



Digital nomads and Non-Dom residents



The living and work habits of people are ever-changing as globalisation and technologies are advancing. The COVID-19 pandemic accelerated those procedures altering our needs as well as the way we work and live. Greece, adjusting to this new world, takes the necessary measures to provide to all people, regardless their nationality, the opportunity to live, work and retire in Greece. In this newsletter you can find all the information for acquiring the status of a Non-Dom resident in Greece as an investor or retiree, an employee, a self-employed or that of a digital nomad.

NON DOMICILED RESIDENTS

As **non-domiciled resident** we define a person who lives in a country but does not have to pay tax there, for money she/he has earned outside the country; this status during the last years has become rather popular.

In this context, like the Golden Visa Programmes of Malta, Portugal and Spain, Greece also decided to introduce a **Greek Res Non-Dom Tax regime** with favourable provisions for three categories of taxpayers.

LEGAL FRAMEWORK

The legislative framework for the Non-Dom regime is defined in [Law 4172/2013](#) (Income Tax Code), as it was amended by Laws [4646/2019](#) and [4714/2020](#) and [4821/2021](#).

*On February 26, 2020, the Greek Ministry of Finance announced the procedure which should be followed by individuals who wish to transfer their tax residence in Greece under the provisions of the **favourable Non-Dom tax regime**, which was introduced for the first time in Greece by [Law 4646/2019](#).*

- A. **Natural persons** earning income abroad who invest in Greece. (art. 5a)
- B. **Pensioners** with foreign source income. (art. 5b)
- C. **Employees or self-employed, Greeks** who left the country due to the economic crisis or **foreigners** who intend to live and work in Greece, in the context of a new employment relationship. (art.5c)

NATURAL PEOPLE EARNING INCOME ABROAD AND CHOSE GREECE AS THEIR TAX RESIDENCE

This tax regime offers favorable tax treatment to high-net-worth individuals who choose Greece as their tax residence. The relative provisions serve to increase public revenues, import capital into Greece and generally stimulate the internal market.

Paragraph 1 of Article 5A of law 4172/2013, sets out the **conditions** for the inclusion in the Non-Dom tax regime, which cumulatively applied, have as follows:

- a. The natural persons must **not be tax residents** of Greece for the previous **seven (7) years** prior to the transfer of their tax residence to Greece, and
- b. Prove that they, or one of their relatives, invest directly or through a legal person in which, respectively, they hold a **majority of shares or units**, or in **real estate** or other **business** based in Greece, with a **minimum** invested amount of **five hundred thousand (500,000) Euros** or they possess **Golden Visa**. The investment must be completed within three (3) years from the date of submission of the application for obtaining the status of Non-Dom.

One of the main **benefits** offered by the Non-Dom regime is that the natural person pays each tax year a **fixed tax amount, regardless of the income earned abroad**, which is one hundred thousand (100,000) Euros. In addition, the measure provides that the natural person may request an **extension** of the measure by paying a tax of 20,000€ per person per year for **each relative** who will join them in Greece. (*Article 5a, par. 2*).

As a further incentive, those falling under the new regime are **exempt** from **taxation** on donations, parental donations, and inheritances.

The measure provides for a **maximum stay of 15 years**, without the possibility of further extension. (*par. 4*)

In a nutshell

Conditions

- *Non tax residents of Greece for 7 years prior*
- *500,000 euros of investments in 3 years*

Benefits

- *Fixed tax (100,000€ per year plus 20,000€ per relative)*
- *Tax exemption on donations etc.*

Procedure

- *Simplified (in most cases, none supporting documents)*

The **procedure** for the inclusion to the Non-Dom tax regime has as follows (*par. 3*):

1. Submission of **application** :“Transfer of Residence” until 31st March - each year- before the Tax Authority of non-Greek residents. If the above-mentioned first condition is fulfilled, there is no need for supporting documents, however, in case the tax residence is not available to the Tax Office, the applicant should provide the necessary documentation (e.g., certificate of tax residence/income tax return) within 60 days from the filing and until 31st May at the latest. Based on the law amendment of 4821/2021 the submission deadline for 2021 changed to 31/5/2021 and the Tax Authority must answer till the last working day of June of the same year .
 2. The Tax Authority **approves** the **application within 60 days** and **notifies** the **foreign Tax Authority** regarding the transfer of the taxpayer’s residence in Greece.
 4. **Payment** of the annual tax, for the **first year**, shall be completed **within 30 days** from the approval. For any subsequent payment, the flat tax is paid as a lump sum until 31st of July. Any tax paid abroad on the income covered by this alternative method of taxation shall not be offset against any tax liability in Greece. (*Art. 5 of Joint Ministerial Decision A’ 1036/2020*)
- If the Non-Dom resident **does not pay the whole of the flat-rate amount of tax within that tax year**, and no later than the thirty-first of December of that year, **ceases** to be **subject** to the **provisions** of the **scheme** from the relevant tax year and is henceforth taxed on any global income under the general provisions of Greek tax law (*par. 5*).
 - Non-Dom tax residents are subject to the aforementioned favourable regime, irrespective of whether or not they are physically present in Greece for more than 183 days and the centre of their vital relations is in Greece. **However**, individuals spending **more than 183 days in another country could risk being considered as tax residents in such other country**.

PENSIONERS WITH INCOME ABROAD WHO CHOSE GREECE AS THEIR TAX RESIDENCE

The second category, eligible to the Non-Dom regime, is provided in Article 5B of law 4172/2013 and concerns **pensioners** with a foreign source pension income. Greece, due to its warm climate, low cost of living, high-quality healthcare and a vast of choices regarding housing, vacations, culture etc. is deemed as the perfect choice for retirement.

