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Mind the Gap 2026: Country fiche – Greece

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Mind the Gap 2026: Boosting public finances through joint efforts to reduce tax gaps and improve compliance

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Country fiche: Greece

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Greece's VAT compliance gap has seen the most improvement in the EU in recent years, narrowing by nearly 13 percentage points from 2019 to 2023.** This substantial improvement in VAT compliance is likely the result of several measures, spanning a range of initiatives related to digitalisation, reforms to centralise core functions of the tax administration and legislative measures.
- **Greece is very actively using digital tools to enhance voluntary compliance.** Good progress is being made on pre-filling for personal income (PIT) tax and VAT alongside centralised platforms, structured reporting, risk-based audits using artificial intelligence, efficient Large Taxpayers Offices and application-based tools. Overall, Greece has significantly improved its performance through digitalisation, data integration and organisational reforms.

Areas for Improvement

- **Greece has a very high number of tax expenditures with considerable revenue implications.** More than 1 200 tax expenditure provisions are reported in the annual tax expenditure report. Total forgone revenues equate to approximately 35% of total tax revenues (i.e. 9.6% of GDP). More systematic evaluation and review of tax expenditures could identify ineffective or outdated tax expenditures and support efforts to reduce the number and cost of tax expenditures.
- **The high level of tax arrears in Greece remains a critical challenge**. Although the stock of arrears has been gradually declining in recent years, the closing stock of tax arrears in 2024 amounted to 173.3% of total revenue collected, far exceeding the EU average of 30.7%.

1. Introduction and policy context

1.1. Snapshot of the tax system

Greece has a tax-to-GDP ratio above the EU average with strong reliance on consumption taxes. Tax revenue (including social contributions) increased to 40.0% of GDP in 2024 (from 38.8% in 2023), thus exceeding the EU average by 0.6 percentage points (pps) ([1]). Although labour taxation is the main economic base, accounting for 40.7% of total revenue, its share is among the lowest in the EU (average of 51.5%). Conversely, consumption taxes represent 37.8% of total, compared to 26.8% in the EU. VAT revenues amount to 9.0% of GDP, 1.9 pps above the EU average, after a steady decline of the VAT compliance gap (see section 2.2). Revenues from environmental taxes are also comparatively high, as they amount to 3.8% of GDP, almost doubling the EU average (2.1%). Finally, capital taxes account for 21.5% of total tax revenue, in line with the EU average. Within this tax base, recurrent taxes on immovable property are comparatively high.

Labour taxation is progressive, but the ability of the tax-benefit system to reduce income inequality is very limited. The structure of personal income tax in Greece is progressive, with a tax wedge ([2]) slightly below the EU average for all income levels ([3]). At 11.8 pps in 2025, the difference in the tax wedge between high-income (167% of average wage) and low-income earners (50% of average wage) is not far from the EU average (12.5 pps). Despite this tax progressivity, the tax and benefit system reduced the Gini coefficient by only 3.5 pps in 2024, one of the lowest effects in the EU (average: 7.8 pps) ([4]). The income quintile share ratio (S80/S20), as a measure of income inequality, was 5.24 in 2025 (income reference year 2024), above the EU average (4.62) ([5]). Likewise, the at-risk-of-poverty and social exclusion (AROPE) rate is, at 27.5%, among the highest in the EU (average of 20.9%).

A comprehensive assessment of the tax and benefit system, including the effectiveness of the Personal Income Tax (PIT) expenditures, would be beneficial to identify the more structural causes of the inability of the tax-benefit system to reduce income inequality. Labour taxation is progressive and it appears that PIT tax expenditures contribute to this. Similarly, social tariffs are widely used for the provision of public services. Nevertheless, income inequality and risk-of-poverty indicators are among the highest in the EU. A comprehensive assessment could

[1] Data on tax revenues are based on European Commission: Data on Taxation Trends, edition 2026 (reference year 2024), which are produced by DG Taxation and Customs from ESA table 9 and National Tax List data, as collected and validated by Eurostat. The 2027 edition (reference year 2025) will be published in the first quarter of 2027. Recent Eurostat release shows a tax-to-GDP ratio of 39.7% in 2025, equal to the EU average (data of 30/10/2026 on [GOV_10A_TAXAG]).

[2] The tax wedge is an indicator of the tax burden on labour that can be assessed at different earnings levels. It is calculated as the sum of personal income tax, employee social-security contributions, employer social-security contributions and other mandatory contributions, net of cash family benefits where relevant, expressed as a percentage of total labour costs (composed of the gross wage plus employer social-security contributions). Data are based on the EUROMOD model, calculated by the Joint Research Centre of the European Commission. Unless indicated differently, values indicated in this country fiche refer to single earners.

[3] The tax wedge for an earner of 50% of the average wage is 28.9%, 2.7 pps below the EU average; it is 35.4% for earners of 100% of the average wage (4.6 pps below the EU average); and it is 40.7% for earners of 167% of the average wage (3.4 pps below the EU average).

[4] European Commission, DG ECFIN calculations based on EU-SILC survey data. A Gini coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where only one person has all the income. The difference between the "gross" (excluding pensions from social transfers) and the "net" Gini coefficient, i.e. before and after application of the tax-benefit system, reflects the difference between market income and disposable income.

[5] The income quintile ratio (S80/S20) is a headline indicator in the EU Social Scoreboard used to monitor income inequality. It measures the ratio between the total equivalised disposable income received by the top 20% of the population and the bottom 20%.

identify the drivers, including whether the discrepancy stems from the design and volume of social expenditures rather than features of the tax system.

In 2026, Greece has received the following country-specific recommendations (CSRs) in the area of taxation ([6]):

- *Continue efforts to improve tax compliance, including through further centralisation and digitalisation of customs and tax inspections, and improve the tax system's transparency by evaluating and rationalising tax expenditures.*
- *Recalibrate energy taxes to incentivise electrification and take concrete steps to phase out fossil fuel subsidies, in particular in the industrial sector.*

The completion of all Recovery and Resilience Facility (RRF) funded projects relating to the digitalisation and centralisation of the customs and tax administration will further contribute to Greece's efforts to improve tax compliance ([7]).

1.2. Tax complexity and simplification measures

1.2.1. Measures of tax complexity

While survey evidence from tax professionals suggests that Greece's tax system is not among the most complex in the EU, individual taxpayers appear to rely heavily on external support to comply with their tax obligations. Survey-based evidence from the Tax Complexity Index (TCI) places Greece among the less complex systems in the EU, ranking 8th among Member States. The underlying components of the TCI suggest that complexity arises from both tax rules and administrative procedures ([8]). By contrast, citizen perceptions paint a more mixed picture. Around 49% of respondents report that completing their tax return is easy, close to the EU average, but reliance on professional assistance is particularly high at 20%, more than double the EU average of 9% ([9]). This suggests that many taxpayers continue to depend on external expertise to meet their tax obligations.

Greece has implemented numerous legislative changes to the tax framework; more recent reforms aim at tackling complexity by codifying and simplifying the existing legislation. Greece recorded 21 tax changes entering into force or announced in 2025, compared with an EU average of around 14 ([10]). This continues a pattern of intensive legislative activity observed in recent years, with 34 tax changes in 2024, 22 in 2023 and 25 in 2022, each above the

[6] https://data.consilium.europa.eu/doc/document/ST-11120-2026-INIT/en/pdf

[7] Following the latest revision of August 2026, under component 4.1 ("Making taxes more growth-friendly and improving tax administration and tax collection"), 17 measures have been completed, while 3 measures remain to be assessed under the final (9th) payment request.

