

5144/2024 (A' 162) "Value Added Tax"

Article 32

Special exemptions

1. The following shall be exempt from tax:

- (a) The supply and importation of vessels falling within the following categories:
 - (aa) vessels intended for navigation on the high seas that carry passengers for reward or used for commercial, industrial or fishing activities,
 - (ab) coastal fishing vessels
 - (ac) vessels intended for scrapping
 - (ad) warships and vessels of the State
 - (ae) rescue vessels and other vessels providing assistance at sea.

Vessels for private use intended for leisure or sporting purposes shall be excluded.

The supply and importation of goods and materials shall also be exempt, provided they are intended to be incorporated into or used for the operation of the vessels and floating means referred to in this subparagraph.

For the purposes of applying the exemption under subparagraph (aa), "vessels intended for navigation on the high seas" shall mean vessels that cumulatively meet the following conditions:

- (i) they have been constructed for use on the high seas, namely vessels with a maximum external length of twelve (12) meters or more which fall under tariff headings 8901 10 10, 8901 20 10, 8901 30 10, 8901 90 10, 8902 00 10, 8903 22 10, 8903 23 10, 8903 32 10, 8903 33 10, 8904 00 91 and 8906 90 10 of the Common Customs Tariff of the European Union (Regulation (EEC) no. 2658/87) and (ii) operate primarily in the open sea.

By joint decision of the Ministers of National Economy and Finance and Maritime Affairs and Island Policy, the terms, conditions and any necessary details for the implementation of subparagraph (ii) shall be determined.

- (b) The supply and importation of aircraft intended for use by the Armed Forces and the State in general or for operation by airlines that primarily provide international transport for a fare, or that are intended for scrapping, as well as of goods and materials intended to be incorporated in or used therein.

"International transport" is mainly defined as transport carried out by airlines to and from abroad, provided that the revenue from international transport exceeds fifty percent (50%) of their total annual gross revenue from air transport in the tax year preceding the supply or importation. In the case of newly established companies, to which the preceding paragraph cannot apply, such companies, during their first year of operation, shall be deemed to carry out international transport, provided that their air operator certificate and the relevant operating license provide for air transport worldwide.

- (c) The supply and importation of fuels, lubricants, provisions and other goods intended for the supply of vessels, floating means and aircraft which are exempt pursuant to points (a) and (b). In the case of vessels and floating means engaged in domestic commercial shipping or

other domestic operations, as well as fishing vessels operating within Greek territorial waters, the exemption shall be limited to fuels and lubricants.

(d) The chartering of vessels and the leasing of aircraft which are exempt under points (a) and (b), provided they are intended for further taxable transactions or transactions exempt with the right to deduct input tax.

The chartering or leasing of vessels or aircraft for private use intended for leisure or sporting purposes shall be excluded. The chartering of professional recreational vessels under Law 4926/2022 (A'82) shall be exempt, provided that they also call at ports outside Greece during their voyages.

The construction, conversion, repair and maintenance of the aforementioned means, for which exemption is provided under points (a) and (b), as well as of the items incorporated into them or used for their operation, shall also be exempt.

The provisions of this paragraph concerning vessels under Law 4926/2022 also apply to other professional vessels.

(e) The provision of services to meet the direct needs of vessels, floating means and aircraft for which exemption is provided under points (a) and (b), such as towing, navigation, mooring, rescue, expert assessment, and the use of ports and airports. The exemption shall also extend to the provision of services meeting the needs of the cargo of such means of transport.

(f) The supply and importation of goods, as well as the provision of services, carried out:

(fa) within the framework of diplomatic and consular relations,

(fb) for the needs of international organizations, other than those referred to in subparagraph (fd), which are recognized as such by the public authorities of the host Member State, as well as for the needs of the members of such organizations, within the limits and conditions laid down by the international conventions establishing such organizations or by the agreements on their headquarters,

(fc) within the framework of the North Atlantic Treaty Organization, for use by the Armed Forces of other Member States of the Alliance and the civilian services accompanying them, or for the supply of their canteens and clubs, provided that they operate in accordance with the Treaty

(fd) for the needs of the European Union, the European Atomic Energy Community, the European Central Bank or the European Investment Bank, or of the bodies established by the Communities to which the Protocol of 8 April 1965 on the Privileges and Immunities of the European Communities and the agreements on its implementation or the agreements on their headquarters, in particular to the extent that this does not cause distortions of competition applies,

(g) The supply of goods and the provision of services to another Member State intended for the Armed Forces of any of the states participating in the North Atlantic Treaty, other than the Member State of destination itself, for the use of those Armed Forces or of the civilian personnel accompanying them, or for the supply of their clubs and canteens, provided that those Armed Forces serve the common defense purpose.

(h) Intra-Community transport services of goods to or from the islands comprising the autonomous regions of the Azores and Madeira.

(i) The delivery of gold to the Bank of Greece, as well as the importation of gold carried out by it.

(j) Air and sea transport of passengers from within the country to abroad and vice versa, as well as ancillary services closely related thereto.