The **conditions** for the transfer of tax residence in Greece for pensioners with a foreign source pension income abroad are cumulatively the following (par.1):

- a. The natural person was **not a tax resident** of Greece for the previous **five (5) of the six (6) years** prior to the transfer of their tax residence to Greece, and
- b. Having their tax residence in a country with which an **administrative cooperation agreement**, in the field of taxation, is in force with Greece.

The **duration** of the measure is **15 years** (par. 4).

The **procedure** for submitting a application for the inclusion to this regime is similar to the previous category. (par. 3)

- The **deadline** for the submission of an application is the **31st of March** of each tax year, and if it is accepted, the pensioner will pay each year a **flat tax at a rate of 7%** on all income obtained abroad, exhausting any further tax liability on this income. Based on the law amendment of 4821/2021 the submission deadline for 2021 changed to 31/5/2021 and the Tax Authority must answer till the last working day of June of the same year.
- Any tax paid abroad on income covered by any other method of taxation will not be deductible from the tax imposed in Greece (par. 2).

In a nutshell

Conditions

- *Non tax residents of Greece for 5 of the 6 years prior to application*
- *In force administrative cooperation agreement between Greece and the country of tax residence*

Benefits

- *Flat tax rate of 7%*
- *The advantages of living in Greece (climate, culture, cost of living, healthcare, etc.)*

Procedure

- *Simplified (in most cases none supporting documents)*

EMPLOYEES OR SELF-EMPLOYED GREEKS OR FOREIGNERS WHO CHOSE GREECE AS THEIR TAX RESIDENCE

The third category of incentives concerns **employees** or **self-employed** from **abroad**, but also **Greeks** who **left Greece during the economic crisis**, and now return (Art. 5C of law 4172/2013, as was added with law 4758/2020). The cumulative **conditions** for the inclusion in this regime have as follows:

- a. The natural person concerned was not a tax resident of Greece for the previous **five (5) of the six (6) years** prior to the transfer of his tax residence to Greece,
- b. Transferring their tax residence from an EU country, or a a country with which an **administrative cooperation agreement**, in the field of taxation, is in force with Greece,
- c. A new **employment relationship** to a Greek legal person/legal entity/permanent establishment of a foreign undertaking in Greece; and
- d. Declaration that they will stay in Greece for at least two years.

The measure provides for a maximum stay of 7 years, without the possibility of extension (par. 4).

These categories predict the possibility of **exemption**, from **income tax** and from the **special solidarity contribution**, the 50% of the income acquired in Greece for 7 years (par. 2).

The **application** must be submitted **within the year of taking up the job in Greece**, but not after July 31st of the respective year. The **procedure** is similar to that of the previous categories (par. 3). Based on the law amendment the applications which will be submitted within this year and concern adoption of service or the commencement of a one-person business , realized till 31st of July, must be submitted till 30/09/2021 and the Tax Authority must answer till 30/11/2021.

In a nutshell

Conditions

- *Non tax residents of Greece for 5 of the 6 years prior to the application*
- *EU country or country with administrative cooperation agreement in force with Greece as country of tax residence*
- *Employment relationship*
- *Written commitment to live in Greece at least for 2 years*

Benefits

- *50% of income exempted from income tax and special solidarity contribution*

Procedure

- *Simplified (in most cases none supporting documents)*

Digital nomads

Global labour markets were disrupted by the COVID-19 pandemic in 2020. The short-term consequences were sudden and often severe: millions of people were furloughed or lost jobs, and others rapidly adjusted to working from home as offices were closed. At the same time, other workers were considered essential and continued working at hospitals and grocery stores, on garbage trucks, and within warehouses while following new protocols to reduce the spread of the novel Coronavirus.

Companies and consumers alike were compelled to adopt new behaviours in response to the pandemic. Perhaps the most obvious impact of COVID-19 on the labour force is the drastic increase in employees working remotely. As the pandemic and its restrictions are coming to an end and technologies are rapidly advancing the idea of digital nomads, people working remotely, is again a choice, a rather prominent one.

What Is a Digital Nomad?

Digital nomads are people who are location-independent and use technology to perform their job, living a nomadic lifestyle. Digital nomads work remotely, telecommuting rather than being physically present at a company's headquarters or office.

The idea is not new, already several countries have set up the necessary frameworks for welcoming digital nomads, and Greece is taking decisive steps towards this direction. On [Circleloop's Digital Nomad Index](#), Greece ranks 50th out of 85 countries, with Canada, the United Kingdom, Romania, Sweden and Denmark leading the Index.

Currently, the Greek legal framework does not include provisions specifically for digital nomads; nevertheless, the third type of Nom-Dom residence, concerning persons coming from abroad, offers incentives for people to come as digital nomads in Greece, namely, **exemption from tax income and the special solidarity contribution for half (50%) of the income acquired in Greece for 7 years**. Conditions and procedures for coming in Greece as a digital nomad, fall under the regime of Law **Law 4172/2013**, as it was amended by Laws **4646/2019** and **4714/2020** and specified with [Ministerial Decision A. 1087/2021](#).

In addition, the government plans to introduce a new special residence permit, or a “**digital visa**” scheme targeted to digital nomads during the summer. This will be included in a bill tabled by the Ministry of Migration. You can check the bill [here](#).

This type digital visa combined with tax incentives and the digital transformation plan of Greece, as well with the quality of life and the diverse places to live, will ultimately transform Greece into the optimal choice for digital nomads.

In a nutshell

Conditions

- *Non tax residents of Greece for 5 of the 6 years prior to application*
- *EU country or country with administrative cooperation agreement in force with Greece as country of tax residence*
- *Employment relationship*
- *Written commitment to live in Greece for at least 2 years*

Benefits

- *50% of income exempted from income tax and special solidarity contribution*

Procedure

- *Simplified (in most cases none supporting documents)*