[8] The Tax Complexity Index (TCI), developed under the Global MNC Tax Complexity Project, measures the complexity of countries' corporate income tax systems as faced by multinational firms. Based on survey data from tax professionals, it captures both the complexity of tax rules (tax code) and administrative procedures (tax framework), with values ranging from zero (not complex) to one (extremely complex).

[9] European Commission (2025), Flash Eurobarometer 562: Citizens' attitudes towards taxation, fieldwork conducted between 9 and 17 April 2025. Available at: https://europa.eu/eurobarometer/.

[10] The information is based on the tax measures reported by national administrations in the Joint OECD-European Commission Annual Tax Policy Reform Questionnaire, by aggregating and processing the responses received to the 2026 questionnaire. Responses to the 2026 questionnaire are relative to tax policy measures self-reported by the Member States that were implemented, legislated, or announced in each country between 1 January and 31 December 2025. While comprehensive, the list of tax measures is non-exhaustive. Further information on https://taxation-customs.ec.europa.eu/taxation/economic-analysis/tax-reforms-eu_en.

corresponding EU average. However, the relatively high level of legislative activity should be interpreted in context, as several of these changes were adopted to meet EU-related commitments, including measures under Greece's Recovery and Resilience Plan. The measures adopted in 2025 cover a broad range of taxes and include reforms to personal income taxation, investment incentives, VAT, environmental taxation and social security contributions. Business-related measures include the introduction of super-deductions for investments in strategic sectors, the extension of the VAT suspension for real estate and targeted tax incentives to support housing and investment. At the same time, the large number of legislative changes requires taxpayers and businesses to continuously adapt to new rules. Even where reforms pursue clear policy objectives or simplify individual provisions, the cumulative pace of legislative change is likely to increase compliance costs in the short-run and may contribute to uncertainty regarding the future tax treatment of investment and economic activity. To this end, the recently introduced website of the Independent Authority for Public Revenue ([11]) 'MyLEX' seeks to make accessible all latest changes to the tax legislation in a codified manner, and it is important that it is kept up to date.

Demand-side indicators provide mixed evidence on the tax compliance burden. The accounting, bookkeeping and tax consultancy sector accounts for around 0.8% of the gross operating surplus, slightly below the EU average ([12]). While this indicator is influenced by several factors, it does not point to an unusually large professional services sector or exceptionally strong overall demand for specialised tax and accounting expertise ([13]). Taken together, the evidence nevertheless suggests that at the current time juncture, Greece's tax system entails relatively high compliance burdens, driven by a combination of complex rules and frequent legislative changes.

1.2.2. National simplification efforts

To address the complexity of the tax system and improve its investment friendliness and predictability ([14]), Greece has undertaken various tax simplification measures by 2025, focusing on digitalisation and legislative codification. The myDATA (My Digital Accounting and Tax Application) platform, fully operational since 2022, streamlined real-time or near real-time tax reporting and compliance by integrating invoicing, accounting, and tax filings into a unified digital system. The Tax Procedure Code (Law 5104/2024) consolidated fragmented tax legislation, reducing administrative burdens and improving legal certainty, while the Gov.gr portal centralised over 1 500 public services, including tax-related transactions, enhancing accessibility for businesses and citizens. Finally, in May 2026 ([15]), an Advance Tax Rulings regime (ATR) was introduced in Greece, aiming at ensuring the consistent and transparent application of tax legislation. These include binding rulings and a 150-day response deadline for authorities, reducing uncertainty for investors. While the full impact of the national simplification measures will take time to become

[11] Funded under RRP, available at: | Νομοθετική πληροφόρηση ΑΑΔΕ

[12] The share of gross operating surplus generated by the accounting, bookkeeping and tax consultancy sector provides an indication of the sector's economic importance. While not a direct measure of tax complexity, a comparatively large share may point to a relatively important professional services sector and, indirectly, to greater demand for specialised tax and accounting expertise.

[13] While some cross-border provision of accounting, tax consultancy and related services may be captured through imports and exports of services, available evidence suggests that such flows are relatively limited. In particular, data from the Eurostat's EU inter-country supply table at basic prices (reference year 2023) indicate that cross-national transactions in these services represent only a small share of overall activity, if any, suggesting that their impact on the interpretation of domestic sector size is likely to be limited.

[14] In line with the 2022, 2024 and 2025 Country Specific Recommendations on Taxation for Greece.

[15] By virtue of Articles 36 and 39 of Law 5301/2026 (GG A' 74/15.05.2026), amending the Greek Tax Procedure's Code (Law 5104/2024).

evident, it is equally important to maintain the stability of the tax system, avoiding frequent amendments that could undermine its effectiveness and increase tax complexity.

Greece's Recovery and Resilience Plan (RRP) has further prioritised the codification and simplification of tax legislation. Key reforms include the systematic consolidation of primary and secondary legislation into unified codes, covering, the Income Tax Code, the VAT Code, the Stamp Duty, Property Taxes, the State Debt and the National Customs Code. Reforms also include establishing a content management system and a dedicated website for taxpayer information. Moreover, to further align with EU Directive 2020/285, Greece simplified VAT exemptions for small enterprises (current threshold is set at 10 000 EUR) ([16]). It should also be noted that the RRP included several projects to digitalise the tax and customs administration to become data-driven service providers which further enables simplification ([17]) (see Section 4). These include end-to-end digital closing of business by natural and legal persons ([18]), the establishment of an automated system for VAT refunds to businesses (over 95% of return requests were completed automatically), *myAADEapp* for businesses - easy access to digital services from mobile phones, *myDATAapp* free application for issuing receipts, invoices and consignment notes, as well as monitoring business income and expenses via mobile devices. Lastly, a Technical Support Instrument (TSI) project ([19]) is supporting Greece in exploring mechanisms for more integrated processes for the payment of social security contributions and payroll taxes alongside wage payments.

1.3. Measures of the non-observed economy and the shadow economy

Estimates of economic activities outside the formal economy are relevant for gauging tax gaps. The non-observed economy (NOE) is an official figure provided by national statistical authorities estimating all economic activities that may not be captured in the basic data sources used for compiling national accounts. It includes underground, informal, illegal, and household self-use production, as well as activities missed due to imperfect data collection ([20]). The shadow economy is an analogous but narrower concept— used in the economic literature and measured via macroeconomic models — that usually encompasses only legal, market-based productive activities deliberately concealed from public authorities to evade taxes or regulations. Due to limitations and methodological differences between the two approaches, model-based estimates of the shadow economy paradoxically often turn out to be considerably higher than NOE-based estimates.

Specifically, recent data from official sources ([21]) allow to estimate the size of the NOE in Greece at 9.5% of GDP for 2022. The NOE comprises the underground economy (8.1%). The

[16] For more information, please visit the official site of the Independent Authority for Public Revenue at Information for businesses regarding the New Special Regime for Small Businesses in the EU as it will be applied from 1.1.2025 | ΑΑΔΕ, [last accessed 26 June 2026].

[17] Athens, 08 January 2026 PRESS RELEASE IAPR: The 25 most important projects and actions of 2025

[18] End-to-end changes in business details of natural and legal persons for change of Activity Code and VAT regime. Since the start of the application, 41,481 transactions have been completed digitally.

[19] TSI 2025 project "Technical Support for Designing Mechanism for the Simultaneous Payment of Social Security Contributions and Payroll Tax Along with Wage Payment.

[20] Statistical deficiencies (N7) are related to incomplete, not collected or not directly collectable data. See Fernandes, A. (2025), The non-observed economy in the national accounts: New evidence for EU and EFTA Member States - available at https://www.sciencedirect.com/science/article/pii/S0313592625000712 - for the definitions of the other components of NOE: Producers deliberately not registering (N1); Illegal economy (N2); Producers not required to register (N3); Registered legal persons not surveyed (N4); Registered entrepreneurs not surveyed (N5); Producers deliberately misreporting (N6). Informal economy = N3+N4+N5. Underground economy= N1+N6. In other words, the informal economy specifically covers unregistered or small-scale unincorporated enterprises run by households.

