

Brussels, 12 December 2025
(OR. en)

16801/25
ADD 12

FISC 371
ECOFIN 1739

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	11 December 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SWD(2025) 421 annex
Subject:	COMMISSION STAFF WORKING DOCUMENT Mind the Gap Report Challenges and opportunities for tax compliance and tax expenditure in the EU - <u>Greece</u>

Delegations will find attached document SWD(2025) 421 annex.

Encl.: SWD(2025) 421 annex



EUROPEAN
COMMISSION

Brussels, 11.12.2025
SWD(2025) 421 final

PART 13/29

COMMISSION STAFF WORKING DOCUMENT

Mind the Gap Report
Challenges and opportunities for tax compliance and tax expenditure in the EU
Greece

Country fiche: Greece

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Widespread use of innovative digital solutions to combat tax fraud and evasion.** Greece has in recent years deployed a digitalisation strategy in the tax administration with a wide range of tools that are recognised as best practices. These include the establishment of *myDATA* system (businesses must send invoices digitally to the tax administration) for real-time checks and fraud detection, electronic book-keeping and E-Invoicing, automated audits (for example Airbnb transactions are monitored using smart tools to spot undeclared income). These are complemented by more creative digital tools such as the 'E-appodixi Application', where citizens can verify receipts, report tax violations (anonymously or named), and earn up to EUR 3 000 for confirmed reports. There is also an AI model for geo-locating swimming pools that have not been declared for tax obligations.
- **Provision of Comprehensive Taxpayer Services for Compliance.** Greece has developed thorough capabilities in providing access to information and a wide range of taxpayer services which encourage voluntary compliance. The tax administration has placed a strong emphasis on digitalization, aiming to streamline and make tax processes more efficient. Such digital developments make it easier for taxpayers to fulfil their obligations, reducing the need for physical interaction with tax offices and thereby enhancing compliance.

Areas for Improvement

- **Greece has a very large number of tax expenditures (TEs) with significant budgetary impact.** Moreover, TEs in the area of VAT in Greece tend to have a regressive effect. While it is positive that Greece has comprehensive reporting on tax expenditure, it currently has no mechanism for evaluating the cost effectiveness of their TEs. In 2023 foregone revenues due to TEs were estimated at EUR 18.82 billion, about 31% of total government tax revenues collected. In total, 1 116 cases of TEs were recorded (948 related to specific taxes and 148 related to general exemptions, some of which are also included in the tax specific expenditures). Such an exceptionally high number of TE provisions, with a significant budgetary impact and sometimes regressive, points to the value of establishing a dedicated mechanism to evaluate their effectiveness on a permanent basis.
- **Greece could speed up the establishment of a formal compliance strategy to assess the most significant compliance risks identified in the tax system (including risks for VAT compliance) and how the tax administration intends to respond to tax compliance risks.** For example, the strategy could be based on the results of internal audit mechanisms on the functioning of VAT administration processes and a regular review of the effectiveness of the penalty system for late filing and/or late-payment. An increase in the staff dedicated to audit, investigation and other verification functions (currently, very low), could strengthen the implementation of the strategy.

--

1. Snapshot of Tax System: Tax Revenues and their Sources

In Greece, tax revenues as a percentage of the country's GDP are just slightly below the EU average. In 2023, total tax revenues amounted to 38.9% of GDP compared to the EU-27 average of 39.0%. Greece continues to rely more on consumption than labour taxes in comparison to the EU average. In 2023, labour taxes were 39.7% of tax revenues vs. EU average of 51.2%; consumption taxes were 38.9% of tax revenues vs. EU average of 26.9%; and capital taxes amounted to 21.4% of total revenues vs. EU average of 21.9%. Among the different tax types, VAT revenue was 22.5% of total tax revenues (EU average of 18.3%) and 8.8% of GDP (EU average of 7.1%) ⁽¹⁾.

The tax-and-benefit system in Greece reduces income inequality by far less than the EU average in 2023, despite progressive labour taxation. At 31.8%, Greece had in 2024 a Gini Index for equivalised disposable income significantly above the EU average (29.3%) ⁽²⁾. The effect of the tax and benefit system in reducing income concentration in Greece is among the lowest in the EU (4.5 percentage points in 2023, compared to the average 7.7 percentage points in the EU) ⁽³⁾. Greece has one of the highest at-risk-of-poverty or social exclusion rate in the EU-27 (26.9%, 5.9 percentage points above the EU average) ⁽⁴⁾. Overall, the progressivity of the Greek tax system (as measured by the difference in the tax wedge of high-income and low-income earners) is in line with the EU average. The tax wedge ⁽⁵⁾ for Greece in 2023 was lower than the EU average for both single people at various income levels and for second earners at 67% of the average income. The difference in the tax wedge between high-income earners (167% of average wage) and low-income earners (67% of average wage) is with 9.6 percentage points higher than the EU average (7.8%).

2. Monitoring of Compliance Gaps

2.1. Overview

The Greek authorities established a tax gap team in 2018. The concept of a tax gap—defined as the difference between the theoretical tax revenue that should be collected and the amount actually collected—provides a framework for understanding revenue losses in the tax system of Greece. Measuring tax gaps can help assess the effectiveness of tax policies and identify areas for reform. While the Greek authorities are active in estimating various tax gaps (see section 2.3 below), these estimates are not published and there is no legal requirement for publication ⁽⁶⁾. Nonetheless,

¹ Data on tax revenues are based on European Commission: [Data on Taxation Trends](#), edition 2025 (reference year 2023). The 2026 edition (reference year 2024) will be published in the first quarter of 2026. Preliminary data point to a downward revision of tax revenue data for 2023 (to 38.8% of GDP), followed by an increase of total tax revenues to 40.0% of GDP in 2024: https://doi.org/10.2908/GOV_10A_TAXAG.

² European Commission, Eurostat [\[ilc_di12\]](#)

³ European Commission, DG EMPL calculations based on EU-SILC survey data.

⁴ European Commission, Eurostat [\[ilc_peps01n\]](#)

⁵ The tax wedge is defined as the sum of personal income taxes and employee and employer social-security contributions net of family allowances, expressed as a percentage of total labour costs (the sum of the gross wage and social-security contributions paid by the employer). Data are based on European Commission, DG ECFIN: [Tax and Benefits Database](#).

⁶ European Commission (2025), [Annual Report on Taxation 2025](#) - Table 6

participation in EU-level projects indicate movement toward greater transparency and capacity in tax gap analysis. Specifically, the Greek tax administration participates in the working group established in Spring 2021 on tax gap estimation, supported by the FISCALIS program.

