

## **From Will to Deed in Greece-revisited – 2016 version**

Since we drafted the original article “Will to Deed: a road to property ownership in Greece,” back in 2007, many things have changed. This updated version will attempt to give you an overview of what you can expect in 2016.

Over the past several years Greece has struggled with many internal and external pressures. The introduction of austerity measures has initiated a host of new laws affecting property owners. A relatively new property tax called ENFIA has been implemented and it affects any and all property transactions in Greece.

In addition, the tax system has been updated and computerized and now all property and tax filings are submitted electronically through an on-line taxinet system, which can be difficult to navigate. Properties have to be accurately listed in the on-line system, even though the data available about a given property may be insufficient to register it in the strict electronic format.

### **Regarding Inheritance Law**

In Greece, the law requires an heir, identified through a Will or familial succession, to formally “accept” their inheritance. This “acceptance” is a detailed legal procedure and it can be a lengthy process in some cases. So if a relative leaves you their apartment in Athens, in a Will, or the family house passes to all the children of a family intestate (without a Will), this gives each of those heirs a legal right to inherit the given property. From having a “right” or “claim” to a property, to the creation of a deed in the heir’s name and actual ownership, this is the legal process of “acceptance of the inheritance.” Since different countries have different legal systems, problems may arise for example when a Last Will and Testament executed outside of Greece, includes a Trust. Trusts are not recognized in Greece (they are incompatible with Greek inheritance Laws) and they sever the chain of title, so it is prudent to seek out an attorney that specializes in property and inheritance issues to guide you through the process.

### **Significant changes relevant in 2016**

As mentioned, a fundamental change is the computerized on-line tax system which requires property owners to update their property listings in detail, even if the properties were inherited or purchased many years earlier and regardless of whether they are income producing or not. If an owner neglects to follow up on these filings, the outstanding taxes and penalties will accrue annually, and carry over to the testator’s heirs.

So if a relative of yours owns property in Greece, and they live outside of Greece they may be unaware of the new requirements, in particular the need to be properly registered in the electronic tax system. If this relative were to die, the heirs would not only have to follow through with all the annual filings the deceased relative failed to keep up with, but they will also have to file all the necessary paperwork pertaining to their own inheritance claim, starting from the relative’s date of death. This is regardless of when and where the Will was published. Certificates for the ENFIA property tax would need to be issued for the previous 5 years even if the owner died years earlier. This will, in turn, affect the heirs’ obligations, for failure to keep up with the property taxes will result in fines even if the heir only recently learned of their inheritance. While the taxes themselves may not be significant the fines and fees do add up.

## **Step by step**

In general, the certificates and documentation required for completing the acceptance procedure have multiplied considerably since 2007, making the entire procedure even more bureaucratic. While all these new rules might seem overwhelming, your attorney knows what needs to be done and they should guide you through the various steps. Below we have provided you with a basic list of what needs to be done for an acceptance in 2016.

- 1.** Contact your attorney and notify them of the death. Your attorney should begin by reviewing any Wills, either from Greece or from outside Greece, or in the alternative, the lack of a Will.
- 2.** Your attorney will request a family tree and some basic information that will enable them to identify the heirs and their shares under the Will or through intestate succession
- 3.** Your attorney will then identify the specific title office that covers the property area (several properties in different areas may mean several title offices). They will carry out a preliminary title search at the title office and also search at the Land Registry (LR) to determine the status of the property/properties. There are over 300 title offices located throughout Greece and the new Land Registry system is not yet complete. There are areas where it has “closed”, areas where it is starting up and areas where it has not yet been formed. Depending on the status of the LR for a given area will determine how simple or complex the LR procedure will be.
- 4.** Once the property is identified, your attorney will access the deceased’s tax filings, to determine if there are any outstanding taxes. In many cases property owners have not kept up with their on-line responsibilities and they may not even have access codes for the system. If the property is undeveloped land, or if the property deed lacks information, your attorney will need to hire a civil engineer to carry out a current survey of the property. Your attorney will then cross-check the testator’s E9 listings, pertaining to the deeds researched, to see if corrections need to be made (new parameters required for the online filings).
- 5.** Your attorney will contact a qualified notary (very different than a US notary) to calculate the property's objective tax value. This objective tax value is frequently a different value than the market value/or potential sale value of the property. However, this tax value is what is used to calculate the inheritance taxes and many of the administrative fees and expenses. With the ongoing financial crisis there are examples throughout Greece where the tax value exceeds the market value or vice versa.
- 6.** Your attorney will draft a detailed Power of Attorney (POA) for each heir, which will enable them to act on behalf of the heir. They will also ask you to provide them with death certificates and affidavits, which they will draft. Your attorney will then proceed to do the following:
- 7.** Issue a Greek tax ID for each heir.
- 8.** Issue a tax code and tax keys for each heir in the new computerized tax system and register for each heir a local tax representative. This representative listed with the Greek tax office must be someone residing in Greece such as your attorney or a relative.
- 9.** Work on fixing any loose ends on behalf of the deceased, in regards to his tax filings and property listings.
- 10.** Collect the necessary certificates, such as: certified verification of existing Wills (from the First Instance Court archives in Greece), death certificates (either from within Greece or from outside),

certificate of registration of death with the Office of Vital Records, filing of foreign Wills (with the Court), civil engineer's surveys and certificates, ENFIA tax certificates etc.

**11.** Draft the inheritance tax declaration and file it at the competent tax office on behalf of the heir. The familial proximity in relation of the heir to the testator and the value of the property, will determine the inheritance taxes, in some cases there will be no inheritance tax. However the inheritance tax declaration must be filed within a year of the death of the grantor. If this deadline passes, a penalty will be assessed by the tax office. Additional problems arise if the taxes have been left unpaid by the grantor, and the paperwork is outdated.

**12.** Submit all certificates and tax declarations to the *symvolaio-graphos*, or Notary and sign the inheritance deed in their presence on behalf of the heir.

**13.** File the official copy of the Notarial Deed with the title office and land registry.

**14.** File property listings in the name of the heir(s) within the on line tax system.

In conclusion, with the introduction of the new computerized tax system, the new property taxes and required annual filings, property owners must remain vigilant to keep current regarding their property in Greece. For property owners to ignore their obligations they may be placing significant burdens not only on themselves, but also potentially on their future heirs, as these heirs will have to not only pay the back taxes but also penalties and the costs of updating past filings. This increases the number of steps for the heirs and adds costs and time to the overall process. If you know someone living outside of Greece that owns property, ask them what they think about the new ENFIA property tax or ask them about the computerized tax system. In that way you will know if they are aware of the current issues regarding property in Greece. If they seem unaware, perhaps it is time to assist them in contacting an attorney in Greece who will help them follow up on what needs to be done regarding their estate.

Authored by **Gianna Zafeiropoulou** Athens Attorney at Law, [gzaf\\_law@otenet.gr](mailto:gzaf_law@otenet.gr), [www.greekpropertylaw.com](http://www.greekpropertylaw.com) and **Anna Haughton** – American Attorney, Member of the Massachusetts Bar- Business Consultant in Greece. [www.greeklandlaw.com](http://www.greeklandlaw.com) - [ahaughton@greeklandlaw.com](mailto:ahaughton@greeklandlaw.com) or [annahaught@aol.com](mailto:annahaught@aol.com). Both Gianna Zafeiropoulou and Anna Haughton reside in Athens Greece.