[21] For data and documents used for calculations by TAXUD, see Section 1.3 "Measures of the non-observed economy and the shadow economy" in Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

contribution from the other components of the NOE is much smaller: 0.9% from illegal economy and 0.4% from statistical deficiencies, while no informal economic activity is recorded. Greece thus records a NOE above the EU average (7.4% of GDP) ([22]). The largest part of NOE is concentrated in Real estate activities (3.5% of total GVA), 'Accommodation and food service activities' (2.1%), and 'Wholesale and retail trade' (1.7%). At industry level, the highest shares of NOE are presented by 'Accommodation and food service activities' (39.5% of its GVA), 'Other service activities' (36.2%) and 'Real estate activities' (19.7%).

Different models produce substantially different estimates for the shadow economy, reflecting the complexity of such estimation. As in most EU Member States, model-based estimates of the shadow economy for Greece are higher than the non-observed economy estimate discussed above. In 2022, the shadow economy in Greece represented 20.9% of its GDP, according to estimates by Schneider and Asllani for the European Parliament ([23]). This ratio is 3.3 percentage points above the EU-27 average, and it has decreased compared to 2003 (28.2% of GDP). The report also indicates that indirect taxes and self-employment are the main drivers of the shadow economy in Greece. Several other studies provide estimates of similar magnitude for the size of the shadow economy ([24]). However, using a currency demand approach (CDA), a recent study by EY ([25]) reports lower estimates for the Greek shadow economy at 12% of GDP in 2023 (EU average 7.9%), down from 18.6% in 2000 (EU average 13.2%).

2. Compliance tax gaps

2.1 Overview

Greece is taking action with regard to tax gap estimations. A tax gap team exists since 2018 ([26]) and a renewed formal tax gap Department was established in 2024 producing estimates for VAT, CIT, PIT and tobacco products. Greece does not rely on third-party support for tax gap estimation and reported using a top-down methodology ([27]). There is no legal requirement to publish the tax gap estimates; they are not publicly disclosed but used for internal purposes of the tax administration. The annual activity report of the tax administration (IAPR) provides some relevant information, but it is limited to the results of the audit activities per type of tax ([28]).

Greece participates in the TADEUS/Fiscalis project on estimating tax gaps. The Fiscalis Project Group on Tax Gap Estimation, a collaborative initiative launched with the support of the European Commission, aims to develop a harmonised approach to estimating tax gaps across EU

[22] The (unweighted) EU average does not include Luxembourg.
[23] This study uses a MIMIC approach (Multiple Indicator Multiple Cause). European Parliament (2022), Taxation of the informal economy in the EU. Study available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf.
[24] See Fernandes op. cit. (2025) for an overview of various studies.
[25] The report is available at https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/tax/documents/ey-gl-shadow-economy-report-02-2025.pdf
[26] OECD (2024), Tax Administration 2024: Comparative Information on OECD and other Advanced and Emerging Economies, OECD Publishing, Paris, https://doi.org/10.1787/2d5fba9c-en. The Tax Gap Estimation Department, established in 2024, applies methodologies aligned with the European Commission's VAT gap studies and custom econometric models to dissect gap drivers and refine risk-based strategies.
[27] OECD (2024), Tax Administration 2024: Comparative Information on OECD and other Advanced and Emerging Economies, Table 11.A.6, OECD Publishing, Paris, https://doi.org/10.1787/2d5fba9c-en.
[28] The report is available at: Απολογιστική Έκθεση ΑΑΔΕ 2025 | ΑΑΔΕ.

Member States. Greece participated in the first cycle, which concluded in 2025 ([29]), and continues to participate in the current cycle, launched in 2026.

2.2 Compliance tax gaps in VAT

For 2023, the VAT compliance gap ([30]) in Greece was estimated at around 11% of the VAT Total Tax Liability (VTTL) ([31]), or approximately EUR 3 billion. It has observed a consistently decreasing trend since 2019, when it stood at 24% ([32]), and is on a converging trajectory in its VAT compliance gap towards the EU average (9.5%).

Greece has undertaken several measures that have contributed to the sharp decline in the VAT compliance gap in recent years. Recently introduced measures related to digitalisation include the roll-out of mandatory e-invoicing and e-bookkeeping (*myDATA*, a *digital platform* used for both VAT and income tax purposes), pre-filled VAT and Income Tax returns using data from the e-bookkeeping, interconnection of retail systems of any type (OCRs, ERPs) with Point-of-Sale (POS) terminals and instant payment methods and real-time or near real-time transmission of tax data to IAPR, the development of integrated audit and risk assessment tools, the upgrade of data infrastructure and the introduction of enhanced third-party obligations. In addition, the IAPR is currently implementing two major digital compliance tools, the Digital Inventory Monitoring system, providing end-to-end monitoring of the movement of goods and the Digital Customer Book in certain sectors, to strengthen tax compliance and support audit controls. Greece has also implemented centralisation reforms, such as the merger of the 3 Piraeus Customs Offices, the operation of the Large Taxpayers Audit Centre, consolidating the Large Enterprises Audit Centre and the High Wealth Individuals Audit Centre, and the establishment of the monitoring of audits through the Operations Control Room. In addition, the deadline for the submission of VAT returns was amended to monthly for newly established businesses and a rebuttable system of deemed income for the self-employed was introduced. Finally, the digitalization of customs procedures at the borders enables the use of a digital application for recording more than 6.3 million incoming and outgoing trucks and buses at all land border stations of the country and digital cash declaration at 42 entry and exit points of the country.

2.3 Compliance tax gaps in corporate and personal income tax

European Commission estimates suggest a somewhat above-average corporate income tax (CIT) compliance gap in Greece. Based on a methodology developed by the Joint Research Centre which relies on a top-down approach using national accounts data and estimates of the non-observed economy produced by national statistical offices, the CIT compliance gap of Greece is estimated at around 12.2% of collected CIT revenues based on 2021 data ([33]). Based on the same

[29] For details, please refer to the TADEUS website, the FISCALIS programme website and the Final Report of the Project.
[30] The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.
[31] The VAT Total Tax Liability (VTTL) is the theoretical tax revenue that would be collected in a situation of perfect taxpayer compliance, assuming an unchanged net VAT base.
[32] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., VAT gap in Europe – Report 2025, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.
[33] European Commission estimates are based on a top-down methodology for approximating CIT compliance gaps using national accounts data. The approach relies on exhaustiveness adjustments made by national statistical offices to Gross Operating Surplus, Gross Value Added and Gross Domestic Product in order to account for non-observed economic activity in the compilation of GNI. The method provides a harmonised proxy for domestic underreporting of corporate income, but does not capture all sources of CIT revenue losses, in particular those related to international profit shifting or other forms

methodology, the (unweighted) average CIT compliance gap is 9.2% of collected CIT revenues across all Member States. Compared to an earlier estimate of around 7.7% in 2015, which was based on the same methodology, the updated estimate points to an increase over time, resulting in a level above the EU average.

