

# Greece

## Legal Environment for Philanthropy in Europe 2024

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## I. Legal framework for foundations

- 1. Does the jurisdiction recognise a basic legal definition of a foundation? (please describe) What different legal types of foundations exist (autonomous organisations with legal personality, non-autonomous without legal personality, civil law, public law, church law, corporate foundations, enterprise foundations, party political foundations, family foundations, foundations of banking origin as a specific type, companies limited by liability, trusts)? Does your jurisdiction recognise other types of philanthropic organisations?**

The Greek legal order Law 4182/2013, Art. 109 of the Greek Constitution and Articles 108-121 of the Civil Code regulate public-benefit foundations. The definition of a public-benefit foundation derives from the combination of Articles 1 and 50 of the L. 4182/2013. As per those legal provisions, “if a group of assets is disposed by will (testament), or as a donation, in favour of the public sector or public legal entities, or it serves the public benefit” and “the execution of the public benefit is assigned to a natural or legal person”, this is considered to be a “public-benefit foundation”. Depending on the scope of the foundation, a foundation can be either public (when it exercises some public power or it is devoted to a general-public scope) or private (private initiative). Both are covered by the same legal framework, as mentioned above. Furthermore, public foundations can be characterised as “educational”, “religious”, “financial”, “cultural” etc., depending on the general public scope they serve. All foundations have legal personality.

Philanthropic organisations can also take other legal forms (see answer to Section 1, question 2 below).

- 2. If your jurisdiction provides for different laws for different foundations/philanthropic organisations, please indicate this here, and then specify under further relevant questions whether a different answer applies to these types of foundations/philanthropic organisations.**

Foundations are governed by legal order Law 4182/2013, Art. 109 of the Greek Constitution and Articles 108-121 of the Civil Code. Apart from this type and form, other forms exist that may exercise a philanthropic and social purpose. These include:

- Associations (Civil Code, Articles 78 and following)
- Non-profit Civil Companies (Civil Code, Articles 741-784)
- Organisations of Citizens' Society (formerly known as NGOs) under Law 4873/2021 (recent type)
- Social Cooperative Enterprises and Social Cooperatives are governed by L. 4430/2016

- 3. What purposes can foundations legally pursue?<sup>1</sup>**

- Only public-benefit  
 Both public- and private-benefit

Foundations, in the meaning of organisations with dedicated assets for a certain purpose, can pursue all kinds of purposes if specific, lasting and lawful, i.e. purposes that are not in

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<sup>1</sup> This question focuses only on public-benefit foundations (see the definition in the [glossary](#) developed for this project).

any way contrary to the law (Art. 174 Greek Civil Code) or to good morals and public order (Art. 178 Greek Civil Code).

Under Greek law, foundations can pursue both public-benefit and private-benefit purposes. As per Law 4182/2013 and Article 109 of the Greek Constitution, public-benefit foundations are formed to serve general public purposes, such as educational, cultural, religious, or social welfare objectives. These foundations must align their operations with the interests of the community and are subject to strict public oversight. Private-benefit foundations also exist and are regulated by the same framework (Civil Code, L. 4182/2013). According to Articles 108-121 of the Civil Code, private-benefit foundations are created by individuals or entities for specific purposes, including personal or family interests, which may not directly serve a public good. These are established to fulfil the founders' personal wishes and objectives.

Associations and Non-profit Civil Companies can serve both public and private-benefit purposes. Organisations of Citizens' Society (formerly known as NGOs) can serve only public-benefit purposes and should be independent of the state's involvement. Social Cooperative Enterprises and Social Cooperatives should also serve a common and public-benefit purpose.

#### 4. What are the requirements for the setting up of a foundation (procedure, registration, approval)? What application documents are required? Are there any other specific criteria for registration?

**Foundations:** To set up a foundation, two legal acts are needed: The founding act in the form of a notarised deed or will (Art. 109 Greek Civil Code), and the manifestation of the state approval of this founding act, which gives the foundation legal personality.

According to Articles 108 and 112 of the Greek Civil Code, foundations can be established exclusively by an act of state approval. The competent ministry – after examining the scope and the formal legality of the founding act, its content and incorporated rules – proceeds to the establishment by a presidential decree. The decree shall describe the assets dedicated as well as the foundation's purpose, otherwise the decree is considered null and void. Subsequently, the decree must be published in the Governmental Gazette. By the time of publication, the foundation shall acquire legal personality.

The Ministry of Finance keeps a register of foundations. The foundation act shall specify the purpose, the foundation's assets and the statutes, which determine the organisational structure of the foundation in accordance with the wishes of the founder. Should any important points considering the administration of the foundation be missing from the foundation act, they can be added/completed by the state authorities and published at the release of the presidential decree. The state approval may interpret, complete or modify the organisational structure of the foundation under the condition that the will of the founder is respected (Art. 110 par. 2 Greek Civil Code).

**Associations:** The Articles of Association are submitted to the Magistrate's court and the Court approves/decides on the registration. The association should be founded by at least 20 members.

**Non-profit Civil Companies:** The Articles of Association is submitted to the Court and a Court decision approves the initiation of the Company. There is a need for at least 2 members.

**Organisations of Citizens' Society (OCS):** There is a need for an initial registration in the Public Database of Organisations of Citizens' Society. The application is online and is accompanied by the Articles of Association, a list of the Management bodies of the OCS, and a declaration that the OCS is independent from the state's involvement. The relevant Directorate of the Ministry of Interior examines the application and grants the approval for

registration. The most crucial criterion for the registration is the independence from the state, public authorities, local administration, political parties and other professional or trade associations.

**Social Cooperative Enterprises and Social Cooperatives:** The interested parties submit the Articles of Association, an application for registration and relevant documentation to register in the Special Registry of Social and Solidarity Economy Entities. The department responsible for the registry examines the documentation and grants the final approval (ranges from 30-80 days, depending on the need for corrections). The general criterion for registration is a minimum of members' participation for specific types of such enterprises, i.e. 30% or 50% minimum participation of such members when the enterprise serves the purpose of Integration of Special or Vulnerable groups of people. For Cooperatives, the requirement is that their members should be exclusively natural persons wishing to make their livings from the common production of goods or common offer of services to third persons.

## 5. Is state approval required? (approval by a state supervisory authority with/without discretion)

- Approval by a state authority with discretion
- Approval by a state authority without discretion

Foundations: The Ministry of Finance, along with any other co-competent ministry (depending on the foundation's purpose), has discretion to scrutinise the purpose, legality, and administrative completeness of the foundation before establishing it via a presidential decree. The decree must then be published in the Government Gazette, and the foundation must be registered with the Ministry of Finance.

Organisations of Citizens' Societies (formerly known as NGOs) (Law 4873/2021).

Social Cooperative Enterprises and Social Cooperatives (Law 4430/2016).

- Approval by a court

Associations (Civil Code, Article 78 and following).

Non-profit Civil Companies (Civil Code, Articles 741-784).

- Notarisation by a notary public

## 6. Are foundations required to register?

a) If foundations must register, in what kind of register?

- Company register
- Foundation register at national level
- Foundation register at the regional/county level
- Beneficial ownership register
- Any other public register (other than a foundation/charity one)

Public-benefit foundations need to be registered with, and supervised by, the Directorate for Foundations, which is responsible for the initial entry (record) in the Register and any subsequent additional registration, change or deletion of existing entries relating to public-benefit competence (Art. 12 Law 4182/2013).

Non-profit Civil Companies are not required to register, unless their scope is in some way profitable. In that case, they must register in the Company's Registry.

Organisations of Citizens' Society (formerly known as NGOs) are registered in the Registry of Civil Society Organisations, as regulated by Law 4873/2021.

Social Cooperative Enterprises and Social Cooperatives are registered in the Social and Solidarity Economy Registry, as per Law 4430/2016.

b) If foundations are registered, what information is kept in the register?

The Registry of public-benefit foundations consists of the General Inventory, the Sections and the Files. In the General Inventory, foundations are registered in alphabetical order and in the File the following is included for each foundation: name, administrative structure, court decisions, administrative acts, members of the board of directors, financial statements, etc.