2.2. Monitoring VAT Compliance Gap

Greece overall is on a converging trajectory in its VAT compliance gap towards the EU average in recent years. The VAT compliance gap ⁽⁷⁾ amounted to EUR 3 billion in 2023, or 11% of the VAT Total Tax Liability (VTTL) ⁽⁸⁾, higher than the EU average of 9.5% ⁽⁹⁾. The VAT compliance gap decreased steadily and significantly between 2019 and 2023 (ca. -13 percentage points). New data from Greek authorities also allowed refined calibration of VTTL model parameters for 2021–2022, leading to a downward revision of past VAT compliance gap estimates.

The exuberance of the service and tourism sector could be impeding an even faster convergence of Greece’s VAT compliance gap. In 2023, the share of services in the GDP increased by 2 percentage points. These sectoral shifts appear to have had a negative impact on VAT compliance, as non-compliance risks are generally higher in the services sector. Moreover, tourism demand, measured by nights spent in tourist accommodations, grew by 80% in 2022 and 11% in 2023. In addition, the phasing-out of support measures adopted during the COVID-19 pandemic led to a sharp increase in bankruptcy rates, rising by 110% in 2023.

In 2023, VAT losses due to Missing Trader Intra-Community (MTIC) fraud ⁽¹⁰⁾ were estimated at around EUR 310 million in Greece. They displayed a slightly increasing trend. While experiencing some fluctuations over time, the VAT losses due to MTIC fraud increased by EUR 80 million between 2010 and 2023 ⁽¹¹⁾.

2.3. Personal and Corporate Income Tax Compliance Gap, and Measures of the Shadow Economy

The Greek tax administration estimates the CIT and PIT compliance gap using a top-down approach, although estimation results are not publicly disclosed. According to the OECD Tax Administration 2024 report ⁽¹²⁾, Greece is one of a limited number of EU Member States estimating CIT gaps, specifically regarding the reporting gap, using top-down methodologies. These estimations aim

⁷ The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.

⁸ 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.

⁹ 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>.

¹⁰ Missing Trader Intra-Community (MTIC) fraud is a form of VAT fraud that exploits VAT-free cross-border trade within the EU. Fraudsters purchase goods VAT-free from another Member State, sell them domestically, charge VAT to their customers, and disappear before paying this VAT to the tax authorities.

¹¹ European Commission, CASE, Poniatowski, G., Śmietanka, A., and Skowronek, A., *VAT compliance gap due to Missing Trader IntraCommunity (MTIC) Fraud – Final Report Phase II*, Publications Office of the European Union, Luxembourg, 2024, <https://data.europa.eu/doi/10.2778/6433841>.

¹² [Tax Administration 2024 | OECD](#)

to capture non-compliance across different segments of the economy, including both large and small corporations, and consider deliberate evasion, administrative error, and structural insolvency. While significant progress has been made in strengthening the capacity of the tax administration, particularly through risk-based audits and increased digitalisation, there is presently no systematic dissemination of CIT gap figures, whether based on random audits (bottom-up) or national accounts (top-down). Internal estimations may exist within the Independent Authority for Public Revenue (IAPR), but these are not publicly available.

European Commission estimates suggest a relatively low CIT compliance gap in Greece. Figures produced by the Joint Research Centre ⁽¹³⁾, applying a top-down methodology based on national accounts data, estimate the Greek CIT compliance gap at approximately 7.7% of collected CIT revenues in 2015. This figure is below the EU (unweighted) average of 10.9%, based on available estimates for 23 Member States.

The Greek tax administration estimates the Personal Income Tax (PIT) gap using a top-down approach, based on macroeconomic data and administrative records. The PIT gap estimation conducted by Independent Authority for Public Revenue (IAPR) only calculates the reporting gap. 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 ⁽¹⁴⁾. Given the diversity of income sources and exemptions, measuring the PIT gap remains complex. Notably, income from self-employment and small unincorporated businesses is considered especially prone to underreporting, with approximately 67% of self-employed individuals declaring less than EUR 10 000 in annual income (2021), despite higher levels of economic activity. The total declared income for the same period was about EUR 84 billion, of which 79% came from salaried workers, including merchant marine employees. These categories, who can't hide their income, which is taxed at its source, pay disproportionately high taxes. On a final note, 37% of individual taxpayers declare income of up to EUR 5 000. This indicates that self-employed may be an important driver of the PIT gap in Greece.

Although no precise percentage is published for the overall PIT gap, indirect indicators such as audit outcomes and underreporting trends suggest that personal income tax non-compliance remains significant. This is particularly relevant in sectors characterized by cash-based transactions and weaker third-party reporting. The informal economy further contributes to the potential magnitude of the PIT gap, although it should be noted that the aggregate informality, weighted by

¹³ European Commission: Directorate-General for Taxation and Customs Union (2025), *The Corporate Income Tax Gap, A European approach to measuring losses in corporate tax revenues*, Publications Office of the European Union, <https://data.europa.eu/doi/10.2778/0541549>. The JRC has recently developed a novel approach to estimate the CIT gap based on National Accounts and existing data on the undeclared economy, providing approximations of the CIT gap for a majority of EU Member States. JRC's estimations are based on the exhaustiveness adjustments made to Gross Operating Surplus (GOS), Gross Value Added (GVA) and Gross Domestic Product (GDP), that national statistical offices perform to account for non-observed economy. The JRC approach does not capture CIT gaps associated with tax avoidance and (international) profit shifting, which would require other estimation methods.

¹⁴ 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].

regional gross value added, recorded a decline from a peak of about 30% of GDP in 2013 to a low of about 16% of GDP in 2021 ⁽¹⁵⁾.

Ongoing reforms under Greece's Recovery and Resilience Plan (RRP) are expected to enhance tax compliance capabilities. These include the roll-out of e-invoicing and digital bookkeeping (myDATA, used for both VAT and income tax purposes), the development of integrated audit and risk assessment tools, the upgrade of data infrastructure, and the introduction of enhanced third-party reporting obligations. These reforms have been complemented by technical support under the European Commission's Technical Support Instrument for building the capacity of the tax auditors on advanced data-driven approaches and tools for risk assessment and tax audits, and for implementation of data analytics and AI capabilities to enhance fraud detection. Such measures contribute directly to modernising tax administration and could support the eventual establishment of a more structured and transparent tax gap estimation framework and address structural weaknesses flagged in Country Specific Recommendations (CSRs), especially concerning self-employed and high-risk sectors. In line with the CSRs, Greece is also encouraged to continue its efforts to improve tax collection efficiency and combat tax evasion, particularly in sectors with a high incidence of non-compliance and informal economic activity.