Although no precise percentage is published for the overall personal income tax (PIT) gap, available administrative evidence suggests that PIT compliance risks persist. This is particularly relevant in sectors characterized by cash-based transactions and weaker third-party reporting — typical aspects of any large underground and informal economy. In its 2024 annual report, the Independent Authority for Public Revenue (IAPR) reports targeted compliance actions for PIT non-filers and data-matching exercises that led to additional PIT declarations and tax assessments. Cross-checks related to additional wages and pensions led to almost 18 000 amended or initial PIT returns and EUR 4.7 million in assessed tax, while checks on pre-filled wage and pension data led to more than 20 000 amended or initial PIT returns and EUR 5.2 million in assessed tax ([34]). This is consistent with OECD analysis, which notes that Greece's high share of self-employment and micro-enterprises is associated with higher risks of tax evasion and under-declared income, as these taxpayers have fewer transactions observed and reported by third parties ([35]). To address this, Greece introduced in 2023 a minimum deemed income for self-employed taxpayers, reflecting continued concerns about underreported income in activities with weaker third-party information, which seems to be contribution positively to the overall PIT revenues.

The PIT compliance gap is estimated by the Greek tax administration using a top-down approach, although the estimation results are not made public. The PIT gap estimation conducted by Independent Authority for Public Revenue (IAPR) only calculates the reporting gap ([36]). The PIT system in Greece, as in most EU Member States, covers various income categories, including wages, pensions, rental income, self-employment income, business income from unincorporated entities, investment income, and others ([37]). Given the diversity of income sources and exemptions, measuring the PIT gap is complex. According to the OECD Tax Administration 2025 report ([38]), Greece regularly estimates the PIT reporting gap, placing it among a selected group of EU Member States that quantify PIT gaps through top-down methodologies. Greece has taken steps to strengthen tax compliance analysis and enforcement, including through risk-based audit systems and increased digitalisation ([39]). The public release of PIT gap estimates would further enhance the monitoring of progress. Greece does not currently estimate a CIT compliance gap. Developing such estimates would be beneficial to complement the existing PIT reporting-gap work and provide a more complete picture of direct tax compliance risks.

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of legal tax optimisation. For further information on the data sources, underlying assumptions, and methodological caveats, see Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[34] Independent Authority for Public Revenue (IAPR/AADE) (2025), Final Report of the Independent Authority for Public Revenue for 2024 and Planning Actions for 2025, March 2025.

[35] OECD Economic Surveys: Greece 2020.

[36] The reporting gap measures the underreporting as a subpart of the total compliance tax gap, which encompasses other forms of non-compliance, such as non-filing and underpayment.

[37] The Income Tax Code (Law 4172/2013) is the law that regulates matters relating to income taxation, such as the categories of income and the way in which it is taxed, the way taxes are paid, the submission of the income tax return, etc., available from https://www.opengov.gr/minfin/wp-content/uploads/downloads/2013/07/KODIKAS-FOROLOGIAS-EISODIMATOS.pdf, [last accessed 3 September 2025].

[38] Tax Administration 2025 | OECD.

[39] Independent Authority for Public Revenue (IAPR/AADE) (2025), Final Report of the Independent Authority for Public Revenue for 2024 and Planning Actions for 2025, March 2025.

The data and information provided by the tax authority allow to analyse the impact of the taxation system on different taxpayers. Income from self-employment individuals and small unincorporated businesses is considered especially prone to underreporting. For the 2023 financial year, 60% of bar owners and hairdressers reported losses, as did 47% of food service businesses, 43% of veterinarians, and 22% of taxi owners and drivers, among other professions. Among those who reported profits were, among others, 40% of bar owners (average net monthly income: EUR 694), 53% of food service businesses (EUR 1 277), 57% of veterinarians (EUR 885), 76% of taxi drivers (EUR 545), and 88% of doctors (EUR 22 943) despite higher levels of economic activity ([40]). The total declared income for 2023 was EUR 106.1 billion, of which 66% derived from employees and 20% from self-employed individuals, while the average declared income was EUR 16 300 for former and EU 19 100 for the latter ([41]). Out of all taxpayers with income from business activity, 34.4% reported income up to EUR 10 000 in 2023, while they were 64.1% in 2022. This large difference is mainly due to the application of the deemed minimum income for self-employed in 2023 ([42]). In fact, the percentage of self-employed reporting income between EUR 10 000 and EUR 15 000 in 2023 was 36.2% of all such businesses, compared to 12.0% in 2022 ([43]). However, for tax year 2024, tax authorities targeted 48 398 individuals that had failed to file a tax return. Consequently, 10 651 taxpayers regularized their status (22.0%), resulting in an additional EUR 20.6 million of assessed taxes ([44]).

2.4 Other compliance tax gaps

The Commission continues its work on excise gap estimation, developing and scrutinising methodologies with experts from over 20 Member States, with the aim of delivering more robust estimates that better support policy and operational work. This work also illustrates Member States' growing engagement in the field.

Greece estimates the excise gap, but the results are not published. The analytics department of the revenue agency has been estimating the tobacco excise gap since 2019. In 2025, it has begun work on estimating excise gaps for alcohol and alcoholic beverages, as well as for energy products and electricity, with the aim of producing these estimates annually. At present, these studies are not publicly available. Greece also demonstrates an interest in strengthening EU cooperation on excise matters through its participation in the FISCALIS project group on Excise gap.

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[40] Annual Statistics of Personal Income Tax (tax year 2023) available at: Ετήσια στατιστικά δελτία Φυσικών Προσώπων | ΑΑΔΕ.

[41] Annual Statistics of Personal Income Tax (tax year 2024) available at: Ετήσια στατιστικά δελτία Φυσικών Προσώπων | ΑΑΔΕ.

[42] For income arising from self-employed activity, there is a minimum presumptive net business income, amounting up to EUR 50 000, which is calculated from the sum of the following three parameters:

- First of all, the self-employed taxpayer is presumed to obtain an income of at least equal value to that of a worker paid the minimum wage. This amount is calculated based on the annual amount of the gross minimum wage, which is increased by ten percent (10%) for the 3 years following the second three-year period from the start of the business activity, by an additional ten percent (10%) on the amount of the third three-year period for the 3 years following the third three-year period and by an additional ten percent (10%) on the amount of the fourth three-year period for the following years.
- In addition, a percentage of ten percent (10%) is added on the total annual wages' costs of the business in question and up to the amount of EUR 15 000.
- Finally, an amount corresponding to five percent (5%) is added on the amount by which the taxpayer's turnover exceeds the average annual turnover of the respective Activity Code Number (ACN) from which the taxpayer derives the highest income. For more information, see Income Taxation - Ministry of Economy and Finance.

[43] Annual Report of IAPR available at: Final Report of the Independent Authority for Public Revenue for 2024 | ΑΑΔΕ.

[44] Annual Report of IAPR available at: Final Report of the Independent Authority for Public Revenue for 2025 | ΑΑΔΕ.

There is currently no public information or evidence that Greece estimates other compliance tax gaps. There are no official programmes or published figures for compliance gaps related to other taxes.

3. Policy Tax Gaps

3.1 Tax expenditure reporting and evaluation

Greece has established comprehensive reporting on tax expenditures ([45]). The concept of tax expenditure (TEs) is described in Article 75 (4) of Law 4270/14 (20), stating that "tax expenditure includes subsidies which directly or indirectly cause a reduction of the tax base". In essence, tax expenditures are deviations from the structure of basic tax system, introducing a preferential tax regime in favour of certain forms of economic activity or groups of taxpayers. The method adopted by Greece for the calculation of costs of a tax expenditure measures the resulting loss of tax revenue (forgone revenue method).

The annual tax expenditure report sets out comprehensive information in a structured manner. It includes: 1) the tax expenditure introduced up to 30th September of each year, 2) their grouping by tax category and beneficiary group, 3) the allocation of tax expenditure to policy areas and 4) determining the cost of tax expenditure on the basis of the resulting loss of tax revenue. It does not include an assessment of the effectiveness of the tax expenditure.

