the entity is designated as a recipient by an issuer / supplier, who has also opted for e-invoicing through a provider.

Similarly, the acceptance of e-invoicing by recipients through any provider is done electronically and applies to sales documents received within the tax year(s) covered by the declaration.

In any event, the details of the procedure, the exact deadline and the method of filing of declarations for the selection of e-invoicing by both the issuers and the recipients, as well as any other relevant details, are expected to be made known by a decision to be published by the Governor of the Independent Authority for Public Revenue.

It should be noted that the above information is based on the text of the draft bill and the content of the final provisions may differ. In this case, we will come back with a new flash.

B. E-books implementation launch

With the decision A.1138/2020, which was published in the Government Gazette on 22 June 2020, the scope of the application, the timing and the process of electronic data transmission in the myDATA platform of the Independent Authority of Public Revenues (A.A.D.E.) were determined, which marks the beginning of the implementation of e-books. In detail:

Entities obliged to implement e-books

All entities that are obliged to apply the provisions of the Greek Accounting Standards, are obliged to transmit data to A.A.D.E., regardless of the type of the company (indicatively S.A., limited liability, private capital, limited or general partnership and others, as well as branches).

Method of transmission

The data transmission is done by electronic means to A.A.D.E. via:

- e-invoicing services providers or
- the business management software (commercial / accounting, ERP) used and interconnected with A.A.D.E. through a relevant interface or
- (only for specific cases) a special form provided by A.A.D.E. or
- via fiscal electronic devices for retail sales.

Data to be transmitted

For the uniform application of the procedure, in the Annex to the decision A.1138/2020 the document types are standardized and the data of such documents and accounting entries that are transmitted are described in detail.

In brief, liable entities - publishers will transmit to A.A.D.E.:

- invoices (initial, supplementary and credit) and retail sales receipts issued for the documentation of their transactions,
- data from documents issued due to special tax provisions, as well as data for the documentation of the collection / payment of rent,
- data of the accounting records that form the accounting and tax base for the determination of their accounting and tax result of each tax year. It is noted that from these accounting records, those pertaining to payroll and depreciation are distinctively transmitted while other income / expense settlement entries carried out at the end of the period are transmitted in aggregate.

Exceptionally, the data is transmitted by the recipient of the goods or services (domestic entity) in the following cases:

- transactions with a foreign non-liable entity, such as intra-Community acquisitions, imports from third countries and receipt of services;
- domestic and foreign retail sales receipts;
- transactions related to the sale of electricity (only by D.E.I.) and water (E.Y.D.A.P., municipal enterprises, etc.);
- transactions with credit institutions;
- documents for the payment of contributions to social security funds;
- non-compliance with the obligation to transmit the specified data by the issuer.

Transmission deadlines

In terms of sales, regardless of the obligation for the filing of a VAT return and the entity's accounting system (single or double entry), the data are transmitted in real time if the transmission through e-invoicing services providers or through a management software that is interconnected with A.A.D.E. is selected. Especially, for the entities that have the obligation to directly connect their fiscal electronic devices with A.A.D.E. the data is transmitted in the time specified by the applicable legislation.

Exceptionally, for 2020, if the transmission through a management software is selected, the data are transmitted within 5 days of their issuance and in any case not later than the 20th day of the following month in which they were issued.

For entities that transmit their data via the special form, as well as for the data transmitted in accordance with the self-billing or assignment of billing procedure, this shall be carried out by the 20th day of the following month in which they were issued.

Income / expense settlement entries are transmitted until the filing of the Corporate Income Tax return, with the exception of payroll entries, the data of which are transmitted until the filing of the relevant withholding tax return.

In cases where the data is exceptionally transmitted by the recipient, this shall take place by the date that the deadline for the filing of the relevant VAT return lapses. Also, in particular, in the event that the issuer does not comply with the obligation to transmit the data within the set deadlines, the transmission by the recipient shall take place within 2 months from the expiration of the deadline for filing the VAT return for those maintaining a single-entry accounting system.

Timing for the initial application

For the initial implementation of the productive operation of the platform that will receive the transmitted data, the below schedule is followed:

Timing	Obligation to transmit data into the myDATA platform
As of 20/07/2020	Summary of revenues / summary of expenses in case of self-billing, of data issued from 20/07/2020 onwards through e-invoicing services providers (e-ISPs).
As of 20/07/2020	Optional: characterization of revenues / expenses in case of self-billing, of data issued from 20/07/2020 onwards through e-ISPs.
As of 01/10/2020	Summary and characterization of revenues and expenses of data issued from 01/10/2020 onwards, via other methods of transmission beyond e-ISPs.
Up to 31/12/2020	Summary and characterization of revenues / summary of expenses in case of self-billing, of data issued between 01/01/2020 and 30/09/2020, except for the data that have already been transmitted.
Up to 31/12/2020	Payroll entries from 01/01/2020 to 30/09/2020.
As of 01/01/2021 and up to 28/02/2021	In particular, transmission of data by the recipient, in the event of non-compliance with the obligation to transmit data by the issuer.
Up to 28/02/2021	Summary and characterization of expenses / summary of revenues in case of self-billing, of data issued between 01/01/2020 and 30/09/2020, except for the data that have already been transmitted.
Up to 31/03/2021	Possibility of acceptance and characterization of transactions by issuers.

It is important to note that each individual case needs to be examined based on its own merits, and that the above-mentioned general principles might not necessarily capture all possible eventualities. Our expert advisors are in a position to advise you on the implications arising from a Greek perspective in relation to your specific case.

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This information is intended only as a general update for interested persons and should not be used as a basis for decision-making. For further details please contact PwC: 268, Kifissias Avenue 15232 Halandri tel. +30 210 6874400

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