For Organisations of Citizens' Society, the register keeps the name, the articles of association, and the list of management bodies.

For Social Cooperative Enterprises and Social Cooperatives, the articles of association.

c) If foundations are registered, is the register publicly available?

- Yes, all information publicly accessible
- Yes, some information publicly accessible
- Yes, accessible upon request
- No

Registrations are kept as a record on electronic databases by the supervisory board of the Central Registry Office and the General Secretariat. Registrations are meant to be publicly available and can be accessed remotely (Art. 13 Law 4182/2013).

Registries for all other organisation types are publicly available.

## 7. Is a minimum founding capital/endowment required?

- No
- Yes, amount:

No, there is no specific minimum founding capital or endowment required to establish a public-benefit foundation in Greece. While Article 50 of Law 4182/2013 states that the assets dedicated to the foundation must be sufficient to achieve its stated purposes, it does not define a fixed monetary threshold. The adequacy of the assets is evaluated by the competent authorities during the approval process, ensuring that they are adequate to fulfil the foundation's objectives. A foundation without assets is invalid (Council of State's judgment Nr. 4578/1996).

No other type of organisation requires a minimum capital.

## 8. Is the foundation required to maintain these assets or any other specified asset level throughout its lifetime? Are spend-down foundations allowed?

There is no specific provision for the maintenance of assets. However, according to Art. 60.2 of Law 4182/2013, no expense is allowed without prior mentioning in the approved budget, unless it concerns the repayment of any kind of debt to the state.

No other type of organisation requires the maintenance of assets.

## 9. What governance requirements are set out in the law? Is it a one-tier or two-tier foundation governance model?

a) Is it mandatory to have a:

- Supervisory board
- Governing board

Foundations are administered by the board of directors. The foundation act needs to provide for rules for the formation and establishment of the board of directors. (Arts. 65 – 69 of the Greek Civil Code on the governing organs of legal persons).

The organisational structure may be interpreted, defined, completed or amended by the state approval in accordance with the foundation act or the will of the founders (Art. 110 Civil Code). However, the internal rules of a foundation may be amended even against the founder's wishes in special cases if the amendment is deemed necessary for the maintenance of the endowment or for the fulfilment of the foundation's purpose (Art. 119 of the Greek Civil Code). For such an amendment, a presidential decree is needed. Detailed regulations concerning the administration of public-benefit foundations are included in Law 4182/2013.

There is no provision concerning an internal supervisory board. Generally, the supervision is exercised by the competent authorities, e.g. the Ministry of Finance as well as the decentralised administrations, to which are entrusted several associated responsibilities, in order to lighten the workload of the Ministry. Furthermore, as far as a change to the purpose of the foundation is concerned or in the event of serious doubts regarding the fulfilment of the founder's will, the Law provides for the jurisdiction of the Greek Courts.

For Social Cooperative Enterprises and Social Cooperatives there is a two-tier approach with a General Assembly and a Governing Committee.

For Organisations of Citizens' Society, depending on whether they are established as an Association or Company, they should have a General Assembly and a Board of Directors, or only a legal representative.

For Associations, the governance follows a one-tier governance model. According to the Greek Civil Code, an Association is governed by two main bodies: the General Assembly of members and the Board of Directors. The General Assembly, composed of all members, is the supreme governing body, making key decisions such as approving budgets, electing the Board of Directors, and amending the statutes. The Board of Directors is responsible for the day-to-day management and execution of decisions made by the General Assembly. The members of the Board are elected by the General Assembly and typically include roles such as President, Secretary, and Treasurer. No separate supervisory body is required.

For Non-Profit Civil Companies, this type of public-benefit organisation also operates under a one-tier governance model. The governance of a Non-Profit Civil Company is more flexible compared to the Association, as the law only requires the partners to manage the company according to their articles of association. Management and decision-making are usually handled by the partners, who can delegate daily tasks to a managing director or other officers. There is no legal need for a separate supervisory body, meaning all governance duties, including financial oversight and decision-making, are managed within the same group of partners or their representatives.

b) What are the requirements concerning board members? Is a minimum/maximum number of board members specified? Does the law regulate the appointment of board members and their resignation/removal, or can this be addressed in the statutes/bylaws?

For foundations, there is no minimum number of board members specified in Greek law. According to Art. 65 of the Greek Civil Code, a legal entity is managed by one or more persons. The statutes of a foundation determine its organisational structure and provide all necessary details concerning its administration, management and representation, as well as the election of board members and the recruitment of key personnel. According to Art. 17, part. 4, 5 and 6, of Law 4182/2013, the board members of a public-benefit foundation are required to declare the acceptance of their appointment by a declaration submitted to the Minister of Finance. They are also required to send their resignation to the Minister of Finance in the same way.

For Social Cooperative Enterprises and Social Cooperatives, the Governing Committee should have at least five members. The articles of association regulate the appointment.

For Associations, the law does not specify a minimum or maximum number of board members, but the number is typically defined in the statutes, often with at least three members (e.g. President, Secretary, Treasurer). The General Assembly elects the Board of Directors, and the procedures for appointing, resigning, or removing board members are typically outlined in the statutes. Regarding members, there is a principle of equality among members unless the statutes create special categories of membership. A member can be expelled for reasons specified in the statutes, or by decision of the Board of Directors, depending on the rules set forth in the governing documents.

For Non-profit Civil Companies there is no Board of Directors.

For Organisations of Citizens' Society, depending on whether they are Associations or Companies, the above requirements apply.

c) What are the duties and what are the rights of board members, as specified by national legislation or case law?

For Foundations: The board of directors has the task to manage the foundation, and they are the legal representatives of it. According to Art. 67 of the Greek Civil Code the board members who have the administration of the legal person must take care of its affairs and represent it judicially and extra-judicially (Duty of care and duty of loyalty). Substitution is prohibited unless the statutes provide otherwise. According to Art. 68 of the Greek Civil Code, the extent of the power of the persons who administer the foundation is determined by the formation deed or the statutes. Certain matters of the administration can be delegated to private persons. It is not clear whether the authority of this third person extends to any related transaction.

For Associations, the board members have management rights and representing duties, and are expected to act in good faith. The same applies to Organisations of Citizens' Society, if they are established as Associations.

For Social Cooperatives and Social Enterprises, again, board members have management rights and representing duties, and are expected to act in good faith.

d) What are the rights of founders during the lifetime of the foundation? Can fundamental decisions, such as change of purpose, be made at the discretion of the founder? What are the legal requirements in such circumstances?

For Foundations: The will of the founder is the central element of the private law foundation described in the foundation act. If the purpose of the foundation has become impossible, the competent authority may give by a new decree another similar purpose in accordance with the probable will of the founder (Article 120 of the Greek Civil Code). If the will of the founder is fully unrealisable the property left for a charitable purpose may exceptionally be used for other similar purposes under a special law (Article 121 of the Greek Civil Code). According to Art. 109 par. 1 of the Greek Constitution the change of purpose of a public-



benefit foundation is generally prohibited. However, according to Art. 109 par. 2 of the Greek Constitution, the change of purpose is allowed, if the fulfilment of the original purpose has become impossible to achieve, provided that the conditions laid down in Law 4182/2013 are met. There is no special power of the founders to change the purpose of the foundation.

There are no specific rights for the founders in the other organisation types. It is the General Assembly in Associations and the Social Cooperatives/Enterprises that has certain powers (e.g. amendment to the articles of association). If the founders are members of the General Assembly, they enjoy such rights.

- e) Can the board or the founder amend the statutes including the purpose of the foundation? If yes, please indicate any particularities. What is the relationship between the powers of the founders, the statutes of the foundation and the power of the board members?

Foundations: The scope of the foundation can be amended only by a decision of Greek Court, Law, Ministerial Decision or Presidential Decree.

Associations: Any amendment to the articles of association is valid only after being entered in the public book of the Court. The General Assembly decides on the amendment, but a court decision is a prerequisite.

Social Enterprises: The General Assembly can amend the articles of association as per the scope, but this should remain within the boundaries of the Law for such companies. An approval by the Registry is required.

- f) What are the rights of third parties (e.g. right of information)?