Greece has a very high number of tax expenditures with a significant budgetary impact. According to the authorities, considerable revenues are forgone due to TEs. For 2024, Greece recorded a total of 1 236 tax expenditures, totalling EUR 22.88 billion of forgone revenue or about 35% of total government tax revenues (9.6% of GDP). Of these, 1 033 tax expenditures related to specific taxes and 203 to general exemptions ([46]), some of which are also included in the tax specific expenditures. The most prominent expenditures relate to capital taxation (property and inheritance taxation) (EUR 9.1 billion), CIT (EUR 5.8 billion), PIT (EUR 4.95 billion), excise duty (EUR 1 billion) and Value Added Tax (VAT) (EUR 1 billion) ([47]). It should be noted that it is difficult to compare between Member States given that the definitions of tax expenditures, as deviations from a given tax structure, differ widely in practice.

Compared to other Member States, tax expenditure reporting in Greece shows a mixed picture (overall ranked 6th according to the GTETI score). According to the GTETI analysis, transparency in TE reporting in Greece is above the EU average overall but exhibits an imbalance across dimensions. Figure 1 depicts the GTETI results for the five dimensions analysed in comparison to EU averages ([48]). Maximum value for each dimension is 20. Greece performs above

[45] The report recording tax expenditure accompanies the State budget in accordance with the provisions of Article 75 (5) of Law 4270/14. These provisions stipulate that the report shall include existing arrangements which directly or indirectly result in a loss of tax revenue. Purpose of the report is to assist in the exercise of financial control by describing the tax breaks and their justification and providing data on the number of beneficiaries; and the amount of the loss of tax revenue caused. The report on tax expenditures is published yearly as an annex to the National Budget. For the year 2026 the report in Greek original is available at the Ministry of Finance's website.

[46] A general exemption refers to an exemption at the level of the entity in contrast to an exemption for a specific tax.

[47] These figures differ from the estimates of the VAT rate gap and national policy-driven VAT exemption gap produced under DG TAXUD's VAT gap in Europe study and presented in section 3.2. This is due to differences in the methodology applied.

[48] See the Global Tax Expenditures Transparency Index (GTETI) companion paper (2026) and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches) for details. The GTETI summarises information in five dimensions. These are (1) Public availability — whether a TE report exists and is accessible; (2) Institutional framework —

the EU average on Public Availability, Institutional Framework, and Descriptive Tax Expenditure Data. Greece is on par with the EU average on Methodology and Scope (10.67 vs 9.28). However, Tax Expenditure Assessment is below the EU average (4.80 vs 7.34). The strong performance on Public Availability reflects regular annual publication and timely data. The strong performance on Institutional Framework reflects a clear legal requirement to report, mandatory parliamentary submission, integration in the medium-term strategy, and clear institutional responsibility. The strong performance on Descriptive Tax Expenditure Data reflects comprehensive policy objective information, beneficiary information, information on legal duration and sunset clauses, as well as legal references for most TEs.

Figure 1: Greece vs EU average — GTETI v2.1 dimension scores (max 20 per dimension)



Source: GTETI v2.1.

Greece has a very high number of tax expenditure provisions compared to other Member States with significant budgetary impact but there is no dedicated mechanism for their evaluation. A high number of tax expenditures adds complexity to the tax system and has implications for revenue efficiency. To this end, the 2026 Country Specific Recommendations for Greece ([49]) suggests that a systematic evaluation of tax expenditures would lay the ground for rationalising tax expenditures, thereby improving overall transparency of the tax system and supporting fiscal sustainability.

3.2 Policy tax gaps in VAT

Limited amendments have taken place since 2023 in the VAT rate structure to address specific needs of the economy and as part of post-pandemic measures. These include a 13% reduced rate applied to restaurants, catering, non-alcoholic beverages, transports with taxis, admission to zoos, subscription to gyms and dance schools. A zero-rating for the supply of COVID-

its legal mandate, periodicity, and integration into the budget process; (3) Methodology and scope — the benchmark definition, estimation method, and coverage of taxes; (4) Descriptive tax expenditure data — the granularity and classification of reported provisions; and (5) Tax expenditure assessment — the quality of revenue-forgone estimates and whether TEs are evaluated for effectiveness.

[49] https://data.consilium.europa.eu/doc/document/ST-11120-2026-INIT/en/pdf

19 vaccines and a super reduced rate of 6% for masks, soaps, antiseptics, blood purification filters, defibrillators, and tickets to cinemas, that was temporarily introduced until end of 2023 also became permanent. Furthermore, a 30% discount on VAT remains in place on certain eligible islands (e.g., Lesvos, Chios, Samos) under Law 4759/2020, extended until 31 December 2026. As of 1st January 2026 ([50]), the measure of the 30% reduction of the standard VAT rate was extended to small islands of the North Aegean Region, Samothrace and the Dodecanese with a population of less than 20 000 inhabitants. The measure aims to support local communities against increased cost of living due to inflation.

VAT policy gaps in Greece largely outpace the EU averages. Revenues forgone due to the application of reduced rates and national policy-driven exemptions reached nearly EUR 17 billion in 2023 ([51]). The national policy-driven VAT exemption gap ([52]) was estimated at around EUR 7.5 billion in 2023, or 14% of the notional ideal revenue ([53]), while the EU average was 11%. The VAT rate gap ([54]) was estimated at around EUR 9.5 billion in 2023, or 18% of the notional ideal revenue, higher than the EU average of 12%.

Tax-simulations indicate that Greece's reduced VAT rates in 2025 are concentrated in a small number of categories, led by 'restaurants and accommodation' ([55]). 'Restaurants and accommodation' accounts for the largest share of forgone revenues at 37.9%, more than double the EU mean share of 20.4%. 'Food and beverages' come second at 37.4%, close to the EU mean share of 39.8%. 'Housing, water and electricity' ranks third at 12.6%, well above the EU mean share of 8.5%. These three categories account for 87.9% of Greece's total forgone revenue.

Greece's reduced VAT rates lower inequality as measured by the Gini coefficient by 1.19 pps, above the EU average reductions of 0.50 pps. 'Food and beverages' contribute 0.60 pps (50.8% of the total), above the EU mean contribution of 0.32 pps. 'Housing, water and electricity' contributes 0.21 pps (17.6% of the total), above the EU mean contribution of 0.07 pps.

3.3 Policy tax gaps in corporate income tax

Tax expenditures related to CIT are second in ranking in tax expenditures taking into account forgone revenue, responsible for about 22% of officially estimated revenue

[50] Under Law 5246/2025.

[51] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., VAT gap in Europe – Report 2025, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.

[52] The national policy-driven VAT exemption gap represents the part of the VAT policy gap that can in principle be influenced by national policies on VAT exemptions. In practice, it consists of revenue forgone from services falling under Article 137 (such as real estate and certain financial services), from the SME scheme, and from national exemptions applied under standstill clauses or derogations. The VAT policy gap refers to the revenue lost due to the application of VAT exemptions and reduced, super-reduced, and zero VAT rates on selected products.

[53] The notional ideal revenue is the benchmark VAT revenue that assumes perfect taxpayer compliance in a situation where the current standard VAT rate is applied to all final consumption and household, government, and NPISH investment.

[54] The VAT rate gap refers to the portion of the VAT policy gap resulting from revenues lost due to the application of reduced, super-reduced, and zero VAT rates on selected products.