The size of the shadow economy in Greece is above the EU average. Overall, in 2022, the shadow economy in Greece represented 21% of its GDP, according to estimates by Schneider, F. and Asllani, A. for the European Parliament ⁽¹⁶⁾ ⁽¹⁷⁾. This ratio is 3.7 percentage points above the EU-27 unweighted average, despite the declining trend in recent years (24% of GDP in 2012). In line with the importance of the self-employed in contributing to the PIT gap in Greece, the study finds that the sector of the self-employed make up the bulk of the shadow economy. The challenge of the size of the informal economy and its impact on the tax gap has also been pointed out by the IMF recently which in this context stressed the need to continue the efforts to enhance revenue collection by addressing tax evasion and promoting compliance ⁽¹⁸⁾.

2.4. Other Compliance Gaps

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

¹⁵ International Monetary Fund. European Dept. (2024). Recent Trends of Informality in Greece – Evidence from Subnational Data. IMF Staff Country Reports, 2024(024), A003, available from <https://doi.org/10.5089/9798400263941.002.A003>, [last accessed 3 September 2025].

¹⁶ European Parliament (2022), Taxation of the informal economy in the EU. [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU\(2022\)734007_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf)

¹⁷ These estimates are in line with others provided by the national authorities. See, for instance, <https://www.ekathimerini.com/economy/1223751/central-banker-greeks-spend-e40-bln-more-than-they-declare/>

¹⁸ See IMF (2025), Article IV Report for Greece, available at : <https://www.imf.org/en/Publications/CR/Issues/2025/04/04/Greece-2025-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-565906>

3. Monitoring of Policy Gaps

3.1. Tax Expenditures

Greece has a comprehensive reporting on tax expenditures ⁽¹⁹⁾. 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 (foregone revenue method).

The annual tax expenditure report includes the following information: 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.

At the same time, Greece has a very high number of tax expenditures with a significant budgetary impact. According to the authorities, considerable revenues are foregone due to TEs. In 2023 foregone revenues were EUR 18.82 billion, or about 31% of total government tax revenues collected. For 2023, a total of 1 116 cases of tax expenditure (948 related to specific taxes and 148 related to general exemptions, some of which are also included in the tax specific expenditures) were recorded, most of them related to personal income tax (249), income tax on legal persons and legal entities (233), Stamp duty (76), Value Added Tax (VAT) (75), taxation of gifts, parental benefits and winnings from games of chance (48), real estate transfer tax (44), taxation of ships (42) and excise duties (42). It should be noted that it is difficult to compare between Member States, as other try to measure the loss of revenue due to tax expenditure, while others convert tax expenditure as part of their tax structure system and do not calculate any loss of revenue. The method adopted in Greece for calculating the cost of a tax expenditure is the resulting loss of tax revenue (foregone method). As pointed out by the IMF, inefficient and regressive tax expenditures such as VAT rate cuts and exemptions that mostly benefit the rich should be candidates for a phase out ⁽²¹⁾.

Tax expenditures related to PIT reduce inequality while VAT reductions overall have a regressive effect. In relation to PIT expenditures, mainly households in the lower- and middle-income deciles

¹⁹ 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 2024, the report in Greek original is available on the sites of the [Parliament](#) and the [Ministry of Finances](#).

²⁰ Published in Government Gazette, Series I, No 143.

²¹ See IMF (2025), Article IV Report for Greece, available at: <https://www.imf.org/en/Publications/CR/Issues/2025/04/04/Greece-2025-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-565906>

experience an increase in disposable income and hence tax expenditures reduce income inequality. While the distributive impact of reduced VAT rates is estimated to be progressive in a majority of countries, in 2019 it was considered regressive in 10 Member States, amongst which figures Greece. This suggests that the goods covered by reduced rates are mostly not those that are more likely to be consumed by lower-income households ⁽²²⁾. It should be noted that this conclusion relates to 2019, whilst in more recent years the structure of the VAT rates has changed (see section 3.2 below).

In general, the transparency and monitoring related to tax expenditures in Greece can be considered adequate. Yet, taking also into account that Greece has exceptionally high number of tax expenditure provisions compared to other Member States and there is no dedicated mechanism for their evaluation, a suggested area of improvement would be to establish such a permanent mechanism.

3.2. VAT Policy Gap

The VAT policy gap ⁽²³⁾ in Greece was the second highest in the EU in 2023. The level of the VAT policy gap in Greece was estimated that year at 57% of the notional ideal revenue ⁽²⁴⁾ (EUR 29 billion), while the EU VAT policy gap was 51%. This represents an increase of 1.5 percentage points compared to 2022, and 5.5 percentage points compared to 2019 ⁽²⁵⁾.

The VAT exemption gap ⁽²⁶⁾ was slightly higher in Greece compared to the EU estimate in 2023. It amounted to around 39% of the notional ideal revenue (ca. EUR 20 billion), while for the EU-27 overall it was 38%. This constitutes an increase compared to 2022 (ca. +0.5 percentage points). The VAT exemption gap has remained stable over time, having increased by less than 1 percentage point since 2019 with the exception of 2020 and 2021 when it exceeded 40%.

The national policy-driven VAT exemption gap ⁽²⁷⁾ of EUR 7 billion was estimated in 2023 at 14% of the notional ideal revenue, while the overall EU estimate was 11%. This represents a slight increase compared to 2022 (less than +1 percentage point), and historically since 2019 (ca. +3 percentage points).

²² Turrini et al. (2024). [Tax Expenditures in the EU: Recent Trends and New Policy Challenges](#). European Economy-Discussion Papers, (212).

²³ 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.

²⁴ 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.

²⁵ 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>.

²⁶ The VAT exemption gap refers to the portion of the VAT policy gap resulting from revenues lost due to the application of VAT exemptions on selected products.

²⁷ 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 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 rate gap ⁽²⁸⁾ in 2023, which amounted to EUR 9 billion, was estimated at 18% of the notional ideal revenue, while for the EU-27 overall it was 12%. It has slightly increased compared to 2022 (ca. +1 percentage point), and also when looking at a longer horizon from 2019 to 2023 (ca. +5 percentage points). In the course of 2020, Greece temporarily amended its VAT rate structure by reducing rates for passenger transport, selected entertainment, and tourism services (decreasing the rate from 24% to 13%). The changes introduced at the end of 2020 were maintained until the end of 2023. Then, in 2023, Greece reduced VAT for personal hygiene and protection products and suspended VAT on new properties

Reduced VAT rates have overall a regressive effect in Greece. Reduced rates are often introduced with the argument to mitigate the regressive nature of VAT taxation (the share of income spent for consumption decreases with income so that the relative tax burden of VAT also decreases). A simulation of the distributive impact of reduced rates using EUROMOD for 2019 however indicates that overall structure of reduced rates is regressive in Greece ⁽²⁹⁾. There is however no evidence which reduced rates specifically drive the overall regressive effect in Greece (as observed in 2019).