Beneficiaries who are named as such in the foundation act are entitled to pursue legally their rights in relation to the foundation according to Art. 116 of the Civil Code. In the Greek legal order, beneficiaries are not deemed to be grantees. In case those persons are not sufficiently determined by the founding deed the administration of the foundation has to determine them on the principle of reasonability.

- g) What rules are in place to ensure against conflict of interest? What is the legal definition of a conflict of interest under your legislation? How is self-dealing prohibited?

There is no express legal definition of a conflict of interest under Greek legislation. However, Art. 69 of the Greek Civil Code stipulates that if the persons who are indispensable for the administration of the legal person are missing, or if their interest is in conflict with those of the legal person, the President of the First Instance Court appoints provisional Administration at the request of anyone who has legitimate legal interest. In addition, the national company law provides that the board members shall abstain from pursuing interests that could undermine the interests of the company, as well as reveal timely the presence of individual interests, which could jeopardise those of the company. This provision of national company law is considered also to apply to foundations.

For Social Enterprises, board members cannot be simultaneously in another Social Enterprise.

- h) Can staff (director and/or officers) participate in decision-making? How and to what extent?

There are no special legal provisions about that subject. The content of the foundation act prevails. Similarly for the rest of organisation types.

**10. What is the liability of the foundation and its organs? What is the general standard of diligence for board members? (e. g. duty of obedience, duty of care/prudence, duty of loyalty)? In what type of rule are these criteria established: fiscal, administrative, civil, commercial? Is there a solid case law, if any, regarding the duty of due diligence? Does your country differentiate between voluntary (unpaid) and paid board members? Who is allowed to bring a complaint about breaches of such duties: the other members of the board, the founder/s, the public authorities? If a complaint is brought, which authority has competence in such cases: administrative, tax authority, only the judiciary power (attorney general) or beneficiaries/general public?**

Articles 61-77 of the Greek Civil Code contain general provisions about liability for all private legal persons.

Board members are personally liable for wilful or grossly negligent performance or neglect of their duties. They must act with due diligence and care and in compliance with the statutes and the purposes of the foundation at all times (Art. 713 and 717 Greek Civil Code).

In Greek law there is no difference between paid and unpaid board members.

In accordance with the general provisions of the Civil Code, the board members shall always act in good faith. This is a general duty which includes the duty not to act in self-interest but to act in the best interests of the foundation and for the fulfilment of its purpose and the original intentions of its founder. In addition, according to the provisions of national company law (Art. 102 of Law 4548/2018), the board members shall be relieved from their liability, if they prove that they exercised all due care and they were sufficiently informed on the decision-making and acted for the benefit of the organisation.

The executive staff is personally liable for acts and omissions in performing the tasks assigned to them which create liability for damages.

**11. Who can represent a foundation towards third parties? Is this specified in law or is it up to the statutes of the organisation? Do the director and officers have powers of representation based on legislation?**

In general, the board of directors represents a foundation towards third parties, according to the provisions of the founding act and the Law.

For Foundations: The board of directors shall have the powers provided for in the Law 4182/2013, as well as in the founding act, including among others the power of representation. If the founding act does not appoint a board of directors, then, pursuant to Art. 17 of Law 4182/2013, the board shall be appointed by the Registry that is drawn up and kept by the Ministry of Finance.

For Non-profit Civil Companies, it is the appointed manager.

**12. Are purpose-related/unrelated economic activities allowed? If so, are there other types of limitations on economic activities (related/unrelated)?**

Commercial activities of foundations are allowed as long as they are within the objectives of the foundation or are a part of its everyday functioning. However, the issue of whether foundations should engage in commercial activities is a controversial one. It is possible to set up a corporate foundation which is linked to a corporation with regard to finance and administration.

**13. Is there any legal/fiscal framework for grantmakers to be able to fund legal entities that are conducting economic activities in addition to their public utility activities? If any, what are the limitations for funding those kinds of legal entities?**

No, there is no such legal/fiscal framework for grantmakers.

**14. Are foundations permitted to be major shareholders in a company? Are there any limitations to voting rights? Is this considered as an economic activity? Are foundations allowed to engage in active ownership of companies that they own (for example through board representation, informal strategy discussions or the right to be consulted on key issues such as CEO succession)?**

Foundations in Greece can own shares, even as majority shareholders, but must align their shareholding with their non-profit objectives. There are no inherent voting restrictions, though internal statutes may limit their engagement. Shareholding is considered as an economic activity, especially if it generates income, but this should remain secondary to the foundation's public-benefit mission.

No other organisation type can own shares in another legal entity.

**15. Are there any rules/limitations in civil and/or tax law regarding foundations' asset management (only secure investments/bonds/investments with a certain return)? What, if any, types of investment are prohibited? Are there any limitations on mission-related investments?**

There are no rules in the Greek Civil Code regarding foundations' asset management.

**16. Are foundations legally allowed to allocate grant funds towards furthering their public-benefit purpose/programmes which (can) also generate income – impact investing? (recoverable grants; low interest loans; equities)**

Yes.

**17. Are there any limitations (in civil law/tax law) to political party related or general lobby/advocacy activities?**

No, there are no limitations in civil law/tax law on political party related or general lobby/advocacy activities.

For Organisations of Citizens' Society, any involvement by political parties is prohibited. The opposite is not prohibited (i.e. for this type of organisation to promote certain political initiatives, as long as they are related to the scope).

**18. What are the requirements for an amendment of statutes/amendment of foundations' purpose?**

The issuance of a presidential decree is needed for any amendment to the statutes, at the request of the administration of the private law foundation or as a result of a court decision, according to Arts. 110, 119 and 121 of the Civil Code. According to Art. 120 of the Civil Code, any change of the foundation's purpose is allowed only if the fulfilment of the original purpose has become impossible to achieve. The will of the founder must be respected. The state supervisory authority may give to the foundation another similar purpose in accordance with the probable will of the founder.

The purpose of public-benefit foundations can only be changed through a court decision (Art. 109 of the Greek Constitution). In this case, the amendment of the purpose of a public-benefit foundation is allowed not only if the fulfilment of its original purpose has become impossible, but also if the wish of the founder can be better realised through another purpose, and provided that the conditions laid down in Law 4182/2013 are met (Art. 121 subpar. b' of the Civil Code). Furthermore, according to Art. 10 of Law 4182/2013, if there is doubt or dispute as to the founder's will, this dispute shall be resolved by the competent appeals court, pursuant to Art. 825 of the Code of Civil Procedure. In addition, if the fulfilment of the founder's wish has become impossible, the above-mentioned competent appeals court has the jurisdiction to determine how the founder's assets can be better exploited.

For the other organisation types, see answer to Section I, question 9 d) and e).

## 19. What are requirements with regard to reporting, accountability, auditing?

Annual budgets and statements of accounts of revenue and expenses must be submitted to the Ministry of Finance. Every two years foundations need to submit their plans with respect to the future administration of the assets.

Organisations of Citizens' Society are required to maintain their financial statements as per the framework law on Greek Accounting Standards.

a) What type(s) of report must be produced?

- Annual financial report/financial accounts
- Annual activity report
- Public-benefit/activity report
- Tax report/tax return
- Other reports e.g. on 1% schemes
- Reports on governance changes (e.g. new board members)
- Report on conflict of interest (self-dealing and conflict of interest breach cases)

Annual report of revenues and expenses together with a balance sheet of assets and liabilities.

b) Must all/any of the reports produced by the foundation be submitted to supervisory authorities? If so, to which authorities (e.g. foundation authority, tax authority)?

For Foundations, yes, all of these reports must be submitted to the Ministry of Finance.

For Social Enterprises, the annual accounting statements and results must be published.

c) Are the reports checked/reviewed? By whom (supervisory/tax authorities)?

For Foundations, yes, by the Ministry of Finance and its departments.

For the other organisation types, no.

d) Do any or all of the reports and/or accounts of foundations need to be made publicly available? If so, which reports and where (website, upon request)?