[55] The VAT rate gap is analysed here using EUROMOD's household consumption tool. No behavioural adaptation is considered. Note that VAT rates are mostly not an efficient tool for redistributive policies, in part due to incomplete pass-through to consumer prices, in part due to limited targeting of reduced rates. For more details on assessing the impacts of reduced VAT rates with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Ricci et al. (2026), Fiscal Costs and Redistributive Effects of Reduced VAT Rates in the EU, European Commission, European Economy Discussion Paper 244; Trzcinski and Amores (2026), The VAT Policy Gap and Redistribution in the European Union 2025, European Commission, Seville, JRC14876; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

forgone. CIT related tax expenditures are estimated to cause a revenue shortfall of about EUR 5.8 billion (2.4% of GDP). The largest provision is the exemption in the income of government entities, international organisations, the Bank of Greece and similar entities serving public purposes (ca. EUR 2.5 billion).

To improve the investment friendliness of the tax system, Greece launched a strategic investment framework for 2022–2030 for green and digital projects (e.g., renewables, circular economy, cleantech manufacturing), offering accelerated depreciation and corporate tax exemptions. Additional incentives include accelerated depreciation for charging infrastructure, recycling, energy efficiency, and water-saving upgrades, plus a 200% tax deduction for SMEs investing in energy efficiency, environmental protection, and digitalisation. Greece's R&D tax incentives —enhanced deductions (150% – 215% for SMEs/collaborations from 2025) and patent income exemptions (up to 3 years) —represent targeted tax expenditures (forgone revenue) designed to spur private R&D investment. Given their recent introduction, the impact of these measures on forgone revenue has not been estimated.

3.4 Policy tax gaps in personal income tax

Tax expenditures related to PIT are the third largest tax expenditures category, responsible for about 22% of estimated total revenue forgone. PIT related tax expenditures are estimated to cause a revenue shortfall of about EUR 4.95 billion (2.1% of GDP). The largest provision is the family tax credit (ca. EUR 3.9 billion) followed by the exemption of special categories of income such as emergency payments, compensations and financial aids given both to those running a business/farming as part of dealing with unexpected events (EUR 658 million).

In 2026, Greece introduced significant changes in personal income taxation. From 1st January 2026, tax rates are reduced by 2 pps across most brackets for individuals earning over EUR 10 000 per year, lowering the tax on middle-income earners. In addition, the reform introduces a new intermediate rate of 39% for incomes between EUR 40 000 and EUR 60 000, with the top rate of 44% reserved for incomes above EUR 60 000. The Greek government has also implemented targeted tax relief for families with dependent children, with progressively lower rates in the lower income brackets and zero tax up to EUR 20 000 for households with four or more children. Furthermore, the reform includes tax incentives for younger workers. Individuals up to 25 years old pay no income tax on income up to EUR 20 000, and reduced rates apply for those aged 26–30. The fiscal cost of the personal income tax reform is estimated at EUR 1.2 billion in 2026 and EUR 1.6 billion in 2027, with approximately 4 million taxpayers expected to benefit. Other measures aimed at strengthening pensioners' income are projected to cost around EUR 629 million in 2026.

Tax-simulations for 2025 suggest that PIT-related tax expenditures in Greece have a progressive effect ([56]). PIT-related tax expenditures imply revenue forgone equal to 27.9% of

[56] Simulations are based on EUROMOD and do not account for behavioural changes. For more details on assessing the impacts of tax expenditures in the PIT with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Leventi et al. (2026), Personal Income Tax Expenditures in the EU, European Commission, Seville, 2026, JRC148748; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

actual PIT revenues (above the EU average of 19.1%) ([57]). PIT-related tax expenditures reduce the Gini coefficient by 0.79 pps, more than the EU average reduction of 0.46 pps (rank 9).

Work-related TEs account for almost all revenue forgone in PIT (26.4% of PIT revenue). Work-related tax expenditures reduce the Gini coefficient by 0.82 pps. Tax expenditures related to pensions and health (1.4% of PIT combined) have a negligible distributional effect. The measures related to work are progressive, providing relatively higher disposable income increases for low-income households compared to richer households. Overall, tax expenditures related to PIT in Greece are progressive and result in good distributional outcomes at relatively high costs.

4. Effectiveness of tax administration

4.1 Registration/identification of taxpayers

Greece applies a highly integrated taxpayer identification and data management system ([58]). The Tax Identification Number (TIN) serves as the main identifier for individuals and legal entities across VAT, PIT, CIT and property taxes, with VAT numbers carrying the EL prefix. The system relies on a central TIN-based registry and electronic changes e.g. via *myAADE*, the official taxpayer portal ([59]). The system also cross-checks with official registers such as the General Commercial Registry (*GEMI*), supports TIN validation and, in higher-risk cases, biometric verification. Digital platforms including *myAADE*, *GEMI* and *gov.gr* allow online registration, business incorporation and tax procedures, although some cases still require in-person follow-up.

Oversight of e-commerce operators relies on multiple monitoring systems and data-sharing tools. E-commerce operators are tracked through the main taxpayer registry, VAT systems, and EU tax transparency and administrative cooperation frameworks, such as CESOP ([60]), DAC6 ([61]), and DAC7 ([62]). Risk assessment is further supported by *myDATA* ([63]), compliance history and customs data, while One Stop Shop (OSS) and Import One Stop Shop (IOSS) information is integrated into AADE's VAT systems and linked to EU cross-checking and risk-analysis mechanisms ([64]).

Greece's VAT registration controls remain reactive rather than proactive, lacking systematic measures to identify and address unregistered traders. VAT registration controls

[57] According to the European Commission's taxation trends data, PIT revenues in Greece amounted to approximately EUR 15.6 billion in 2024. This would imply revenue forgone of approximately EUR 4.3 billion due to PIT tax expenditures according to the microsimulation (27.9% of EUR 15.6 billion).
[58] Greece participated in a 2023–2024 TADAT assessment under the EU's Technical Support Instrument, which supported strategic reforms in tax administration. Enhance strategic tax administration reforms through Tax Administration Diagnostic Assessment Tool in Bulgaria, Greece, and Romania - Reforms and Investments.
[59] myAADE.
[60] CESOP is an EU-wide system established under Directive (EU) 2020/284 to support the fight against VAT fraud in e-commerce. It requires payment service providers to report cross-border payment data on a quarterly basis to national tax authorities, which then transmit the information to CESOP. The system centralises and analyses this data, enabling Member States to detect undeclared online sales, identify fraudulent traders, and enhance administrative cooperation in combating cross-border VAT fraud.
[61] Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.
[62] Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation: automatic exchange of information on income from digital platforms.
[63] The digital bookkeeping and transaction-reporting platform through which business accounting and invoice data are transmitted to the Greek tax authority.
[64] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).

are applied occasionally and on the basis of risk indicators. Greece does not have systematic mechanisms to detect unregistered traders, does not conduct sector-specific risk analysis targeting high-risk unregistered businesses, and does not keep, for the time being, a record of rejected VAT registration applicants ([65]).

Greece's qualification of VAT identification numbers is relatively slow, while invalidation is comparatively swift. However, the invalidation procedure may still delay rapid follow-up to Eurofisc fraud alerts, as suspected missing traders are given time to respond before a decision is adopted. In addition, early risk assessments are generally not shared with other Member States until specific tax controls have been completed, reflecting a procedural approach that seeks to balance prompt anti-fraud action with safeguards for traders.

4.2 Tax filing and assessment

Greece's tax system is highly digitalised, using centralised platforms and structured reporting to facilitate compliance. *TAXISnet/myAADE* together constitute the core platform for PIT, CIT, VAT and property filings, payments, and communication. CIT, PIT and VAT rely on electronic submissions and are further advanced through *myDATA*, which mandates electronic accounting and invoicing data transmission, shifting compliance toward structured, near-real-time reporting ([66]).