4. Effectiveness of Tax Collection and Recovery Systems

Improving the effectiveness of tax collection, including in the area of VAT, has been a long-standing priority for Greece that continues to pursue reforms, also in the context of the RRP and in line with tax related country-specific recommendations (CSRs), with a focus on digitalisation.

4.1. VAT Collection

As regards the registration of taxpayers for VAT purposes, Greece has practices in place for monitoring VAT-registered taxpayers. At the same time Greece could enhance the verification processes to improve the registration and identification of taxpayers.

Greece keeps a record of VAT-registered taxpayers selling online and gathers adequate information on (M)OSS-registered businesses. This is important as it helps in monitoring the e-commerce sector, which is a significant sector for VAT collection. Greece is also one of the countries that cross-check VAT registration information against third-party sources, such as other government registries. This practice helps in ensuring the integrity and accuracy of the VAT registration database. A program of inspections of business premises and traders, including unannounced visits to commercial districts to detect unregistered businesses is also in place ⁽³⁰⁾.

Yet Greece could benefit from more consistency in preliminary checks during VAT registration. Greece performs occasional checks before VAT registration as well as legal and ID verifications and

²⁸ 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.

²⁹ Turrini et al., (2024). [Tax Expenditures in the EU: Recent Trends and New Policy Challenges](#). European Economy-Discussion Papers, (212).

³⁰ Commission's Ninth Report on VAT registration, collection and control procedures following Article 12 of Council Regulation (EEC, EURATOM) No 1553/89, [EUR-Lex - 52022DC0137 - EN - EUR-Lex](#). / Answers to the survey sent to the Member States in June 2025 in view of the Tenth Report on the same subject matter.

systematic preliminary checks based on risk indicators. It does not have in place processes to detect taxpayers who fail to register. There is also no focus in the assessment on specific economic sectors with a significant number of unregistered businesses. Moreover, Greece does not keep a record of applicants to whom registration has not been granted even though most Member States (18 out of 27) do so. This indicates scope for improvement in verifying the registration of taxpayers.

In relation to tax filing and assessment, Greece supports e-filing and emphasis is placed on timely and accurate VAT filings. Greece is among the five Member States identified with an effective IT subsystem of VAT filing and processing. It should be noted the gross ICT expenditure doubled between 2021 and 2022 ⁽³¹⁾. Moreover, in order to promote a higher-on time filling rate, the tax administration, prior to the VAT filing deadline, sends emails to specific categories of VAT registered entities, such as newly established businesses, recently de-registered entities, and entities previously identified as non-compliant, in order to remind them of their obligation. Moreover, following the VAT return submission deadline, the tax administration sends email notification to non-filing taxpayers, urging them to promptly fulfil their tax obligations. In addition, outbound telephone communications are carried out for prioritized cases, which are identified on the basis of a risk analysis.

Greece performs well in access to information to make taxpayers comply voluntarily ⁽³²⁾. Improving tax compliance through digitalisation remains a priority for the Greek tax administration. This includes further digitalisation of tax filing for all types of taxes and providing digital online services. A digital application for mobile devices was put in operation in 2024, through which taxpayers are informed, pay their debts and receive personalized messages, thereby facilitating the proper fulfilment of their tax obligations³³. The management of the Independent Authority for Public Revenue (IAPR) sets collection targets and estimates that are very close to the actual VAT revenue collection values. Yet VAT compliance could benefit from setting internal audit mechanisms on the functioning of VAT administration processes and a regular review of the effectiveness of the penalty system for late filing and/or late-payment.

Improving VAT compliance through digitalisation, inter alia of the VAT audit process, is a long-standing priority for Greece. Greece uses technology to cross-check, on a large scale, amounts reported in tax declarations with information obtained from third parties and allows for audits with other governmental bodies as part of their VAT audit process. The audits are based on annual national tax audit plans and reviewed by senior management. Suspects are targeted, using data from the specially designed risk analysis and combined information programme. Data from the Transaction Network Analysis-TNA system, whose main purpose is to process and analyse targeted information on cross-border fraud between EU Member States, is also used. Yet, the audit process could be monitored

³¹ From EUR 11.1 million to EUR 22.093 million, OECD, Tax Administration 2024, Comparative Information on OECD and other Advanced and Emerging Economies, data tables available at <https://data.rafit.org/regular.aspx?key=74180905>

³² These include a publicly available service delivery channel strategy, or a catalogue of services offered to taxpayers; procedures ensuring regular and systematic updates of information on VAT rules for taxpayers; information on VAT rules available in foreign languages; a dedicated information channel for MOSS; service delivery standards in relation to the time taken to respond to taxpayers' enquiries; simplified record-keeping and reporting arrangements available to small taxpayers.

³³ Operational plan of the Independent Authority for Public Revenue, 2024, available at: https://www.aade.gr/sites/default/files/2024-04/epix_sxedio_2024.pdf

for quality according to a documented process and be diversified per different industries/sectors in line with EU best practices. For example, it should be noted that no progress has been achieved to improve the audit activity on MOSS-registered businesses.

Recent measures in the context of its RRP are expected to improve VAT collection. Greece adopted in 2023 and 2024 measures to digitalise the VAT refund procedure, increase the mandatory acceptance of electronic payments and put in place new reporting requirements ⁽³⁴⁾ on data sent to the tax administration ('myDATA' system) enabling the use of this data also for VAT purposes apart from income tax purposes. No discrepancies are permitted between the amounts of income and expenses reported per VAT return period and the corresponding data transmitted to the digital platform 'myDATA' nor is any modification of such data allowed, except in cases where more revenue or fewer expenses are reported.

4.2. Tax Recovery

Greece pursues strategic actions to improve the efficiency of tax recovery. Its strategy includes a wide range of actions both before the tax is due and after if it has not been collected. Measures related to penalties distinguish between fraudsters and bona fide debtors. Greece adopted in 2025 a new Recovery Strategy for 2025-2029 which includes the collection of all relevant data in a unique taxpayer profile, the continuous notification of debtors and enactment of measures according to the profile and maturity of the debt, the categorisation of debtors and specific debt management actions following the PARE (Payment Attitude-Recency-Event) methodology, the development of predictive models for detecting unlawful behaviour and clearing the debt portfolio according to specific conditions of writing-off ⁽³⁵⁾. The fact that the recovery of different types of taxes is attributed to the same authority also contributes to the efficiency of the tax recovery process.