For Foundations, yes. In accordance with Law 4182/2013 the directors or administrators of public-benefit foundations are required to submit an annual report of revenues and expenses together with a balance sheet of assets and liabilities to the Ministry of Finance for approval within four months of the closing of the financial year. This annual report, including

the balance sheet, must be published in the webpage of the foundation and also sent for posting to the Ministry of Finance.

For the other organisation types, only if registered do they become publicly available.

e) Is external audit required by law for all foundations?

Law 4449/2017 requires external audit of all foundations by auditing firms.

f) By whom should audits be undertaken? Do requirements/guidelines exist regarding international and national auditing agencies and standards?

By audit firms. No specific auditing standards for foundations but the general national auditing standards apply.

## 20. Supervision: Which authority, what measures?

For Foundations: The Ministry of Finance, the Council of National Bequests, or another competent ministry, depending on the purpose of a foundation, exercises supervision of the foundation after its establishment. All public-benefit foundations are under the supervision of the Ministry of Finance. If the governing board does not follow the statutes of the foundation, the State may dismiss members of the board and appoint new ones.

a) What type of body is the supervisory authority? (multiple answers possible)

- A public administrative body
- A public independent body
- A combination of a governmental body and a court
- A court
- A public administrative body and an independent body
- A tax authority
- Other

The Council of National Bequests is a public administrative body that functions within the Ministry of Finance. It consists of a Judge, a Legal Council of State, the Director of the Ministry of Finance, the Director of the National Bank of Greece, and two individuals from the following:

- A Vice-President of the Legal Counsel of State
- A Legal Advisor or Assistant Legal Advisor of the State
- The Head of the Division of Public Welfare Properties of the Ministry of Finance
- An active member of the Economic Chamber of Greece with experience in investment and analyst certification by the SEC
- A current member of the Technical Chamber of Greece who is a certified real estate appraiser specialising in civil engineering, a mechanical engineer or an architect

For Organisations of Citizens' Society, the supervising authority is the Ministry of Interior, Directorate for Organisations of Citizens' Society and social bodies.

For Social Enterprises/Cooperatives, the supervising authority is the Ministry of Labour, and the specified Department for inspections of such entities.

b) Does the supervisory body review reports?

- Yes - the body reviews reports and makes inquiries.
- No

c) Are foundations subject to inspection?

- Yes  
 No

d) Is approval from the authority required for certain decisions of the governing board?

- Yes, formal approval is needed  
 Yes, needs just to be informed  
 No

If yes, please specify which type of decisions:

For Foundations: The approval of the Ministry of Finance and the Council of National Bequests is required. The Minister of Finance may be limited to order the audit by audit firms in foundations with annual revenues greater than €50,000 or with assets of more than €2,000,000. (Art. 59 Law 4182/2013).

e) Is it mandatory to have a state supervisory official on the governing board?

- Yes  
 No  
 Can a government official be appointed to the governing board by a state authority, if so please mention:

f) What enforcement measures are in place (including compliance measures and sanctions for non-compliance) concerning registrations, governance, reporting, and public-benefit status?

Compliance measures are disciplinary penalties and sanctions provided by the regulations of the Code of Criminal Law. (Articles 71 & 72 of Law 4182/2013).

The corresponding law for Organisations of Citizens' Society and Social Enterprises/Cooperatives (L. 4873/2021, L. 4430/2016) includes similar compliance measures.

## 21. When and how does a foundation dissolve?

For Foundations: If dissolution is provided for in the statutes of the foundation, it can take place without a further decree. A foundation has to be dissolved if its purpose has been fulfilled or has become unattainable, or if the foundation's activities have diverged from its purpose or if its purpose as well as its activities have become unlawful, immoral or contrary to public order (Art. 118 Greek Civil Code). In order to complete the process, a presidential decree must be released.

For Organisations of Citizens' Society: When provided by the articles of association, but also when there is a violation committed by the organisation.

For Social Enterprises/Cooperatives: If the number of members falls below five; if the General Assembly decides so; if there is a limited duration as per the articles of association and this comes to an end; or if the organisation goes bankrupt.

For Associations: The dissolution of an association takes place according to Articles 103, 104, and 105 of the Greek Civil Code. It can occur by decision of the General Assembly (Article 103) in cases outlined in the statutes or if the number of members falls below ten (Article 104). A judicial decision may also dissolve the association for the reasons specified in Article 105, such as if the administration or one-fifth of the members or the supervising authority requests it. The reasons include: (1) the inability to elect a governing body or continue operating according to the statutes, (2) fulfilment or abandonment of the association's

purpose, or (3) if the association pursues a purpose different from the one defined in the statutes, or if its purpose or activities have become illegal, immoral, or contrary to public order.

**22. Is there a maximum that can be spent on office/administration costs in civil law and/or tax law? If yes, what is the amount?**

No, there is no maximum amount that can be spent on office/administration costs in civil law and/or tax law.

**23. Does civil and/or tax law require a foundation to spend a certain percentage of its overall assets within a certain period of time (e.g. within the next financial year)? In particular, can a foundation accumulate these expenses over a period of time (and if so, what kind of authorisation is required to do so)?**

In general: There is no specific expenditure percentage. What is declared as expenses is a tax matter that within the organisation's discretion.

For Foundations: The foundation must draft the annual budget with the expenses, costs and credits of the next financial year. This budget will be approved by the competent Ministry. The provisions of the budget cannot be amended and must be made carried out within the relevant year.

**24. Under what conditions does the civil law in your country recognise a foreign foundation? Do they have to register? Does your law recognise the concept of trusts?**

The Greek civil law recognises foreign legal persons which are formed in accordance with the law of the state where they have their seat. Foreign public-benefit foundations are recognised under Greek law, but in order to get the respective tax exemptions their purposes need to correspond to the ones accepted as such by the Greek state.

**25. Does the law in your country allow a foundation to conduct (some or all) activities (grantmaking, operating, asset administration, fundraising) abroad? Is there any limitation?**

Greek civil law allows a foundation to conduct its activities abroad. There are no legal restrictions.

**26. Does the law in your country impose any restrictions on ability to receive donations from abroad? If so, please describe.**

No, there are no restrictions on ability to receive donations from abroad.

**27. Does the civil law in your country allow the transfer of the seat of a foundation (in the EU) and/or cross-border mergers?**

There are no restrictions provided by the civil law in Greece for the transfer of the seat of a foundation (in the EU) and/or cross-border mergers.

However, given that the foundations are controlled by the Greek state, the transfer of seat is not possible in practice.



## II. Tax treatment

### 1. What are the requirements to receive tax exemptions?

- Pursuing public-benefit purposes
- Non-distribution constraint
- Being resident in the country
- Other

The pursuit of public-benefit purposes is the main requirement for receiving tax exemptions. According to Article 1 of Law 4182/2013, a public-benefit purpose is any national, religious, charitable, educational, cultural or other purpose beneficial to the community. The competent tax authority can make a determination whether the purpose of a public-benefit foundation qualifies for tax exemption. In general, the foundation must have been established on the grounds of the Greek law and have its seat in Greece. However, the Greek law also provides for certain tax exemptions, under certain conditions, for legal persons pursuing public-benefit purposes in Greece, wherever domiciled (Art. 15 of law 3091/2002).

### 2. What are reporting/proof requirements to claim tax exemptions? What does the foundation have to submit to the authorities (statutes, financial reports, activity reports, other?)

The authorities may ask for documents and proofs according to their discretion. We can assume that among others, invoices, private agreements, etc. may be asked.

### 3. Is specific reporting required for the use of public funds (grants received from public bodies/state/municipality/etc.)?

Yes, according to Article 82 of Law 4055/2012, a special report about the respective activities has to be submitted to the supervisory authorities, as well as to the authorities who subsidise or finance them, if these authorities are different.

### 4. Is there an obligation to report to public authorities on donors and beneficiaries? If so, to which authority and what type of information?

Yes, donations have to be reported to the tax authorities along with the contact details of the donors. The latter shall obtain a Greek tax number and pay the donation tax, otherwise the foundation is liable for that tax. The tax authority is entitled to inquire from where the money of the donor derives.

### 5. Is there a statutory definition of what a public-benefit purpose (charitable purpose) is in the civil law (foundation law, trust law) of your country? If yes, please give us the definition. If so, is the determining definition that subsequently links to tax benefits?