Greece uses *myDATA* for PIT and VAT pre-filling, and to support CIT return preparation. Greece pre-fills VAT returns using mainly *myDATA*'s transactional data while PIT ([67]) pre-filling is partial, relying on *myDATA*'s transactional data as well as data available through other systems (e.g. third-party data). For CIT, *myDATA* supports the preparation of business income and expenditure information, without comprehensive pre-filling of returns. While real-time integration is advancing, automation remains fragmented, depending on sector-specific interoperability ([68]).

E-filing rates exceed EU averages, showing near-universal digital compliance. Greece achieves 100% VAT e-filing (vs. EU 99.2%), 98.6% for PIT (vs. EU 88.4%), and 99.9% for CIT (above EU 97.3%) ([69]).

Greece's taxpayer support combines multi-channel tools with personalised portals, though AI and proactive reminders remain limited. Support includes *myAADE*'s personalised portal (whole-taxpayer view), digital notifications, and multi-channel assistance (video/phone/messaging). While calculators and chatbots exist, they are not yet standardised across services. Proactive reminders are limited but expanding.

Greece makes regular use of data obtained through automatic exchange of information (AEOI), under the Directive on administrative cooperation in the field of taxation (DAC). ([70]), namely

[65] Ibidem.
[66] European Commission: Directorate-General for Taxation and Customs Union, Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Greece, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2778/5022950.
[67] While myDATA supports pre-filling of business income, other PIT items are pre-filled from third-party reports
[68] https://www.mindigital.gr/.
[69] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB
[70] Sources: Yearly Assessment 2026.

DAC1 ([71]), DAC2 ([72]), and DAC7 ([73]) for personal income taxation purposes. The identification of taxpayers concerned in Greece is relatively efficient: in 2025, the matching rate measuring success in identifying registered taxpayers with DAC data ([74]) is 77% for the main categories of DAC1 ([75]) and 95% for DAC2 (the EU-average being 84%; and 92% respectively). In this respect, the TIN validation tool envisaged in the DAC recast proposal will support the matching process to approach a 100% automatic matching rate, ultimately allowing Greece for a more efficient and targeted deployment of resources. Once the taxpayers have been identified, Greek tax authorities use the available data to carry out certain activities, mainly notification to generate disclosure and, if relevant, tax assessments or general audits. In addition, fully identified TINs received via DAC1 and DAC2 are taken into account during the automated risk analysis embedded in the annual prioritisation process for case selection of tax audits. While DAC7 matching rate has not been shared with the Commission in 2026, the identification process for the data is scheduled to be completed in 2027. Furthermore, DAC7 data is currently being used on a pilot basis for risk-based targeted purposes. Moreover, Greece monitors the fiscal impact of using DAC data, which leads to important additional tax revenues. The Commission therefore encourages Greece to continue its efforts to incorporate DAC7 data into this process over the coming years.

Greece is relatively active in VAT administrative cooperation ([76]). In 2024, Greece sent 959 requests for information, a broadly stable/slightly lower level than 2023 (-2.7%) ([77]). It also received 581 requests. Based on a standardised measure, taking into account the relative size of the Greek economy, Greece is above the EU weighted average for both the number of requests sent and the number of requests received ([78]).

Greece has not recorded any results in automatic exchange of VAT information. It has not reported any VAT identification numbers allocated to taxable persons not established in EL; similarly, for information on new means of transport, it has not forwarded any cases.

[71] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC: automatic exchange of information on income from employment, pensions, director's fees, immovable properties, life insurance products, royalties.

[72] Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on financial accounts.

[73] Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation: automatic exchange of information on income from digital platforms.

[74] The matching rate indicates to what extent a Member State has been able to identify their taxpayers in their national tax databases with information received from other Member States under the DAC. Such matching is necessary to ensure that the data can be used for tax compliance purposes. The matching rates mentioned in this report are based on the metrics approved by the tax authorities in the TADEUS meeting of December 2024.

[75] Income from employment, pensions, director's fees, immovable properties: this average reflects a more mixed picture, with above-average rates for pensions and income from employment, and a lower matching rate when it comes to identifying property owners. This in linked to a specific issue concerning data from one Member State, which has been raised through the annual bilateral feedback process.

[76] Based on Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (VAT), as subsequently amended, the EU and Member States' national tax authorities cooperate to help ensure the correct application of VAT rules on cross-border transactions.

[77] The data is assessed based on the annual statistics, provided pursuant to Commission Implementing Regulation 79/2012 (Annex IV) and presented to the Standing Committee on Administrative Cooperation (SCAC).

[78] The standardised measure normalises the number of requests per EUR 1 billion of GDP, allowing for comparison relative to the size of the economy. In 2024, Greece sent 4.05 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.60 requests sent per EUR 1 billion of GDP; and received 2.45 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.59 requests received per EUR 1 billion of GDP.

4.3 Compliance risk management

Greece has formalised a centralised, data-driven Compliance Risk Management (CRM) system under its Strategic Plan 2025–2029 ([79]). The system integrates EU-level data (CESOP, DAC6) with domestic sources such as *myDATA*, e-invoicing, POS transactions ([80]), banking records within a broader digital anti-fraud framework, that includes AI tools and citizen reporting incentives like *e-Appodixi*. Risk management is now embedded in annual audit planning, prioritising prevention, digital reporting, and targeted enforcement.

Greece has significantly strengthened its tax compliance and risk management system through digitalisation, data integration and organisational reform ([81]). This has included the gradual roll-out of mandatory electronic invoicing and real-time transmission of invoice data through the *myDATA* digital accounting platform, alongside wider deployment of integrated audit and risk assessment tools, upgraded data infrastructure and enhanced third-party reporting obligations. Greece has been also pursuing centralisation reforms. These steps have been supported in part through the EU Recovery and Resilience Facility and the TSI ([82]).

Greece combines behavioural tools and digital monitoring to enhance voluntary compliance and detect non-compliance early. Greece uses behavioural nudges (e.g. SMS/email reminders for late filers) further to the above discussed pre-filled VAT returns. Automated alerts and real-time monitoring [e.g. interconnection of retail systems of any type with Point-of-Sale (POS) terminals and instant payment methods] address non-compliance proactively, while web scraping identifies undeclared online business activity. The *e-Appodixi* platform indirectly supports enforcement by allowing third-party verification of receipts and flagging suspicious transactions for investigation.

Greece also uses reports exchanged automatically under the DAC, i.e. DAC3 ([83]), DAC4 ([84]) and DAC6 ([85]) for risk-analysis purposes in the field of corporate income taxation. The Greek tax authorities identified successfully 100% of the taxpayers concerned by DAC3 and DAC6, and 86% of the taxpayers concerned by DAC4 reports (the EU average being 92%). In practice, DAC3, DAC4 and DAC6 reports are used for risk-assessment ([86]) (e.g. to identify risks related to

[79] STRATEGIC PLAN 2025-2029 EDITION B.pdf.
[80] POS (Point of Sale) transactions refer to electronic payment records captured when businesses process sales through card terminals, digital payment systems, or electronic cash registers.
[81] European Commission, 2026 Country Report – Greece, Commission Staff Working Document SWD(2026) 208 final, Brussels, 2026, https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages-including-country-reports/country-report-greece_en.
[82] TSI 2024 project "Introducing data analytics and AI capacity for tax and customs risk management in Greece", 2025-2026.
SRSP 2020 project "Support for replacement of the core tax IT system in Greece", 2021-2022. For more information: https://reforms-investments.ec.europa.eu/technical-support-instrument-0/revenue-administration-and-public-financial-management/support-replacement-core-tax-it-system-greece_en.
[83] Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on rulings and advanced pricing arrangements.
[84] Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation: automatic exchange of information on country-by-country reports of multinational entities.
[85] Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.: automatic exchange of information on potentially tax-harmful cross-border arrangements
[86] Tax risk assessment is a key element of modern tax administration. It allows tax authorities to identify situations that suggest specific taxpayers or arrangements may pose an increased risk to their jurisdiction and require further actions in

transfer pricing, base erosion and profit shifting, harmful tax practices, etc.) and possible follow-up actions, such as targeted tax audits. In 2025, Greece has enhanced its risk-analysis system on DAC4 (country-by-country report, which is expected to improve the efficiency of the process. Moreover, DAC6 has been consistently and effectively utilised by the Directorate for Audit Business Planning, and the information exchanged has since formed part of the risk assessment process, contributing to the identification and selection of cases for tax audit based on predefined risk criteria. This comprehensive methodology could be completed in using DAC6 for identifying potential legal loopholes.