(ja) The supply of goods and the provision of services to a taxable person who intends to make them available free of charge to the entities referred to in subparagraph (bb) of point (b) of paragraph 2 of article 9, for the purpose of meeting the needs of refugees.

(jb) The supply of goods to vessels and floating means of the Greek State and to warships of the Member States of the European Union and the NATO, to meet the needs of refugees rescued by them.

(jc) The supply of goods and the provision of services to European and international organizations, to charitable organizations in Greece or other countries, as well as to embassies of states, with the purpose of further free distribution to the entities referred to in subparagraph (bb) of point (b) of paragraph 2 of article 9, in order to meet the needs of refugees.

(jd) The supply of goods and the provision of services to a taxable person who intends to further distribute them free of charge to the entities of subparagraph (bd) of point (b) of paragraph 2 of article 9, to meet the needs of those affected by extreme natural phenomena.

(je) The supply of goods and the provision of services by a taxable supplier to a donor, who uses them under a donation agreement concluded with a public sector entity, as defined in point (a) of paragraph 1 of article 14 of Law 4270/2014 (A' 143), or with legal entities under private law established by special law for the public interest, or with other entities supervised by the above bodies, provided that: (jea) the donation agreement is ratified by law or approved by the Minister of National Economy and Finance and the competent Minister, based on applicable legislation and (jeb) the total amount of the supply of goods and provision of services does not exceed the amount of the donation. The taxable supplier shall have the right to deduct input VAT relating to the above transactions, shall not charge tax on the tax invoices issued, and shall be required to indicate therein the relevant exemption provision, the date of signing of the donation agreement and the contracting parties, as well as the date of its approval.

This provision also applies to the supply of goods and the provision of services by a taxable supplier to a donor, who uses them under a donation agreement concluded with Legal Entities under Public Law, namely the "Church of Greece", "Church of Crete", "Holy Archdiocese of Athens", "Holy Archdiocese of Crete", and the "Patriarchal Exarchate of Patmos", as well as with the Holy Metropolises of the Church of Greece, the Holy Metropolises of the Church of Crete, the Holy Metropolises of the Dodecanese, their Holy Parishes and Holy Monasteries, the Jewish Communities referred to in article 1 of Law 2456/1920 (A' 173), the public legal entity under the name "Central Jewish Council" of article 1 of Legislative Decree 301/1969 (A' 195), and the Jewish Communities of the Dodecanese of article 5 of Legislative Decree 301/1969, for the purpose of the erection, construction, repair, or extension of places of worship or religious monuments, or premises owned by those legal entities within which institutions operate under their supervision pursuing either charitable purposes, or the provision of necessary theoretical and practical knowledge relating to iconography, or the teaching of Byzantine music and ecclesiastical chant. In such cases, the donation agreement shall be approved by the Minister of Education, Religious Affairs and Sports and the Minister of National Economy and Finance.

(jf) The supply of goods and the related provision of services to the International Organization for Migration, as well as the importation and intra-Community acquisition of goods by the organization and the related provision of services to it, with the aim of further distributing these goods and services free of charge to the State, Local Authorities, Legal Entities under Public Law, as defined in article 14 of Law 4270/2014, public primary care facilities or public health facilities, as well as to the “Health Units S.A.”, within the framework of programs financed exclusively through the Emergency Support Instrument, in order to meet the needs of Greek citizens and third-country nationals applying for international protection, arising due to the COVID-19 pandemic.

(jg) The supply of goods and the provision of services to the European Commission or an organization or body established under European Union law and the importation of goods by such entities, where the European Commission or the organization or body imports or purchases the goods or receives the services in the performance of the tasks assigned to it by European Union law for the purpose of addressing the COVID-19 pandemic, unless the imported goods or the goods or services purchased are used, either immediately or at a later date, for further deliveries or provisions for consideration by the European Commission or by the relevant organization or body. When the conditions for exemption under this provision cease to apply, the European Commission or the organization or body that imported the goods under exemption or received the exempt supply of goods or services shall notify the competent national customs or tax authority, as applicable, and the importation or supply of such goods, as well as the provision of such services, shall be subject to VAT under the conditions applicable at the time the conditions for the exemption cease to apply.

(jh) The importation of goods into Greece by the Armed Forces of other Member States, as well as the supply of goods and the provision of services within the country intended either for use by the armed forces of other Member States or by the civilian personnel accompanying them, or for the supply of their clubs or canteens, provided that these forces participate in a defense effort to implement a Union activity under the framework of the Common Security and Defense Policy, outside the Member State to which they belong.

(ji) The supply of goods and the provision of services from Greece to another Member State intended for the Armed Forces of any Member State, other than the Member State of destination itself, for use by those Armed Forces or by the civilian personnel accompanying them, or for the supply of their clubs and canteens, provided that these forces participate in a defense effort to implement a Union activity under the Common Security and Defense Policy framework.

2. By joint decision of the Minister of National Economy and Finance and the Governor of the Independent Authority for Public Revenue, the details of the application of each exemption, the procedures and the supporting documents required for the application of VAT exemptions, as well as any other relevant matter concerning the implementation of this article, may be determined.