Outstanding tax arrears are a point of concern for Greece ⁽³⁶⁾. At 159% of total net revenue collected, outstanding tax arrears remained among the highest in the EU (30.7% on average) in 2023. The percentage of collectible arrears compared to total arrears remained high over the years 2018 to 2023 although there was a small decrease (from 81.6% to 75.2%). To reduce the volume of debt arrears, at regular intervals legislation is enacted to introduce debt payments in interest-free instalments that stretch over long periods and the reduction of the debt if paid in full. At the same

³⁴ The myDATA digital platform (My Digital Accounting & Tax Application), which is accessible via the IAPR website, monitors all transactions of income / expenses of Businesses and other entities that keep Accounting Records in accordance with Greek Accounting Standards and depicts the accounting and tax results of Businesses. The obliged entities transmit income/ expense transaction data as follows: 1. Summary of issued and received sales documents (invoices, retail receipts, etc.) 2. Characterization of the transactions covered by the aforementioned sales documents classified in the income and expense categories 3. The income/ expense adjustment entries (debit and credit) that form the final accounting and tax result of each tax year. For further information: [myDATA | AAAE](https://myDATA.AAAE).

³⁵ Operational Plan of the Independent Authority for Public Revenue, 2025, available from: <https://www.aade.gr/epiheirisiaka-shedia/epiheirisiako-shedio-aade-2025>, [last accessed on 01/07/2025].

³⁶ Source: ADB, CIAT, IOTA, IMF, OECD, International Survey on Revenue Administration, Indicators: "Closing stock of arrears at year end as percentage of total revenue collected." and "Closing stock of collectable arrears as percentage of closing stock of arrears", <http://isoradata.org>.

time, interest on overdue tax payments is set at 8.76% per annum ⁽³⁷⁾ and, according to the size of the debt and its source (for example tax fraud) measures such as seizures of bank accounts and credits at third parties, refusal to authorise transfer of property are applied. The names of natural and legal persons with debt more than EUR 150 000 are published on the website of the tax administration. Writing off tax arrears is available on a restrictive basis under specific conditions⁸ that relate to measures already taken to collect the debt and the financial situation of the debtor.

Currently, there are no cooperation and no exchange of information between tax recovery authorities and insolvency administrators (courts and insolvency practitioners). A good cooperation between tax recovery authorities and insolvency administrators permitting them to exchange of information on available assets (or -a direct access to information about assets) will certainly contribute to more successful recovery actions.

Administrative contestations of tax claims are generally dealt with in the period of 120 days in Greece. In detail, by law the procedure must be concluded within 120 days for VAT, income taxes and excise duties. In the majority of cases decision is issued within 90-120 days. There is no information available about how long court proceedings about disputed tax claims take.

Greece largely respects the deadlines for communication on the follow-up of recovery assistance requests from other Member States. Deadlines are mostly met, with some minor exceptions. Except of random cases the main reason is the rapidly increasing number of requests and Greece has already allocated more human resources to address them. Finally, Greece has in place an internal control on the timely and effective execution of recovery assistance requests received from other Member States that is situated within the Central Liaison Office CLO-recovery.

Tax arrears can be reduced by focusing on on-time payment performance. Greece has put efforts through digitalisation to provide seamless administrative processes that facilitate tax payment through a unique digital gateway (MyAADE) for all services provided to citizens and businesses. Through the renewed digital environment of the portal, taxpayers can easily access all digital apps, view in their account their debts, payments and reimbursements and pay or settle their debts. In addition, Greece introduced in 2024 a new digital system, which centrally monitors all debt arrangements and alerts taxpayers in a timely manner when they are at risk of losing a debt arrangement. Debtors have the possibility to pay and settle non-settled debts within 3 months so that they do not lose their debt arrangements. A mobile application (MyAADEapp) was also introduced in 2024, which enables citizens and businesses to view their tax account and make payments using their payment card or IRIS with instant processing time. In addition, through the application, users can update the IBAN of their bank account for receiving tax refunds and have access to their appointments, the requests they have sent to IAPR and the messages they have received. Finally, in the myWallet section, users can download and

³⁷ The rate has remain unchanged for the period 2023-2025 as provided in decision 1121 of 9 August 2023 available from: https://www.aade.gr/sites/default/files/2023-08/A1121_2023_FEK.pdf [last accessed on 03/07/2025].

save useful documents such as certificates and tax returns while receiving real-time personalized notifications on issues tailored to their needs ⁽³⁸⁾.

The on-time payment in 2023 (% of on-time payments vis-a-vis % of due payments) for CIT was 89.9%, for PIT 75.6% and for VAT 89.4%. To promote on-time payment, measures include reductions if the due tax is paid in full and monthly instalments. For example, on 5 April 2024, the Ministry of Finance enacted legislation laying down that if personal income tax (PIT) for the tax year 2023 is paid in full by the deadline for the first instalment, the taxpayer qualifies for a 3% reduction on the total amount of tax. On a similar note, in order to discourage the habit of not filing VAT returns or filing them inaccurately because the taxpayer does not have the necessary funds to pay the owed VAT at the time of filing of the tax return, the VAT due upon submission of periodic VAT returns may be paid in instalments. Moreover, the new Tax Procedural Code provided that, in case of overdue returns, if the resulting debt is paid within 30 days of the determination of the tax, the fine imposed is limited by forty percent (40%). On time payment percentages increased for all major taxes in the years 2018 to 2020.

Reforms in this area continue. In December 2024 (law 5162/2024), Greece adopted legislation that foresees fixed submission deadlines for tax returns in the primary legislation, additional incentives for early payment of due taxes, and penalties for the public and the private sector for non-registration, late transmission, or transmission of inaccurate data for the pre-filled income tax returns. The operational plan of the Greek tax administration adopted for 2025-2029 foresees the following targets to be achieved in 2029: increase of the on-time payment rate for all taxes to 90%, increase of the on-time submission of Income Tax Returns to 96% and VAT returns to 99% ⁽³⁹⁾. Furthermore, currently, the Greek authorities have joint forces to design a mechanism for simultaneous payment of social security contributions and payroll tax along with wage payment. This long-outstanding reform is expected to significantly increase tax compliance by employers and tax collection. The reform is supported by the European Commission's Technical Support Instrument.

4.3. Use of Directive on Administrative Cooperation (DAC) ⁽⁴⁰⁾ Instruments and Data ⁽⁴¹⁾

Greece uses thoroughly DAC1 and DAC2 data for assessing taxation on individuals. DAC ⁽⁴²⁾ (categories of income) ⁽⁴³⁾ and DAC ⁽⁴⁴⁾ (financial accounts) data is currently used for awareness

³⁸ Official webpage of the IAPR, available from:

<https://www.aade.gr/en/myaadeapp#:~:text=myAADEapp%20is%20the%20official%20mobile%20app%20of%20the%20payment%20card%20or%20IRIS%20with%20instant%20processing%20time,> [last accessed on 01/07/2025].

