



GREEK SHIPPING LAW

27/1975



INTRODUCTION

The Greek shipping sector is pivotal in the global maritime industry, supported by a robust regulatory framework. One of the cornerstone legislations in this framework is Law **27/1975**, which establishes favourable conditions for branches or offices of foreign companies managing and operating vessels under the Greek or foreign flag. This legislation provides significant tax benefits to companies that fulfil specific requirements, enhancing Greece's position as an attractive hub for maritime operations.

At **Moore Greece**, we leverage our extensive experience as the leading accounting, audit, and advisory firm for the shipping industry. By deeply understanding the complexities of the law and the unique needs of our clients, we are well-positioned to provide tailored solutions that help shipping companies optimise their operations and achieve their business goals.



Whether domestic or foreign, shipping companies benefit from a special tax regime in Greece based on Law 27/1975



SHIPPING COMPANIES - THE REGIME

Whether domestic or foreign, shipping companies benefit from a special tax regime in Greece based on Law 27/1975 (more commonly known as “Law 89 shipping regime”).

Under this regime, companies operating within its framework enjoy certain tax advantages.

The profits of shipping companies established under the law are taxed on the basis of their tonnage. This applies to vessels registered under the Greek flag, as well as foreign-flagged vessels that are managed by a Greek registered branch of a ship management office, established under the beneficiary regime specified in Article 25 of Law No. 27/1975.

Branches of foreign companies which deal exclusively with the management, operation, chartering, insurance, settlement of averages, brokerage of purchases and sales or shipbuilding or chartering or insurance of ships with a Greek or foreign flag, over five hundred (500) gross tonnage, excluding passenger coastal ships and merchant ships operating domestic voyages, as well as the representation of ship-owning companies or bareboat charterers or ship lessees, as well as companies whose business activities are the same as the above-mentioned activities, may be registered in Greece after obtaining special permission from the Ministry of Finance and Mercantile Marine.

The establishment permit granted per the above is valid for five years and cannot be revoked before the expiry of this period, which begins from its publication in the Government Gazette. During this period, the conditions under which the establishment permit was granted may not be changed without the consent of the company. The establishment permit is renewed after the expiry of the five years automatically for an equal period.

The above branches or offices are exempt from any income taxes, duties and contribution in respect of income derived from the above, despite having a permanent establishment in Greece, on the condition that they import foreign currency of a minimum of US\$50,000 to:

- cover their operating expenses in Greece and
- All payments in Greece in general either on their behalf or on behalf of third parties.

It is important to note that such branches or offices are not allowed to do any business in Greece other than what their license stipulates and they act solely on behalf of the foreign registered Head office.

A 5% voluntary contribution on dividends and capital gains arising from the sale of shares of ship-owning or holding companies when these amounts are imported into Greece. The voluntary contribution applies to Greek tax residents in their capacity as shareholders or Ultimate Beneficial Owners of ship-owning companies under a Greek or foreign flag.

The payment of the voluntary contribution exhausts any Greek tax obligation for the worldwide shipping income of the shareholders of ship-owning companies - Greek Tax residents.

Navigating the opportunities and obligations under **Law 27/1975 (Greek Shipping Law)** requires expert guidance to ensure compliance and maximize benefits. At **Moore Greece**, we are dedicated to providing added value to our clients across the shipping community by offering bespoke advisory services aligned with their strategic objectives.

Whether you are a small ship-owning company or a large multinational group, our team is here to help you unlock the full potential of Greece’s favorable maritime regulatory environment and achieve sustainable growth in this competitive industry.

ABOUT MOORE GREECE

Moore Greece, an independent member of Moore Global, is an accounting and consulting firm specialising in shipping and other industries. Our wide range of services covers audit and assurance, tax, governance – risk and compliance, IT consulting, transactions and accounting outsourcing for corporations, family-owned businesses and private individuals.

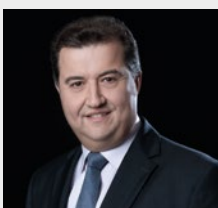
With over 120 professionals, deep knowledge and award-winning proprietary tools, we can help clients improve efficiency and maximise profitability. By being the first international accounting firm in Greece with over 60 years of presence in the local market, we remain one of the most important and trustworthy firms in our industry.

ABOUT MOORE GLOBAL NETWORK

At Moore, our purpose is to help people thrive – our clients, our people, and the communities they live and work in. We're a global accounting and advisory family with over 37,000 people in 558 offices across 114 countries, connecting and collaborating to take care of your needs – local, national and international.

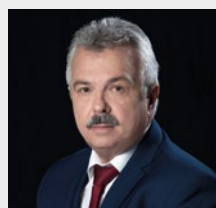
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