



THE JOINT ACCOUNT: A TRANSMISSION PLANNING TOOL



IN SUMMARY

The Greek inheritance/gift tax can be quite impacting:

- If one has not opted for the Greek tax package for wealthy people;
- Or, if one does not benefit from:
 - the few cases of exemption relating to real estate when it is necessary for the needs of the family;
 - possible deductions depending on the relationship with the deceased/donor.

The use of a joint account can then allow, under certain conditions, to be completely exempt from inheritance tax.



TAXATION OF GREEK GIFTS/ESTATES

The tax rates on inheritance and donations in Greece are determined according to the kinship between the deceased/donor and the heirs/recipients.

These are divided into three categories:

➤ **CATEGORY I:**

Spouse, cohabitant domiciled with the deceased/donor for at least 2 years, children, grandchildren and parents.

➤ **CATEGORY II:**

Great-grandchildren, grandparents, great-grandparents, brothers/sisters, brothers-in-law/sisters-in-law, uncles/aunts foster parents, parents-in-law, children from a previous marriage of the spouse.

➤ **CATEGORY III:**

All others

The rates of inheritance / gift tax are the following:

CATEGORY I

Taxable amount	rate
The first €150'000	0 %
The following €150'000	1 %
The following €300'000	5 %
Above €600'000	10 %

The surviving spouse, married to the deceased for at least 5 years, is not subject to tax on inherited estate up to a value of € 400'000.
This also applies to the minor children of the deceased (children under 18).
For parental gifts or gifts to first-degree relatives contracted from October 1, 2021, the tax-free amount is increased from €150'000 to €800'000. For parental donations, the tax-free amount is granted for each parent.

CATEGORY II

Taxable amount	rate
The first €30'000	0%
The following €70'000	5%
The following €200'000	10%
Above €300'000	20%

CATEGORY III

Taxable amount	rate
The first €6'000	0%
The following €66'000	20%
The following €195'000	30%
Above €267'000	40%

If the recipient is 67% or more disabled, the amount of tax calculated at the above rates is reduced by 10%. In the case of cash parental gifts/gifts, the tax is levied at the following tax rates: > **10% for category I** > **20% for category II** > **40% for category III**



POSSIBLE EXEMPTION FROM INHERITANCE TAX FOR ASSETS HELD IN JOINT ACCOUNTS

CONTEXTE

- Until now, there was some legal uncertainty as to whether the exemption from inheritance tax for joint accounts held in Greece also applied to joint accounts held outside Greece.
- As a reminder, the inheritance tax treatment of non-Greek joint bank accounts has been the subject of a complaint by the European Commission against Greece, claiming a violation of the free movement of capital within the EU.

THE NEW LAW ADOPTED BY THE GREEK PARLIAMENT

The Greek Parliament adopted at the end of March 2022 a new law providing for a full exemption from Greek inheritance tax for the surviving holders of joint bank accounts and joint investment accounts, which are held in Greece or outside Greece, inside or outside the EU, regardless of the residence of the joint account holders.

To do so, two conditions must be met:

- > The funds held in the joint custodian bank account or investment account must be automatically received by the surviving account holders in the event of the death of one of the joint account holders.
- > Non-Greek joint accounts/investment accounts must be deposited in banks located in states which are not considered as non-cooperative tax jurisdictions and that have implemented

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