

INHERITANCE TAX

How high are inheritance taxes in Greece?

Inheritance tax is levied by the state. The tax is imposed not on the estate of the deceased, but on the beneficiaries in respect of their share of the estate. The liability for the tax arises at the time of death.

The inheritance tax is based on the fair market value of the share of each beneficiary at the time of death. Expenses such as funeral expenses, the deceased's debts and expenses for the care of the deceased are deductible from the inheritance.

Heirs are divided into three categories depending on the degree of kinship with the deceased.

- Category I includes spouses, children, grandchildren and parents.
- Category II includes grandparents, brothers, sisters, stepbrothers, stepsisters, foster parents, in-laws and children from husband's previous marriage.
- Category III includes all other beneficiaries that are not included in categories I and II.

INHERITANCE TAX
TYPE OF INHERITANCE
Immovable property
Shares
Other Property

Source: [Global Property Guide](#)

Real properties inherited by Category I and Category II heirs are taxed at a flat rate of 1%. Category I heirs are entitled to €95,000 exemption while the non-taxable threshold amount for Category II heirs is €20,000.

Category III heirs are taxed at the following tax rates on all of their inheritance.

INHERITANCE TAX FOR CATEGORY III HEIRS
TAX BASE, €
Up to €6,000
€6,000 – €72,000
€72,000 – €267,000
Over €267,000

Source: [Global Property Guide](#)

INHERITANCE LAW

What inheritance laws apply in Greece?

Inheritance issues involving property located in Greece are governed by the law of the foreigner's nationality.

Under its second chapter ("Private international law"), the Greek Civil Code (GCC) provides (art. 28) that issues arising from inheritance are governed by the law of the deceased person's nationality at the time of death.

If the foreign decedent's national law says that the applicable law in substantive inheritance issues is that of the country where the property is located (e.g. the laws of Greece) then the competent court, whether in Greece or not, should apply the inheritance rules set out in the GCC (arts 1865 – 2035, GCC).

In such cases, the inheritance laws of the foreigner shall be applied by the court to dispose of the estate, since issues arising from inheritance are effectively governed by the law of the deceased's nationality, and are distinct from the legal requirements regarding the technicalities of transfer of property ownership in Greek jurisdictions.

Consequently, a foreigner is able to dispose of his/her property in Greece after death without the restrictions (e.g. forced heirship) that apply to Greek citizens, provided that this is acceptable under his/her national law.

The only case where Greek rules of inheritance should apply automatically to the estate of a deceased foreigner is if he/she also had dual Greek citizenship.

The GCC provides (art. 27) that property rights, including possession rights of immovable property, are governed by the *lex rei sitae*, i.e. by the law of the State where the property is situated. The same law applies to property contracts and other juridical acts which create, convey, modify or reduce property rights (art. 12, GCC). However, it should be stressed that these are procedural rather than substantive matters, and do not undermine the general rule that foreigners' inheritance issues, involving property situated in Greece, are essentially governed by the law of the decedent's nationality.

The GCC (arts. 14-15) provides that the rights of spouses are subject, in order of priority, to the law of (a) their last common nationality or (b) their last common habitual country of residence or (c) the country to which they are most closely connected.

There are no special rules in connection with members of different religions, or different nationalities, or foreigners who do not reside in Greece, and there are generally no restrictions imposed on foreigners inheriting property in Greece. Prior permission may be required (on grounds of national security) in the case of property situated in some regions close to the Greek border, yet it is very unlikely that such permission will in the end be denied.

The Single-Member Court of First Instance (Monomeles Protodikeio) is competent for most inheritance issues especially those relating to probate proceedings. This Court is also competent for declaring foreign probates and inheritance rulings enforceable in Greece. Whether an applicant is a foreigner makes no difference to the competence of the Court; however, in the case of a non-resident foreigner, geographical competence falls upon the Single-Member Court of First Instance in Athens.

Non-contested inheritance cases typically take between six months to a year.

Rules of intestate succession.

If, in the absence of a will, succession is governed by Greek inheritance law, then the criteria of parentage, marriage and nationality designate the heirs. There are six classes of intestate heirs:

- The first class: descendants of the deceased (children, grandchildren, great grandchildren). The descendant of the nearest degree excludes all other descendants of a more remote degree. The surviving spouse is grouped in the first class and his/her portion is one fourth of the estate.
- The second class: the deceased's parents, brothers and sisters and well as the children and grandchildren of the brothers and sisters who pre-deceased the deceased.
- The third class: the grandparents of the deceased. If the grandparents do not survive, their children and grandchildren take the portion.
- The fourth class: the great grandparents of the deceased who inherit per capita irrespective of line. The surviving spouse, concurring with the second, third or fourth class, receives one half of the estate.
- If no relatives of the four classes exist, the spouse inherits all the estate in the fifth class.
- In the sixth class, in the absence of relatives, the heir is the State of the

deceased's nationality.

