

Greek Property

Ownership of property, either residential or commercial, can often have important implications in terms of taxation and inheritance for the Greek resident. The tax authorities are now asking more searching questions and the whole area of tax-efficient property ownership is becoming more difficult.

ILS is one of the world's leading corporate service providers and has been serving professional clients in Greece for over 20 years. With its intimate knowledge of the corporate world, both offshore and onshore, and its detailed understanding of the needs of the Greek market, it has developed several solutions to cope with Greek property owning problems.

Existing property owning companies

Where the owners of an existing property company hold bearer shares and keep these in their possession, a problem is arising where the Greek tax authorities are now asking who owns the shares in the offshore company, which in turn owns the property.

We propose introducing another layer of ownership to preserve confidentiality for the beneficial owner. Either an Isle of Man Trust or a Panama Foundation can be established by ILS to own the shares in the offshore company replacing direct ownership by the beneficial owner.

New purchase of residential property

In this situation ILS can provide a new offshore company to own the property. This would normally be a simple British Virgin Islands or Belize company with a minimum of administrative requirements.

ILS recommends the use of a Trust or Panama Foundation to hold the shares in the

new company and preserve confidentiality for the client.

This means that future sales of the property will not be subject to property transfer tax, as the ownership of the property remains in the company, and ultimately in the Trust or Foundation, even though the ownership of the Trust or Foundation will have changed as a result of the sale.

Property in border territories

Where a property is to be purchased situated in the border territories of Greece, restrictions require that such properties, if owned by companies, are only owned by those resident in the European Union.

In such a case, ILS recommends the creation of a new UK company to own the property, which itself acts on behalf of an offshore principal, a company established for the purpose, probably in the BVI or Belize. We can create this 'nominee structure' with an appropriate agreement between the two companies so that there is no liability for UK tax, in particular Capital Gains Tax.

Corporate owned commercial property

Where an existing corporate structure owns a commercial property in Greece, ILS can introduce another layer of ownership to preserve confidentiality for the beneficial owner. Either an Isle of Man Trust or a Panama Foundation can be established to own the shares in the existing property owning company replacing direct ownership by the beneficial owner.

Purchase of new commercial property

Where a new commercial property is to be purchased, a structure can be established by ILS which may involve a Greek company to own the property together with an offshore company and/or a Trust or Foundation to own the Greek company.

The complexity of these commercial property arrangements is such that ILS will normally consult with the client to produce a tailor-made structure to meet the client's needs and preserve his confidentiality.

Inheritance

A major benefit of the use of the corporate structures outlined in this booklet is the ability for the client to direct inheritance in accordance with his wishes. The transfer of shares in a corporation is much more easily controlled than personally owned assets.

Financing

ILS has made arrangements with leading banks who understand the use of corporate structures, to provide financing on favourable terms for ILS's clients who use property owning structures.

What ILS can provide

- Effective ownership arrangement to meet your needs and reduce your exposure to tax
- Preparation of appropriate agreements and contracts
- Arrangements for ongoing maintenance and administration of companies
- Preparation of all the work necessary to establish the structure
- Confidentiality
- Inheritance provision
- Property transfer tax
- A single source

The next step

Contact us at
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Please note that ILS (Isle of Man) Limited does not offer tax advice. If you are not professionally qualified to give tax advice, we will be happy to make an appropriate introduction.