

Greece: Changes in Shipping Taxation

New Voluntary
Contribution of the Greek
Maritime Community



Amendment of the New Voluntary Contribution Agreement between the Government and the Greek Maritime Community

By virtue of article 6 of new Law 5000/2022, the Addendum to the New Voluntary Contribution Agreement ("NVCA") between the Greek Government and the Greek Maritime Community was ratified by the Greek Parliament. The changes brought by said Addendum are applicable as of 01.01.2022.

Specifically, the below amendments to the NVCA concluded between the Greek Government and the Greek Maritime Community are introduced with the aforesaid Addendum:

► **Reduction of the New Voluntary Contribution's rate to 5% & extension of its scope of application**

The rate of the voluntary contribution payable by the members of the Greek Maritime Community is reduced to 5%. The rate was previously set at 10%.

In addition, besides the amounts imported into Greece (regardless of their currency) that relate to shipping dividends, the New Voluntary Contribution

now also captures imported amounts related to capital gains from the sale of shares in ship-owning companies or their holding companies.

Payment of the Voluntary Contribution continues to exhaust any other Greek tax obligation with respect to the worldwide income of the final shareholders or UBOs ("Ultimate Beneficial Owners") of the companies that fall within the scope of the NVCA.

► **Increase of the New Voluntary Contribution's minimum amount to EUR 60 million per year**
In case that the total Voluntary Contribution paid per year is less than EUR 60 million, the members of the Greek Maritime Community undertake the obligation to pay the remaining amount.

The said minimum threshold has now been increased as compared to the previously applicable one which amounted to EUR 40 million annually.

► **Extension of the New Voluntary Contribution Agreement's scope of application**

It is now provided that, insofar as the signatory companies to the NVCA represent at least 90% of the total tonnage capacity of the vessels managed in Greece, then the NVCA shall apply to all companies managing ships under the Greek or foreign flag (if the latter's management takes place in Greece), regardless of whether or not they have signed the aforementioned NVCA and its Addendum.

► **Other shipping tax provisions**

Furthermore, article 7 of new Law 5000/2022, extends the application of the tonnage tax regime, besides Greek-flagged ships and non-Greek flagged ones managed by offices established in Greece under Law 27/1975, also to time/voyage charterers of other companies' fully equipped and staffed vessels, which in addition conduct ship-owning and bareboat chartering activities.

Particularly, the said charterers may benefit (from tax year 2023 and onwards), from the Greek tonnage tax regime, under either of the following conditions:

- at least 25% of their total fleet flies the flag of a European Union ('EU') or European Economic Area ('EEA') state, or
- the proportion of the vessels chartered on a time/voyage basis and that do not fly an EU/EEA flag does not exceed 75% of the fleet that is owned and/or bareboat chartered, which is subject to the tonnage tax regime.

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