³⁹ Strategic Plan 2025-2029, Independent Authority of Public Revenue, available from: [IAPR operational plan 2025-2029.pdf](#), [last accessed on 10/07/2025].

⁴⁰ Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as subsequently amended

⁴¹ Source: Yearly Assessment 2025; EU AIAC Statistics 2024 – Subject to confidentiality clause on DAC art. 23a

⁴² Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC

⁴³ Income from employment, Director's fees, Pensions, Immovable properties

campaigns, which is particularly relevant to foster a deterrent effect among taxpayers, compliance actions including notifications for disclosure, and domestic risk assessment analysis ⁽⁴⁵⁾. It is followed by tax assessments after a case selection process, leading to significant increase in tax revenues.

DAC data matching rates ⁽⁴⁶⁾, concerning individuals, are slightly under the EU average for DAC1, and above for DAC2. In 2024, they were at 78% for DAC1 ⁽⁴⁷⁾, and 88% for DAC2, with the EU-average being at 84% and 87% respectively.

Greece uses DAC3 ⁽⁴⁸⁾ (rulings) and DAC4 ⁽⁴⁹⁾ (country-by-country report) data for risk-analysis purposes in the field of corporate income taxation. The percentage of reports identified successfully in 2024 is very high: 100% for DAC3 and 90% for DAC4, leading to a systematic processing of the information received. In accordance with the goals of DAC3, notifications of an existing advanced pricing agreement or a ruling are included in the domestic risk assessment procedures as part of the set of indicators that may lead to further investigations on the taxpayers concerned. Similarly, DAC4 reports are systematically processed for assessing risks on transfer pricing, base erosion and profit shifting matters, economic and statistical analysis, and audits limited to specific categories of transactions (e.g. transfer pricing).

The use of DAC 6 ⁽⁵⁰⁾ follows the same approach as DAC3 and DAC4. The administration process includes matching and risk analysis applied on the DAC 6 received data, leading to case selection for further enquiries. Data is mainly used for risk assessment, including assessing high-level risk of tax-harmfulness of the arrangements reported, notification to generate disclosure, general audit, or audit limited to specific categories of transactions (e.g. transfer pricing).

Greece makes use of other instruments provided for in DAC to facilitate cooperation on specific cross-border issues, such as simultaneous audits. Even with a limited number of cases, the synergies between participating Member States derived from these coordinated activities usually lead to an increase in the tax assessed which contributes to the reduction of the tax gap. Looking at the past

⁴⁴ 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

⁴⁵ Risk assessment: tax risk assessment is a key element of modern tax administration. It allows tax authorities to identify indicators that suggest specific taxpayers or arrangements may pose an increased risk to their jurisdiction and require further actions in terms of compliance. In general, EU tax authorities use automated methods based on domestic data and information received from other jurisdictions. Yet, a manual element may remain, as (i) tax authorities vary in terms of whether tax risk assessment is conducted centrally by a specialist risk assessment team incorporating input from the compliance function, or locally by the compliance team (or tax inspector); (ii) some data types remain challenging to be automatically processed, e.g. literal summaries.

⁴⁶ 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

⁴⁷ Average rate for Income from employment, Director's fees, Pensions, Immovable properties

⁴⁸ 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

⁴⁹ 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

⁵⁰ 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

three years, Greece initiated 1 simultaneous audit and was involved in 2024 in 4 other cases initiated by other Member States.

In conclusion, Greece uses the data obtained from the automatic exchange of information in coherence with the objectives of the DAC, based on a thorough approach in terms of risk analysis both as regards personal income taxation and corporate taxation. Greece needs to pursue the efforts deployed to improve the identification of taxpayers, in order to further enhance the impact of these information exchanges in terms of revenues, and the monitoring of the outcome of the use of data, to estimate more precisely the increase in the tax assessed.

5. Digitalisation and Compliance

5.1. Digital Transformation, Skills, and Culture

Greece has developed a strategy for digital transformation and digital culture which is overseen by a senior management governance body and has identified future skills requirements for the tax administration ⁽⁵¹⁾. Greece has in recent years deployed a digitalisation strategy in the tax administration with a wide range of tools that are recognised as best practices ⁽⁵²⁾. One of the key strategic objectives of the Greek tax administration for the period 2025-2029 is the digitalisation of the audit process with the use of innovative technologies in parallel with providing digital services to taxpayers. In this context, Greece has already implemented the following tools: cloud computing, artificial intelligence including machine learning, data science and analytics tools, application programming interfaces (APIs), whole-of-government identification systems. In use are also targeted controls, identifying targets with algorithms that detect unusual tax behaviour and suspicious transactions and predictive models to detect possible non-tax compliance or concealment of income. In this context and to detect tax evasion and fraud, the tax administration uses evidence received by third parties, by the digital reporting system 'myDATA', which is used for both income and VAT purposes, and by other digital applications such as tax and customs interfaces, electronic tax invoicing applications and the POS-Cash machine interface.

In 2025, Greece also introduced as a pilot project the digital client registry, targeting businesses in the automotive sector, including car repair shops, rental companies, tyre services, parking facilities, and car washes. The digital registry will enable the Greek tax administration to monitor customer activity instantly and cross-reference data with receipts submitted to the 'myDATA' platform. In its initial phase, the system will track key details from automotive businesses, including: daily customer counts, Customer Tax Identification Numbers (AFM), receipt details, vehicle license plate numbers (domestic and foreign), vehicle category and manufacturer. Looking ahead, the program is set to expand in its second phase to include event venues, wedding services, broadening its impact

⁵¹ OECD, Forum on Tax Administration, Tax Tech, available from: <https://www.oecd.org/tax/forum-on-tax-administration/tax-technology-tools-and-digital-solutions/strategy-governance-and-new-skills.html>, [last accessed on 8/7/2025].

⁵² OECD (2025), Governing with Artificial Intelligence: The State of Play and Way Forward in Core Government Functions, OECD Publishing, Paris, <https://doi.org/10.1787/795de142-en>.

across diverse industries to curb tax evasion by providing real-time insights into client transactions. Finally, to promote transparency and the role of the wider public, 'E-Appodixi' is a free mobile app developed by the Independent Authority for Public Revenue (AADE) in Greece. It allows citizens to verify whether the receipts they receive are authentic and legally issued, to report violations, either anonymously or with your name and receive financial rewards for named reports that lead to confirmed tax violations (up to EUR 3 000).