Greece's use of CESOP data remains ad-hoc and constrained. Greece currently uses CESOP data ad-hoc to cross-check VAT/OSS returns and validate Eurofisc early warnings, but integration is limited. The Greek tax administration is working to link CESOP with national databases, though data quality issues (incomplete payee details) and technical constraints hinder full exploitation. Future plans include full interoperability with Greece's Unified Tax Information System, pending IT upgrades ([87]).

Greece's tax gap analysis directly informs compliance strategies. The Tax Gap Estimation Department, established in 2024, applies methodologies aligned with the European Commission's VAT gap studies and custom econometric models to dissect gap drivers and refine risk-based strategies. Future steps include connecting this work more closely to operational compliance management ([88]).

4.4 Audits

Greece's audit system combines risk-based targeting with digital enforcement to improve compliance and efficiency. Greece's audit system prioritises risk-based interventions, including on-site and desk audits, partial/comprehensive audits, and avoidance/evasion investigations. Strategic priorities set until 2029 focus on standardising procedures, using sector-specific experts, and leveraging AI/ML for fraud detection. Digital cross-checks and automated tax checks enhance efficiency, while cash transaction limits (EUR 500 cap) are enforced via POS monitoring ([89]).

Greece's audit processes use AI and machine learning to target high-risk non-compliance with precision, including predictive models for criminal offences and massive digital cross-checks (e.g. *myDATA*, banking systems, social security database and land registry). Audits are prioritised based on high-risk sectors (e.g. tourism, construction) and data matching to identify undeclared income ([90]). These improvements have been enhanced with technical support under the TSI ([91]).

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terms of compliance. In general, EU tax authorities use automated methods based on domestic data and information received from other jurisdictions.

[87] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).

[88] Ibidem.

[89] Ibidem.

[90] Ibidem.

[91] TSI 2023 project "Capacity building on advanced data-driven approaches and tools for tax compliance risk assessment and tax audits in Greece" implemented in collaboration with Swedish Tax Agency, https://reforms-investments.ec.europa.eu/technical-support-instrument-0/public-administration-and-governance/advanced-data-driven-approaches-and-tools-tax-compliance-risk-assessment-and-tax-audits-greece_en.

Greece's Large Taxpayers Office (LTO) efficiently targets high-impact taxpayers with a focused audit approach. The LTO manages major businesses and high-net-worth individuals, with 2.4% of full-time equivalents (FTEs) assigned (64.6% dedicated to audit/investigation) in 2024 ([92]). It generated 25.3% of total revenue and 25.1% of audit revenue, demonstrating a targeted, resource-efficient approach.

Greece makes limited use of advanced instruments of cooperation provided for in Directive on administrative cooperation in the field of taxation and Regulation 904/2010 to facilitate cooperation on specific cross-border VAT issues. Such instruments entail multilateral controls (MLCs) such as simultaneous controls, joint audits and presence in administrative offices and administrative enquiries (PAOEs). The synergies between participating Member States derived from these coordinated activities usually lead to an increase in the tax assessed and, therefore, contribute to reduce the tax gap. Between 2023 and 2025, Greece has initiated one MLC and has participated in three MLC and one PAOE, representing around 1% of the total of these operations ([93]).

4.5 Payment and collection

Greece shows strong uptake of electronic payments, while on-time payment compliance is mixed across taxes. In 2024, 99.47% of payments were made electronically, above the EU average of 94.9% and up from 86.6% in 2018. On-time payment compliance in 2024 was 89% for CIT, slightly below the EU average of 89.8%; 73.4% for PIT, below the EU average of 79%; and 88.3% for VAT, above the EU average of 83.7% ([94]). Cash payment for taxes is not forbidden but generally not the standard method and only available in exceptional and duly justified cases, for amounts not exceeding one hundred (100) euros, subject to prior approval of the Head of the Tax Office, endorsed on the payment receipt ([95]).

Greece uses a risk-based VAT refund system: low-risk taxpayers get faster refunds without audit, while other claims are checked based on risk. Serious non-compliance can lead to suspension of the VAT ID for intra-Community transactions, with penalties provided for under Article 53 of the Tax Procedure Code (Law 5104/2024) ([96]).

4.6 Tax debt recovery

Greece continues to maintain one of the highest levels of tax arrears in the EU. The stock of arrears ha**s** been gradually declining in recent years, but in 2024, the closing stock of tax arrears still amounted to 173.3% of total revenue collected, far exceeding the EU average of 30.7%. More positively, the proportion of collectable arrears has also slightly increased from 75.3% in 2023 to

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TSI 2024 project "Introducing data analytics and AI capacity for tax and customs risk management in Greece", https://reforms-investments.ec.europa.eu/technical-support-instrument-0/revenue-administration-and-public-financial-management/introducing-data-analytics-and-ai-tax-administration-and-customs_en.

[92] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.

[93] EU AIAC Statistics -2023-2025.

[94] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB

[95] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection

[96] Ibidem.

76% in 2024, suggesting that a significant share of outstanding debt remains potentially recoverable and highlighting the need for more effective recovery measures ([97]).

The new Recovery Strategy (2025–2029) has not yet had sufficient time to translate into significant reduction in the overall stock of tax arrears. Greece has recently strengthened its debt recovery framework through the adoption of a Recovery Strategy 2025–2029, which introduces a more risk-based approach based on predictive analytics to manage debt portfolios and better target recovery actions. Nevertheless, the recovery efficiency continues to be constrained by the large stock of legacy and disputed tax debts, which remains one of the main challenges for the Greek tax administration. In this context, a recently launched TADEUS/Fiscalis project group lead by Greece which will identify best practices that can support Member States' efforts to reduce the high tax arrears.

Greece has fully integrated the AEOI data in its tax recovery strategy as information obtained, notably under DAC1 and DAC2, is actively used in the debt recovery process. This has been explicitly reflected in the IAPR Operational Plan 2026, which includes a dedicated performance target concerning the use of AEOI data for recovery purposes, which is a best practice for encouraging the systematic use of data. As regards the write-off of tax debts, Greece has established a legal framework allowing irrecoverable debts to be written off under specific conditions. Greek legislation provides for precautionary measures to safeguard the recovery of tax claims in exceptional circumstances where there is a risk of non-recovery ([98]).

Regarding cross-border recovery assistance within the EU, Greece submits compliant requests to other Member States. Greece's recovery requests to other Member States generally comply with requirements ([99]) focusing on well-established claims. In 2025, 547 requests for recovery were sent to other Member States, but only 9 requests for recovery were suspended due to contested claims in the same year ([100]).

[97] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB
[98] ISORA Data – Tax arrears collection powers and their usage – Collect any disputed tax while the dispute case is open and under judicial review, and Greek reply to question 16 of the 2025 survey on tax recovery.
[99] Statistics on rejections of requests, reported by Greece as applicant State, relating to recovery assistance in 2025.
[100] Statistics on the suspension of recovery requests, sent by Greece as applicant State, following contestation of the claim, for 2025.