According to Article 1 of Law 4182/2013, a public purpose is any national, religious, charitable, educational, cultural or other purpose beneficial to the community.

### 6. Is there a statutory definition of what a public-benefit purpose is in the tax law of your country? If yes, please give us the definition.

According to Article 1 of Law 4182/2013, which also impacts tax regulations, a public-benefit purpose includes any national, religious, charitable, educational, cultural or other purpose that benefits the community.



**7. Please indicate whether the following purposes would or would not be accepted for tax privileges in your country (noting that the tax status often depends on additional requirements):**

Public-benefit purpose	Accepted in tax law (for tax privileges)			
	Yes	Probably yes	Probably no	No
Arts, culture or historical preservation	X			
Environmental protection	X			
Civil or human rights	X			
Elimination of discrimination based on gender, race, ethnicity, religion, disability, sexual orientation or any other legally prescribed form of discrimination	X			
Social welfare, including prevention or relief of poverty	X			
Humanitarian or disaster relief		X		
Development aid and development cooperation	X			
Assistance to refugees or immigrants	X			
Protection of, and support for, children, youth or elderly	X			
Assistance to, or protection of, people with disabilities	X			
Protection of animals	X			
Science, research and innovation	X			
Education and training	X			
European and international understanding (e.g. exchange	X			

programmes/ other activities aimed at building bridges between nations)				
Health, well- being and medical care	x			
Consumer protection	x			
Assistance to, or protection of, vulnerable and disadvantaged persons	x			
Amateur sports	x			
Infrastructure support for public- benefit purpose organisations	x			
Party political activity	x			
Advocacy		x		
Advancement of religion		x		
<i>Other – please list other purposes accepted in tax law for tax privileges in your country</i>	x			

## 8. Support of “the public at large”

- a) Do the activities of a foundation with public-benefit status for tax purposes generally have to benefit “the public at large”?

No, but the section of the public that benefits must be chosen on the basis of an objective criterion.

- b) If yes, can a foundation with public-benefit status for tax purposes support a closed circle in a sense that beneficiaries can be identified based on legal or family affiliations?

A tax-exempt foundation can support a small number of disadvantaged/underprivileged individuals. The purposes and the activities of such a foundation must be clear and specific.

## 9. Non-distribution constraint

- a) Does a foundation with public-benefit status for tax purposes generally have to follow a “non-distribution constraint” which forbids any financial support of the foundation board, staff, etc.?

Capital contributed by founders or donors should support public-benefit purposes and not go to the personal benefit of these persons, but there is no restriction in providing remuneration to the board members and officers.

- b) What happens with the foundation's assets in case of dissolution? Can the assets revert to private ownership, or do they have to stay in the public-benefit sphere?

The founder has to specify in the statutes what is to be done with the residual assets. If it is not specified, then in the case of the foundation's dissolution these assets must be transferred to the public treasury.

## 10. "Altruistic" element

- a) Is remuneration of board members allowed in **civil law** and in **tax law**? If remuneration is allowed, are there any limits in **civil law** and/or in **tax law**?

There is no restriction with respect to remuneration.

- b) Does **tax law** allow a donor/funder to receive some type of benefit in return for a donation? (e.g. postcards, free tickets for a concert)

There are no specific rules on this matter.

- c) Is there a maximum amount that can be spent on office/administration costs in **civil law** and in **tax law**? If yes, how are "administration costs" defined? Please indicate which of the following types of expenditures would/would not be considered as "administration costs":

- Personnel costs (staff salaries/payroll costs)
- Board remuneration
- Costs of external audit
- Other legal/accounting costs
- General office overheads (rent/mortgage payments, utilities, office materials, computers, telecommunications, postage)
- Insurance
- Publicity and promotion of the foundation (e.g. website, printed promotional materials)
- Asset administration costs
- In the case of an operating foundation – costs related to programmes/institutions run by the foundation
- Costs related to fundraising

No, there is no rule about a maximum amount which can be spent on office/administration costs, either in civil or in tax law.

## 11. Hybrid structures (elements of private benefit in public-benefit foundations)

- a) Does the **civil law** of your country accept the following provisions/activities of a public-benefit foundation?

	Yes	Probably yes	Unclear	Probably no	No
The founder restricts the use of the endowment by specifying that the foundation is required to maintain the founder, their spouse and descendants.				X	
The founder retains a beneficial reversionary interest in the capital of a				X	

property or other asset for their own continuing use.					
The gift consists only of the <i>freehold reversion</i> (residuary interest) in a residence that is subject to an existing lease (for a term of years, or even for life) in favour of the founder (or another member of their family) as tenant.					
A foundation distributes a (small) part of its income to the founder or their family.					

b) Does the **tax law** of your country accept the following provisions/activities of a tax-exempt foundation?

	Yes	Probably yes	Unclear	Probably no	No
The founder restricts the use of the endowment by specifying that the foundation is required to maintain the founder, their spouse and descendants.				X	
The founder retains a beneficial <i>reversionary</i> interest in the capital of a property or other asset to retain for their own continuing use.				X	
The gift consists only of the <i>freehold reversion</i> (residuary interest) in a residence that is subject to an existing lease (for a term of years, or even for life) in favour of the founder (or another member of their family) as tenant.				X	
A foundation distributes a (small) part of its income to the founder or their family.				X	

## 12. Distributions and timely disbursement

a) Are foundations allowed to spend down their endowment?

Yes.

b) Are they allowed to be set up for a limited period of time only? If so, is there a minimum length of time for which the foundation must exist?

Yes, if they can accomplish their purposes within that limited period of time.

c) Does the **civil law** and/or **tax law** of your country require a foundation to spend its income (or a certain amount of the income) within a certain period of time, e.g. within the next financial year? If yes, is there a specific amount/percentage of the income that must be spent within this time? Which resources would be considered as income? E.g. would donations/contributions designated for building up the endowment be included in/excluded from the income to be spent? What expenditures would count towards the disbursement of income (e.g. would administration costs be included/excluded?)?

No, there are no statutory restrictions on the accumulation of income. Accumulating capital, as long as that is not the foundation's primary purpose, may be accepted under Greek civil law.

- d) Does the **civil law** and/or **tax law** of your country require a foundation to spend a percentage of its overall assets in the form of a "pay-out rule"?

No, there are no explicit rules on distribution in Greek law.

Example: Does the **civil law** of your country require the following of a public-benefit foundation?

	Yes	Probably yes	Unclear	Probably no	No
A foundation accumulates its income for 5 years, only in the 6 <sup>th</sup> year are there distributions for the public-benefit purpose of the foundation.		x			

Example: Does the **tax law** of your country require the following of a public-benefit foundation?

	Yes	Probably yes	Unclear	Probably no	No
A foundation accumulates its income for 5 years, only in the 6 <sup>th</sup> year are there distributions for the public-benefit purpose of the foundation.		x			

**13. Are activities abroad in another country compatible with the public-benefit tax status?**

Activities can be conducted abroad without losing tax exemption.

**14. Can public-benefit organisations with a tax-exempt status also support/give grants to for-profit organisations (such as a small green start-up)?**

There is no legal framework, or such restriction provided by law.

**15. Corporate income tax treatment. How are the following types of income treated for corporate income tax purposes? Are they taxable or exempt?**

For Greek non-profit legal persons, public or private, only the net income earned in Greece or abroad that is derived from an activity which does not constitute the exercise of the legal person's non-profit mission is subject to income corporate tax. Any other income, including other revenues acquired through the pursuit or fulfilment of the foundation's purposes or mission is not subject to tax.

For foreign non-profit legal entities, public or private, the net income from any source earned in Greece is subject to tax at a rate of 24%. Any other income of these entities acquired through the pursuit or fulfilment of their missions is not subject to tax.

The income of Greek foundations or other public-benefit Greek legal persons gained from renting buildings and land is taxed at a rate of 24% (Law 4172/2013).

The provisions of the preceding paragraph also have application for income earned in Greece by foreign entities and agencies of foreign religions and faiths that have a permanent establishment in Greece.