The strategic plan of the Greek tax administration envisages several milestones in 2025. They include the creation of a Big Data Digital Cross-checking and Analysis Unit, the adoption of a manual of audit procedures using data from the digital reporting system 'myDATA' and a new Centre for the Control of Large Taxpayers that will inter alia, face modern forms of tax evasion carrying out controls of cryptocurrencies, NFTs and other encryption instruments and tools. In the context of its RRP, the development of an Advanced Operational Intelligence (BI) and Data Analysis System is ongoing.

European Commission's Technical Support Instrument (TSI) is supporting the deployment of AI in Greece's tax administration. Greece has undertaken the following two TSI projects in 2024 related to the implementation of AI: Introducing data analytics and AI capacity for tax and customs risk management in Greece to enhance fraud detection Promoting the integration of AI Technologies in the Greek Public Administration.

Digital Identity: Greece requires individuals and businesses to use an approved digital identity to access a wide range of secure digital services; the digital identity is issued by the tax administration ⁽⁵³⁾.

5.2. Front end Digitalisation

5.2.1 Pre-filling

As regards pre-filling for PIT, Greece performs in line or above the performance of other Member States. In line with most Member States ⁽⁵⁴⁾, in 2022 Greece did provide prefilling facilities for personal income tax returns. Greece foresees the extension of these facilities in 2025, with the automatic pre-completion and pre-clearance of PIT declarations and the issuance of a notice of administrative assessment of income tax without submission of the declaration. This should contribute to reducing the burden of tax compliance and providing greater tax certainty for individual taxpayers and the tax administration.

Greece was one of the eight Member States that provided pre-filling of VAT returns in 2022. Pre-filling of VAT returns has been further enhanced with reforms initiated in 2023 (Law 5073/2023) which, amongst other measures, widened the mandatory acceptance of electronic payments and established new reporting requirements on data (income and expenses) transmitted to the tax administration ('myDATA') enabling the use of this data for VAT and income tax returns. In 2025,

⁵³ OECD, Inventory of Tax Technology Initiatives, available from: [OECD Data Explorer • Inventory of Tax Technology Initiatives](#), [last accessed 9 July 2025]. Note: Data is self-reported by tax administrations and therefore not 100% objective or comparable.

⁵⁴ OECD, Inventory of Tax Technology Initiatives, available from: [OECD Data Explorer • Inventory of Tax Technology Initiatives](#), [last accessed 9 July 2025]. Note: Data is self-reported by tax administrations and therefore not 100% objective or comparable.

Greece submitted a request for derogation to be authorised to implement an obligation to issue electronic invoices for transactions between taxable persons established in Greece. Although the derogation request was approved as submitted, European Directive (EU) 2025/516 entered into force at the same time, and it was on the basis of this Directive that Greece introduced legislation on mandatory electronic invoicing, to be implemented gradually from the beginning of 2026. Currently, there are different channels that can be used to transmit the data to the 'myDATA' platform. Once the mandatory electronic invoicing is implemented in Greece, electronic invoices will be the main channel for this transmission, with their data directly feeding the 'myDATA' platform. As a result, the information will arrive in real-time and with a high level of quality, making easier and faster for the tax administration to detect cases of VAT fraud. Further, the information received will be used to prepare prefilled VAT returns, helping businesses to comply with their VAT obligations. It should be noted that the 'myDATA' platform is also used for income tax purposes.

Similarly for CIT, Greece is one of the few Member States that offer a partial pre-filing for CIT returns in 2022. The 2023 reform further enhanced this service, by pre-filling data in the CIT return with information from the digital reporting system 'myDATA' and third parties.

According to a recent Eurobarometer survey, 49% of citizens in Greece find it very easy or fairly easy to complete their tax return, placing them 16th among EU Member States ⁽⁵⁵⁾. This figure was equal to the EU average which is somewhat surprising given the availability of prefilling facilities across each tax type in Greece.

5.2.2 E-filing

Greece has e-filing rates for CIT returns above the EU average. In 2023, Greece reported an e-filing rate of 99.9% ⁽⁵⁶⁾ for CIT, higher than the EU average of 97.1%. This indicates that nearly every company in Greece files their taxes electronically.

The e-filing rates for PIT returns (98.5% in 2023) is also high and above the EU average (87.1%) ⁽⁵⁷⁾. The rate has been relatively stable since 2018 (98.7% in 2018). The fact that most individuals in Greece file their returns electronically indicates that the e-filing facility is easy to navigate and has clear, straightforward instructions.

Lastly, Greece had e-filing rates for VAT returns (100%) above the EU average (99.2%) ⁽⁵⁸⁾. in 2023 compared to 99.6% versus 94.7% in 2018. Such high rate in combination with the more recently established digital reporting and mandatory e-invoicing gives Greece a better ability to analyse trends and detect VAT fraud, as well as aforementioned accuracy and efficiency.

The high e-filing rate in Greece is an indication of the fact that they are well advanced in the digitalisation process. It likely means lower compliance burden for Greek taxpayers compared to the

⁵⁵ European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025, <https://data.europa.eu/doi/10.2778/6066713>

⁵⁶ International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB

⁵⁷ Ibid.

⁵⁸ Ibid.

EU average. It is also beneficial to the tax administration, as e-filing reduces manual work and administrative costs, frees up resources to allocate to other functions and allows for quicker or automatic detection of potential fraud or tax evasion.

5.2.3 Provision of other online Services

In Greece, the tax administration provides a variety of additional online tools and services to taxpayers to reduce compliance costs. These include facilities to request payment arrangements and secure communication services (video, phone and message). Taxpayers can also file tax related objections, upload files onto the administrations system, access a personalised taxpayer portal that provides a 'whole-of-taxpayer' view across major taxes and the ability to view taxpayer information captured from third parties ⁽⁵⁹⁾. All these facilities can foster tax-compliant behaviour, as well as allowing administration resources to be allocated more effectively indicating that the tax administration in Greece is using digital services to their advantage. Greece has set target for 2029 that 95% of digital requests of taxpayers are handled within 24 hours per average and within 3 days per average for the rest 5% ⁽⁶⁰⁾. According to a recent Eurobarometer survey, 55% of citizens in Greece believe that support for filing tax returns provided by the tax administration is either fully adequate or mostly adequate, placing them 5th among EU Member States ⁽⁶¹⁾.

5.3. Back-end Digitalisation

5.3.1 Use of Artificial Intelligence by the Tax Administration

In Greece, there are systems allowing for the use of artificial intelligence in place in the tax administration. Along with 15 other Member States, Greece had such systems in place in 2021 ⁽⁶²⁾. The Greek tax administration has already incorporated artificial intelligence programmes and data mining in its operation. In the context of its RRP, the development of an Advanced Operational Intelligence (BI) and Data Analysis System is ongoing ⁽⁶³⁾.