Forced heirship rules.

Rules of forced heirship apply to Greek citizens, and to the testamentary dispositions of foreigners if their national law provides. Under Greek rules, the forced heirs are entitled to a reserved portion of the estate, which includes the shares of the disinherited or unworthy heirs, and those who renounced succession. The reserved portion does not increase if a co-heir has lost his/her succession right. Any testamentary dispositions that prejudice a forced heir, or any restrictions imposed on his/his share by a will, are null and void.

If other heirs refuse to give the reserved portion to a forced heir, the forced heir has the right to demand restitution. Donations of the testator during his lifetime to the detriment of the estate and the reserved portion may be cancelled if the estate at death does not suffice to cover the reserved portion.

Forced heirship does not necessarily apply to foreigners.

Under article 28 of the Greek Civil Code (GCC) issues arising from inheritance are governed by the national law of the deceased's nationality at death and are distinct from the requirements of property law regarding the technicalities of transfer of ownership in jurisdictions outside the jurisdiction of the deceased.

Therefore, should a foreigner, for instance a British man, write a foreign will, in which he leaves his property in Greece (e.g. a house or land) to a friend, or someone who is not a member of his family, he is free to do so without any restrictions of forced heirship that apply to Greek citizens (or to other foreigners, in the case that their national law provides, on whichever grounds, that inheritance is governed by the laws of Greece). A foreigner can normally leave the whole of his/her property according to his testamentary disposition, and his/her relatives have no right to inherit a portion of the property provided that this is acceptable under his/her national law. A British heir needs to take a British grant of probate to the Greek court, to make it enforceable in Greece. On the basis of the order issued by the Greek court the transfer of ownership can be implemented under his/her name, according to Greek law procedures and formalities.

There is no need for a foreigner to make a Greek will.

Wills are made whenever a testator wishes arrangements other than those envisaged by intestate succession. There is no need for a foreigner to make a local will, yet a foreigner may choose to make his/her will while in Greece (which is neither advisable or practical if the testator does not intend to continue living in Greece). Greek law provides for three types of ordinary wills, i.e. the holographic, the public, and the secret.

- A holographic will is handwritten by the testator and is dated and signed by the hand of the testator.
- A public will is made before a notary in the presence of three witnesses or of another notary and one witness.

A secret will is an intermediate form between the holographic and the public. The testator is under no obligation to execute a secret will in handwriting, but he/she must sign it. The secret will, in a sealed envelope, is handed to the notary in the presence of three witnesses or another notary and one witness.

Property may be given during the lifetime of the owner.

The owner may freely give property to anyone prior to his/her death; however, if Greek inheritance rules apply (which, in the case of foreigners, is unlikely, and only if their national law provides) there may be restrictions in connection with reserved portions and forced heirship. Indeed donations of the testator during his lifetime to the detriment of the estate and consequently to the reserved portion, may

be cancelled, if the estate at death does not suffice to cover such portion.

Equitable ownership is foreign to Greek law.

Greek property law is heavily focused on notarial deeds, and dictates the form of contracts and other juridical acts having in rem effects regarding rights in immovable property situated in Greece; however, this relates to the contracts as such and has no bearing upon inheritance matters, which are governed by the law of the deceased's nationality. It is therefore unlikely that Greek law will apply to the property rights arising from a marriage between foreigners, even if some or all of their property is situated in Greece. It may only do so if Greece is the foreigners' last common habitual residence. Greek law may also be applicable in case of a marriage between a foreigner and a Greek, especially when the couple lives in Greece. Should Greek law apply, whether in a divorce or in an inheritance case, a spouse may claim a portion of the property acquired during the marriage, even if this property is not formally registered under his/her name. In so doing, the spouse must prove that he/she contributed, materially or otherwise, to the property acquisition (art.1400, GCC).

A guardian must be appointed to protect the interests of children.

Should property go on death to a child or children not of legal age, under Greek law a guardian may be appointed in the will (arts 1521 et seq., GCC); in case there is no such provision, then the Single-Member Court of First Instance will appoint a guardian.