Grants and donations, and economic activities, such as income deriving from advertisements placed in magazines, which (magazines) are published and distributed for free to the members of the foundation, cannot be qualified as taxable income under Greek law (Response no.373/2003 of the State Legal Council and Ministerial Decision no. 1044/2015).

a) Grants and donations

Not taxable.

b) Investment income (asset administration)

Taxable.

- Interest from fixed rate bonds
- Equities
- Income from leasing of a property that belongs to the foundation

c) Economic activities (related/unrelated) - Taxable

- Income from running a hospital/museum/opera
- Income from producing/selling books (e.g. art books sold by a cultural foundation)
- Income from running a bookshop inside a museum/opera run by the foundation
- Income from running a café in the hospital/museum run by the foundation
- Income from selling merchandise (activity not related to the pursuance of the public-benefit purpose)
- Income from intellectual property (e.g. royalties and licence fees)

Income earned from activities falling within the scope of pursuing the purpose is tax exempt apart from the income from sources described in par.16.

d) Income deriving from grant expenditure towards public-benefit purpose/programme activities (such as loans, guarantees, equities)?

This is taxed at a rate of 24%.

e) Is major shareholding in a business undertaking considered as an economic activity and taxed accordingly?

Yes, the distribution of capital (if allowed) will be taxed at a rate of 24% and eventually will be deemed as economic activity.

**16. Are capital gains subject to tax? If so, are they liable to corporate income tax or to a separate tax?**

Individuals: A 15% capital gains tax (with a regressive rate based on the years that one holds the ownership of a property) is applied and paid by the seller, only in cases where the seller is an individual. However, the application of the capital gains tax has been temporarily suspended.

Companies: Any capital gain is taxed based on the overall corporate income with a tax rate of 24%.

**17. Does any kind of value added tax (VAT) refund scheme for the irrecoverable VAT costs of public-benefit foundations exist in your country?**

There is a special procedure for foundations to gain exemption from VAT.

**18. Is capital tax levied on the value of assets, where applicable?**

Yes, there is a property tax introduced by Law 4223/2013.

**19. Are there taxes on the transfer/ sale of assets by foundations?**

The general taxes on transfer of assets apply except in cases of donations to the state, which are tax free.

**20. Are there any other taxes to which public-benefit foundations are subject to (e.g. real property tax)?**

Up to the financial year 2010 and for each subsequent year tax is imposed on real property which is located in Greece and belongs to a natural or legal person. (Art. 27 par. 1 of Law 3842/2010).

The value of the real estate of a Greek or foreign non-profit legal person, private or public, operating for proven charitable, religious or educational purposes is taxed at a rate of three per thousand (3‰) (Art. 35 par. 2 of Law 3842/2010).

The value of the owner-occupied buildings of non-profit legal persons is taxed at a rate of one per thousand (1‰). (Art. 35 par. 3 b) of Law 3842/2010).

The recent law 4223/2013 abolished all tax privileges of public-benefit foundations.

**21. Can a foreign foundation (EU and other) get the same tax benefits as a national foundation according to the wording of the tax law in your country? If yes, under what conditions? If they have to fulfil exactly the same requirements as locally based public-benefit foundations, please refer to above but indicate which documents need to be provided and translated:**

- Statutes (translation required?)
- Last annual financial report (translation required?)
- Documents providing evidence for certain tax law requirements e.g. that income was actually spent for public-benefit purposes, which may not be required by the organisation's country of seat but are required according to the legislation of the country from which tax benefits are sought?
- Other

The basis for reciprocity is a relief provided by national law, based on bilateral agreements for reciprocal treatment, and is examined on a case-by-case basis. In order to benefit from this relief, the beneficiary foreign non-profit legal persons must provide to the competent Greek tax authority official documents issued by the competent authorities in their country of origin giving evidence (i) that they pursue public-benefit purposes and (ii) that the tax laws of their country of origin also provide for tax exemption in favour of foreign (Greek) non-profit legal persons.

**22. Does your country have signed bi-lateral tax treaties, which provide for reciprocal tax treatment of public-benefit organisations? If so, with which countries?**

No. For tax purposes, the double-tax treaties apply.

**23. Does your country apply withholding tax to the income from local investments held by domestic and/or foreign-based foundations? If so, can domestic or foreign-based foundations reclaim all or part of the withholding tax under domestic law?**

Yes, there is withholding tax applying on all capital gains and gains from interest (15%), royalties (20%) and shares (5%). There is a refund procedure available from the tax authority.



### III. Tax treatment of donors

#### 1. Is there a system of tax credit or tax deduction or other mechanisms such as tax allocation systems or matching grants?

Tax deduction.

#### 2. Tax treatment of individual donors

- a) What tax relief is provided for individual donors? Is there a minimum and/or a ceiling to a contribution on which tax incentives can be claimed?
- b) Which assets qualify for tax deductibility (e.g. cash, real estate, in kind or other)

According to the Income Tax Act, the donor can deduct the amount of the donation in their tax declaration (tax deduction) in the following way:

Individual donors may deduct from their taxpayer's gross income, up to 20% of the following:

- Sums of donations to charitable institutions; to non-profit public or private legal persons which provide education and award scholarships as well as other legal persons which pursue charitable purposes; to research and technology organisations governed by Law 1514/1985, and to research centres which are domestic legal non-profit persons (Art. 9 par. 3 g) cc) of Law 2238/1994, as amended with Art. 1 par. 4 cc) of Law 3842/2010).
- Sums paid in sponsorship to non-profit domestic legal persons which are operating for cultural purposes (Art. 9 par. 3 g) dd) of Law 2238/1994 as amended with Art. 1 par. 4 dd) of Law 3842/2010).

In cases where the value of donations and sponsorship in line with the criteria outlined above exceeds €300 per year, these must be deposited in a special account of the legal person opened for this purpose at the Deposits and Loans Fund or a bank lawfully operating in Greece. The value of gifts and donations is deductible only if their aggregate sum exceeds €100. The deduction will apply only if the total amount of donations and sponsorships does not exceed 5% of the donor's total income taxed under the general provisions.

#### 3. Tax treatment of corporate donors

- a) What tax relief is provided for corporate donors? Is there a minimum and/or a ceiling to a contribution on which tax incentives can be claimed?
- b) Which assets qualify for tax deductibility? (e.g. cash, real estate, in kind, or other)

The tax deductibility of donations is not expressly regulated in the respective Greek tax legislation (Law 4172/2013), in contrast to the previously applicable Greek ITC providing for the tax deductibility of specifically enumerated donations, up to a certain amount. Thus, the deductibility of charitable contributions shall be examined in light of the generally applicable deductibility criteria, focusing on the productivity of such expenses on a case-by-case basis.

For tax years beginning on or after 1 January 2020, expenses relating to corporate social responsibility actions are considered as incurred to the interest of a company or within its ordinary course of business and will be deductible in the tax year in which they were incurred. However, this will only be possible if the company's accounting result is profitable, unless such actions are carried out at the request of the state.

The term Corporate Social Responsibility refers to the actions of businesses that aim to contribute to addressing environmental and social issues. Specifically, businesses are entities that are inextricably linked to the social community in which they operate, influencing and influenced by the how and where they do business. Therefore, they must acknowledge their responsibility towards society and the environment. That is, to respect the principles and values that characterise our culture (respect for human beings, human dignity and equal opportunities; and respect for the environment we inherited, and improving living standards and quality of life).

Corporate Social Responsibility can be categorised into six categories depending on the nature of the relevant programme initiative: Purpose Promotion, Purpose Marketing, Social Marketing, Corporate Charity, Corporate Volunteering, and Corporate Responsibility.

**4. Tax treatment of donations to non-resident public-benefit foundations: Do donors get the same tax incentive?**

The provisions related to donations to domestic non-profit legal persons apply also to donations to public-benefit foundations established in Member States of the European Union as well as European Free Trade Association / European Economic Area countries. The donations may be deposited in a bank of the country where the recipient is domiciled.

The donor will also benefit from tax deductions for donations to the following non-resident organisations: The Ecumenical Patriarchate of Constantinople, the Patriarchate of Alexandria and Jerusalem, the Holy Monastery of Sinai, and the Orthodox Church of Albania.