The Greek tax administration leverages a scraping tool which collects data from private companies, such as e-commerce and social media platforms. The AADE has not disclosed many details on their scraping system, such as the data collected, the sources of collection or the taxes concerned. Reportedly, the underlying goal is to detect unrecorded financial activity through platforms and the sharing/gig economy. In 2020, the scraping system detected 20 000 properties for rent on Airbnb not declared to the AADE.

⁵⁹ International Survey on Revenue Administration data, available from [13. Stakeholder interactions: Compliance and innovation - ISORA](#) – tab “Online services 1” and “Online services 2”, [last accessed 10/07/2025].

⁶⁰ Strategic Plan 2025-2029, Independent Authority of Public Revenue, available from: [IAPR operational plan 2025-2029.pdf](#), [last accessed 10/07/2025].

⁶¹ European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025, <https://data.europa.eu/doi/10.2778/6066713>

⁶² International Survey on Revenue Administration data, available from [13. Stakeholder interactions: Compliance and innovation - ISORA](#) – tab “Innovative technologies 1”, [last accessed 10/07/2025].

⁶³ Press Release, 2023, “How the IAPR integrates AI into its audits and functioning”, Independent Authority for Public Revenue, available from: [dt 20.12.2023 1..pdf](#), [last accessed 10/07/2025].

Greece has also developed a real-time data matching tool to detect and prevent missing-trader fraud schemes. The deployment of this tool coincides with the obligation for taxpayers to transmit revenues data to the myDATA platform in real-time. The tool also processes retail sales data of electronic cash registers.

The Greek tax administration also deployed a supervised learning risk-scoring system to segment taxpayers into risk categories. The risk-scoring system generates a model that scores taxpayers to devise their annual treatment strategies and audit plans. The system is used across a wide array of tax items, including debt management prioritization ⁽⁶⁴⁾. Finally, the Greek tax administration developed an AI model for geo-locating swimming pools that have not been declared for tax obligations.

5.4. Compliance Risk Management

5.4.1 Compliance Risk Management Strategy

In 2022, Greece did not have in place a formal compliance risk management strategy ⁽⁶⁵⁾. Based on its Strategic Plan 2025-2029, the Greek tax administration is gradually transitioning to the leading Tax Administration 3.0 model, with decision-making based on data analysis (data-driven) and risk management at all levels (risk-based) ⁽⁶⁶⁾.

5.4.2 Audit Types

The Greek tax administration performs on site and desk audits, complete or partial audits and avoidance and evasion investigations. Strategic priorities in the area of audit to be implemented until 2029 include the following actions: standardisation of audit procedures and forms and use of specific experts per sector, use of the internet and new technologies to detect and identify undeclared tax base, prioritisation of audits with a focus on the control of cases of large tax evasion, fraud and legalisation of revenue from criminal activities, use of Artificial Intelligence and Machine Learning to detect non-conformity risks, development of predictive detection models for criminal offences, implementation of massive digital cross-checks and automated tax checks, sectoral analysis of taxpayers and debtors, monitoring the audit procedure throughout the cycle of the investigation with modern instruments, tools and audit techniques ⁽⁶⁷⁾.

5.4.3 Staff Dedicated to Audit, Investigation and Other Verification Functions

Greece's tax administration has relatively few staff, particularly in audit posts. In Greece, the percentage of full-time equivalents (FTEs) assigned to audit, investigation and other verification

⁶⁴ Taxadmin.ai

⁶⁵ International Survey on Revenue Administration (ISORA) data, available from <https://data.rafit.org/regular.aspx?key=74180916> – tab “CRM Strategy”, [last accessed 10/07/2025].

⁶⁶ Strategic Plan 2025-2029, Independent Authority of Public Revenue, available from: [IAPR operational plan 2025-2029.pdf](#), [last accessed 10/07/2025].

⁶⁷ Ibid.

functions was 22.16% in 2023 well below the EU average of 32.2% ⁽⁶⁸⁾. The Greek tax administration faces shortage of staff, in particular in audit posts which results in the non-treatment even of prioritised audit cases due to the large volume of cases per auditor.

5.4.4 Additional Revenue from Audits as a Share of Total Revenue

In Greece, the additional revenues raised from audits was equal to 3.87% of total net revenue in 2018 and 2.59% of total net revenue in 2023. The additional revenues are above the EU average for both years (respectively 2.77% and 1.6%) ⁽⁶⁹⁾, and the decrease from 2018 to 2023 follows a similar trend to the EU average. This decrease requires further analysis as on the one hand, the Greek tax administration has prioritized digitalisation to promote voluntary tax compliance and on the other hand, there is a shortage in audit posts.

As part of its RRP, Greece has undertaken reforms to codify and simplify the tax legislation and make it accessible to taxpayers. Measures include the codification and simplification of the (primary and secondary legislation) of the Income Tax Code and Code of Tax Administration, the VAT code, Stamp duty, Property taxes, State Debt Collection (KEDE) and National Customs Code as well as the set-up of a content management system and dedicated website for taxpayer information. These reforms shall make the tax administration more transparent by ensuring that public sector information can be found more easily, is compatible and easy to access digitally.

5.5. Tax Complexity

Greece has a relatively low level of tax complexity as it ranks 8th out of the 27 Member States in the Tax Complexity Index ('TCI') ⁽⁷⁰⁾. The TCI is based on the Global MNC Tax Complexity Project, a joint research project of Deborah Schanz (LMU Munich) and Caren Sureth-Sloane (Paderborn University). The TCI 2024 places Greece 16th among the Member States with regards to Tax Framework Complexity, and 7th with regards to Tax Code Complexity. This may indicate that whereas the structure of the tax regulations is rather efficient (notably with regards to group treatment, according to the authors), there is room to improve the tax processes carried out by the tax authorities (particularly in the area of audit, according to the authors). Interestingly, the exceptionally high number of tax expenditures existing in Greece does not seem to impact on the performance of the country in the TCI – structure of tax regulations.

⁶⁸ Own elaboration based on ISORA Database

⁶⁹ Ibid.

⁷⁰ See: <https://www.taxcomplexity.org/> The aim of the Global MNC Tax Complexity Project is to identify the determinants of tax complexity, to develop and maintain an index measuring the level of tax complexity across countries [Tax Complexity Index, TCI] and to examine the effects of tax complexity. The Tax Complexity Index measures the complexity of a country's corporate income tax system as faced by multinational corporations. The closer a country is to the first position of the ranking, the lower level of complexity it exhibits, and vice versa.