**5. Other frameworks such as percentage law systems, whereby the donating taxpayer may assign part of the tax due to a public-benefit organisation?<sup>7</sup>**

None.

**6. What are the requirements that the donor must fulfil and/or what is the information they must provide in order to claim tax benefits? What information must donors provide to their tax authority in order to receive tax incentives for their donation (e.g. submitting details on the organisation they support: statutes, annual financial report, documents providing evidence for certain tax law requirements, for instance to show that income was actually spent for public-benefit purposes)?**

Donations and sponsorships amounting to more than €300 must be deposited in a special account of the legal person which should be opened for this purpose in a Deposits and Loans Fund or in a bank lawfully operating in Greece. The cash receipt voucher issued by the bank must indicate the particulars of donor and recipient, the amount of the donation or sponsorship in figures and in words, the date of deposit, and the signature of the donor or the sponsor. Further, the donor shall be in possession of a Greek tax number.

**7. Are there any different or additional requirements to be fulfilled when a donor is giving to a foreign-based foundation? What information must donors to foreign-based organisations provide in order to receive tax incentives for their donation (e.g. statutes, annual financial report, documents providing evidence for certain tax law requirements, for instance to show that income was actually spent for public-benefit purposes)? Are translations of documents required?**

In case of donation of real estate to individuals, the foreigners must obtain a tax registration number in Greece. In case of foreign-based organisations, they must file with the Greek entity or individual for their donation all necessary corporate documentation and a tax registration number (if the donation is related to real estate).

**8. Do donors get tax incentives when donations are done via specific tools such as:**

- Requesting money in public (street, door-to-door)
- Via TV and radio campaigns
- Via sms
- Crowdfunding

Do they have to follow any kind of particular process? If so, which one?

No, there is no Greek legislation providing tax incentives when donations are done via the specific tools listed above.

## IV. Tax treatment of beneficiaries

*(i.e. those receiving a grant or other benefit from a foundation)*

### **1. Individuals: Are individual beneficiaries of grants required to pay taxes or are the grants tax exempt?**

Individual beneficiaries of grants are generally subject to tax. Grants received by individuals are considered income and are therefore taxable. According to Article 39 of Law 4172/2013, which covers income tax provisions, such grants are included in the recipient's taxable income and are taxed accordingly. This means that individuals who receive grants need to declare them in their income tax returns and pay the applicable tax on these amounts. However, specific exemptions or deductions might apply depending on the nature of the grant and the beneficiary's circumstances.

### **2. Legal entities: Is there any legal/fiscal framework for beneficiaries conducting economic activities so that they can be eligible for foundation funding? Are there any limitations on the economic activities of the beneficiaries?**

Neither donation tax nor income tax is applicable to the beneficiary, provided that the donation from a foundation is fulfilling a statutory obligation (Response of the State Legal Council 787/1997).

### **3. Are there any different or additional requirements that must be fulfilled by a beneficiary receiving funding from abroad?**

No provisions.

## V. Gift and inheritance tax

### 1. Does gift and inheritance tax/transfer tax exist in your country and, if yes, who has to pay the tax in the case of a donation/legacy to a public-benefit organisation (the donor or the recipient organisation)?

Yes, Greece has a system of gift and inheritance taxes under Law 2961/2001. In the case of donations or legacies given to public-benefit organisations, the recipient organisation is exempt from both gift and inheritance taxes. This means that when a public-benefit organisation receives a donation or legacy, it does not have to pay any tax on the amount received. Consequently, the donor or testator is not liable for any gift or inheritance tax related to the donation or legacy to these organisations. This tax exemption is intended to encourage and facilitate charitable contributions to public-benefit causes.

### 2. What are the tax rates? Is there a preferential system for public-benefit organisations (PBOs)? Which PBOs qualify? Is there a difference according to the region or the legal status of the PBO?

Gift and inheritance taxes are regulated by Law 2961/2001. Individuals who donate or bequeath assets to public-benefit organisations (PBOs) are generally exempt from these taxes. The tax rates for gifts and inheritances range from 0% to 40%, depending on the relationship between the donor and the recipient and the value of the gift or inheritance. Public-benefit organisations, recognised under Greek law for their charitable purposes, do not pay these taxes on the contributions they receive. This tax exemption is uniform across Greece and is not influenced by the region or the specific legal status of the PBO.

### 3. Is there a threshold (non-taxable amount) from gift and inheritance tax for donations/legacies to public-benefit organisations?

There is no specific threshold or non-taxable amount for donations or legacies to public-benefit organisations (PBOs) with regard to gift and inheritance tax. Donations and bequests to PBOs are generally exempt from gift and inheritance taxes regardless of the amount. This means that any contribution made to a recognised PBO does not incur gift or inheritance tax liabilities, effectively removing the need for a threshold for tax exemptions.

### 4. Is there a legal part of the estate that is reserved for certain protected heirs and which a donor cannot give to third parties?

In Greek inheritance law, the legal portion reserved for certain protected heirs, which a donor cannot allocate to third parties, is governed by the Greek Civil Code. Specifically, Article 1827 establishes the concept of the "legitimate portion", ensuring that certain heirs are entitled to a minimum share of the estate. Articles 1828 and 1829 further detail the calculation of this legitimate portion and the order of inheritance. These provisions ensure that protected heirs receive their legally entitled share of the estate, irrespective of the deceased's testamentary decisions.

### 5. What is the tax treatment (inheritance and gift tax) of legacies to non-resident public-benefit foundations?

Gifts and inheritances are subject to separate taxation at a rate of 0.5% if the recipients are either of the following:

- Non-profit entities that exist or are formed legally in Greece

- Foreign non-profit legal persons on the basis of reciprocity and Art. 96 of Law 2039/1939, if they are operating for a proven national or religious purpose or a wider circle of charitable, educational or artistic purposes within the meaning of Article 1 of Law 2039/1939. (Art. 25 par. 3 of Law 2961/2001 and Art. 25 par. 9 of Law 3842/2010)

Cash donations to non-profit legal persons shall be subject to tax after the removal of a tax-exempt amount of thousand €1,000 per year (Art. 43B a) of Law 2961/2001).

Also subject to separate taxation under the provisions of par. 5 Art. 29 of Law 2961/2001 are the following:

- Public entities, prefectures, municipalities, communities, churches, monasteries, the Temple of the Holy Sepulchre Audience, the Holy Monastery of Mount Sinai, the Ecumenical Patriarchate of Constantinople, the Patriarchate Jerusalem, the Patriarchate of Alexandria, the Church of Cyprus, the Orthodox Church of Albania
- Non-profit entities, which exist or are legally founded in Greece or any other EU or EEA (European Economic Area) Member State, as well as foreign non-profit legal persons on the basis of reciprocity and public-benefit foundations of Art. 50 of Law 4182/2013, if they are operating for demonstrably national or religious purposes or a wider circle of charitable or educational or artistic purposes within the scope of Article 1 of Law 4182/2013(par. 3 of Art. 25 of Law 2961/2001 and par. 9 of Art. 25 of Law 3842/2010).

## VI. Trends and developments

- 1. Are there current discussions about the question of whether cross-border activities of foundations or other non-profit organisations and their donors are protected by the fundamental freedoms of the EC Treaty? Have there been any changes to your country's legislation, resulting from the [Persche](#), [Stauffer](#), [Missionswerk](#) or other relevant ECJ judgments, or are changes being discussed? Any changes being discussed with regard to the free movement of trust structures resulting from the [Panayi Trust](#) and [Olsen and Others](#) cases?**

In 2016 the Court of Justice of the European Union (CJEU) delivered a judgment in case C-98/2016 (European Commission v. Greece), according to which the 3rd par. of Art. 25 of Law 2961/2001 (i.e. the Greek Inheritance Tax Code), that applies more favourable inheritance tax treatment for legacies made to non-profit legal entities on the sole basis of reciprocity, constitutes a restriction of movement of capital (in breach of Article 63 TFEU) and, thus, this condition shall be abolished. However, the Greek State has yet to comply with the CJEU ruling.

- 2. Has the fight against terrorism and financial crime led to the introduction in recent years of new laws/rules affecting the foundation sector (e.g. implementation of EU Anti Money Laundering Directive, or reactions to recommendations of the Financial Action Task Force)? Has it for example become more difficult to:**

- Set up a public-benefit foundation
- Obtain permission to transfer funds across borders
- If able to transfer of funds across borders, has the process become more burdensome administratively
- Open a new bank account
- Maintain a bank account
- Fund certain activities
- Fund certain regions/countries
- Fund certain organisations (please explain the reason - foreign funding restriction?)
- Report to authorities/deal with administration
- Other

Yes. Law 4557/2018 is the basis of the institutional framework in Greece on the prevention and repression of money laundering and terrorist financing (incorporation of Directive 2015/849/EU).

However, as far as the non-profit private law foundations are concerned, the Financial Action Task Force (FATF) published on 3 September 2019 an evaluation report on "Anti-money laundering and counter-terrorist financing measures in Greece", stating that Greek Authorities do not carry out any other supervisory actions in a TF risk-based manner, other than collecting basic information upon registrations or generic monitoring for tax purposes.

- 3. Does the national law consider foundations as obliged entities as defined by the Anti-Money Laundering Directive?**

Pursuant to Art.20 of Law 4557/2018 and the Decision No. 67343 EX 2019 (Government Gazette B 2243/20-6-2019) of the Minister of Finance, all non-profit foundations, as well as companies and other legal entities, having their registered office in Greece, are obliged to collect and keep adequate, accurate and updated information in relation to their beneficial

owners at a Special Registry. In addition, all data kept in the Special Register shall be entered into the Central Register, held in the Secretariat for Information Systems of the Ministry of Finance, within sixty (60) days as of the date of the gradual registration of each legal entity according to the provisions of this article, whereas any change in the data of the beneficial owner shall be registered as well.

#### **4. Does the national law define/specify who is considered as a Beneficial Owner (BO) of a foundation?**

A “beneficial owner” means “any natural person(s) who ultimately owns or controls a legal entity, as well as the natural person(s) on whose behalf a transaction or activity is conducted”.

1. Specifically, in case of corporate entities, the following persons are considered as “beneficial owners”:

a) The natural person(s) who ultimately owns or controls a corporate entity through direct or indirect ownership or control of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means. A shareholding of more than 25% or an ownership interest of more than 25% in the corporate entity held by a natural person, shall be an indication of direct ownership. A shareholding of more than 25% or an ownership interest of more than 25% in the corporate entity held by another corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

Further, control through other means may be determined using any kind of criteria; these include criteria used in order to decide whether consolidated financial statements shall be made, such as, whether a shareholders’ agreement exists, whether a shareholder has a dominant influence or whether a shareholder is entitled to appoint the company’s senior management.

It should be noted that the above criteria do not apply to companies listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency in relation to the beneficial owner.

b) In exceptional cases and only if, after having exhausted all the above criteria, no person can be identified as the beneficial owner, or if there is any doubt that the person(s) identified is/are the beneficial owner(s), the natural person(s) who hold the position of senior managing official(s), is/are meant to be the beneficial owner(s). It should be noted that the right to name a senior manager as beneficial owner should be considered on a case-by-case basis, whereas, in principle, only managers with an adequate degree of seniority – who have sufficient knowledge of the degree of exposure of the company to the risk of money laundering and terrorism financing activities, and at the same time have sufficient seniority to take decisions that affect the risk of exposure of the company – can be identified as beneficial owners. Such director or employee is not required to be a member of the company’s board of directors.

2. In case of trusts (and other types of legal entities or legal arrangements similar to trusts), the following persons are considered as the “beneficial owners”:

- a) The settlor
- b) The trustee(s)
- c) The protector, if any



d) The beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates

e) Any other natural person exercising ultimate control over the trust by any means of direct or indirect ownership or by other means.

**5. Does your country have a specific register for BO of legal entities/foundations or does the foundation/company/association register serve as a BO register?**

Yes, all companies and legal entities having their registered office in Greece or carrying out business activity taxed in Greece, regardless of their registered office or any tax exemptions provided under specific provisions, are required to report information regarding their UBOs to the Central Register, and moreover keep records of this information at their registered office address (Special UBO Register). The Central Register is held in the General Secretariat of Information Systems (GSIS) and is electronically linked with the Tax Identification Number (TIN) of each legal entity. It obtains information collected by the authorities and can be linked to other institutions which keep records regarding beneficial owners.

**6. Are there any other recent trends or developments affecting the legal and fiscal environment for public-benefit foundations in your country such as one or more of the following?**

a) Law revision in the pipeline

No.

b) Discussion about the role of supervisory authorities (civil law, charity regulator, tax authority) and collaboration among them? Decentralisation or centralisation of supervisory structures? Use of watchdog/rating agencies?

There is a clear trend in Greece towards increased transparency for public-benefit foundations.

c) Tendency towards more transparency requirements?

No.

d) Tendency towards more self-regulation? Self-regulation replacing hard law regulation?

No.

e) Tendency to use alternative forms to classic public-benefit foundations

There are alternative legal structures such as non-profit Associations, Social Cooperative Enterprises and Social Cooperatives, Non-profit Civil Companies and Organisations of Citizens' Society (formerly known as NGOs), which provide more flexibility in terms of administration and financial management compared to traditional foundations.

f) Other?

**7. Public fundraising: Are there any specific laws that regulate fundraising, and do they affect foundations?**

Organisations that engage in public fundraising in Greece must be formally registered and recognised, stating a clear public-benefit purpose, to legally conduct fundraising activities. Also, transparency is key. Foundations must maintain detailed financial records of funds

collected and provide regular reports on how these funds are used. L. 4920/2022 regulates fundraising activities and crowdfunding, based on EU legislation.

## VII. Further information

### Useful contacts

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- Pelleni-Papageorgiou, "Το ίδρυμα ιδιωτικού δικαίου" Athens, 2007.
- Tatsos, N., in: The Tax Treatment of Cross – Border Donations – Including the Tax Status of Charities and Foundations, Bate, P.(editor), International Bureau of Fiscal Documentation, loose-leaf, Amsterdam,1994-2001.

### Selected law texts online

- [Law 2961/2001](#)
- [Law 3842/2010](#)
- Law 4182/2013
- Law 4430/2016
- [Law 4557/2018](#)
- [Law 4873/2021](#)
- [FATF Report](#)
- Greek Civil code

## VIII. About

### About Philea

Our vision is for philanthropy to use its full potential to co-shape and support a pluralistic, just and resilient society that centres people and planet. To achieve this, our mission is to enable, encourage and empower the philanthropic community to build a better today and tomorrow.

We nurture a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks in over 30 countries that work for the common good. With individual and national-level infrastructure organisations as members, we unite over 7,500 public-benefit foundations that seek to improve life for people and communities in Europe and around the world.

We galvanise collective action and amplify the voice of European philanthropy. Together we:

→ **Co-create knowledge and learn** from effective practices

→ **Collaborate** around current and emerging issues

→ **Promote enabling environments** for doing good

In all we do, we are committed to enhancing trust, collaboration, transparency, innovation, inclusion and diversity.

[philea.eu](https://philea.eu)

### Policy and advocacy at Philea

Philea champions the interests of its members vis-à-vis the EU and multilateral organisations. Through [our policy and advocacy work](#), we strive towards an enabling operating environment for European philanthropy by monitoring and analysing policy and regulatory trends at national, European, and international level, and engaging around this agenda with policymakers and other stakeholders. We position philanthropy as a key actor on societal issues and facilitate strategic engagement and collaboration opportunities, including public-private partnerships.

### About this project

This country profile is part of a [larger analysis project](#), ongoing since 2002, which includes regularly updated profiles on the legal and fiscal landscape for philanthropy in some 40 countries across the wider Europe; and a comparative overview of the profiles compiled in our “Comparative Highlights of Foundation Laws”.

### Legal Affairs Committee

Philea’s [Legal Affairs Committee](#) consists of legal and public affairs experts from Philea members, composed of both national associations and foundations, across Europe. The members of the LAC advise on Philea’s policy and advocacy work.

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