

How to open personal business in Greece

ENTREPRENEUR'S GUIDE

November 2023

Table of Contents

Disclaimer.....	3
Chapter 1: Registration in the tax office.....	3
Supporting documents to register a personal business	3
Tax domicile (Business address)	3
Declaration of activity code number (ΚΑΔ)	4
Value-added tax (VAT)	4
VAT Rates	4
VAT Schemes.....	5
European Union Intra-community transactions	5
Inspection of business location.....	6
Business Registration Process.....	6
Conclusion of the registration process	7
Chapter 2: Registration in the General Commercial Registry (ΓΕΜΗ)	7
Chapter 3: National Insurance Agency (e-ΕΦΚΑ).....	7
Registration at National Insurance Agency (e-ΕΦΚΑ).....	7
Insurance categories	8
Chapter 4: Business Obligations and Bookkeeping.....	8
Fiscal Documents	9
Electronic invoicing – Issuance of documents	9
Types of fiscal documents for sales	9
Business Bank Account	10
Electronic transaction terminal and card payment system (POS)	10
Cash register (Electronic Tax mechanism)	10
Chapter 5: Taxation and Fees	10
Basic Tax Obligations	10
Taxation.....	11
Taxation scale (2023)	11
Advance tax payments.....	12
Profession Fee.....	13
Taxation as a Freelancer (in Greek “Μπλοκάκι»)	14
Deductible Expenses	14

Chapter 6: Hiring Staff.....	15
Employer Registration with the National Insurance Agency (ΕΦΚΑ)	15
Employer’s obligations.....	15
Obligations toward the state	15
Obligations toward the staff	16
Minimum Wage, Insurance Contribution and Payroll Taxes	16
Minimum Wage	16
Insurance Contribution	17
Payroll Taxes	18
Chapter 7: Businesses of Sanitary Requirements	19

Disclaimer

This document summarizes the information needed by someone who wants to open a personal business in Greece in 2023. The IRC staff collected the data used in this guide through various sources. The reader is advised to crosscheck the information for any changes in legislation. This guide describes the procedures that must be followed and the business owner's obligations towards the state. Under no circumstances can this guide be considered a substitute for professional consultation (by an accountant, lawyer, etc.). The reader is highly advised to seek professional advice before launching the new business.

Chapter 1: Registration in the tax office

Supporting documents to register a personal business

To register a personal business, the business owner primarily needs the following documents:

1. Proof of business address
2. Declaration of launching a business ($\Delta 211$ form) that states the basic information of the business, the name of the business, all the types of business activity code numbers (ΚΑΔ), the business address, the VAT scheme, and whether the business has intra-community transactions (transaction with other EU countries) or not.
3. Copy of ID or passport and residence permit
4. A formal declaration form stating the business address and the business activity code numbers. The authenticity of your signature in the form must be certified either online through gov.gr or in a citizen service center (ΚΕΠ).

Other supporting documents that might be required are:

1. A formal declaration form stating the acceptance of inclusion in the VAT exemption scheme for income up to €10.000. *(Only if the VAT exemption scheme is selected)*
2. Degree or license to practice *(Only if it is required)*
3. Pre-approval of a license for a business of sanitary requirements – License to operate the space from the Municipality *(Only if required. Mainly for businesses such as bakeries, restaurants, cafés, nail salons, hair salons, etc.)*
4. Business space autopsy certificate *(if the tax office deems that an on-site inspection should be carried out)*

Tax domicile (Business address)

The business must declare an address as a tax domicile. If the business offers services, the owner's home address can also be registered as the business address.

The owner's home address **can NOT be registered** as the business address if:

- The business operates in the trade sector
- The business is of sanitary requirements (restaurant, café, beauty services, etc.)

Proof of business address

1. If the owner owns the property, a copy of the declaration of property form (E9 form) must be submitted to the tax office
2. If the property is rented, the business owner must submit a copy of the online commercial lease contract that has been electronically accepted by both the property owner and the business owner.
3. If the property is provided to the business owner free of charge, the business owner needs to submit a formal declaration form (in Greek, "Υπεύθυνη Δήλωση") from a first-degree relative that states that the property is provided free of charge. The legal declaration form must be accompanied by the property owner's declaration of property form (E9 form)
4. If the business owner declares a home address as the business address, they need to get the property owner's permission and alter the home lease to state that the property owner allows a business to operate.

Declaration of activity code number (ΚΑΔ)

The activity code number (ΚΑΔ) refers to the specific code the business activity has in the Greek accounting standards. The code must reflect the kind of business the owner will operate. At least one main activity code must be declared. The owner can declare as many secondary activity codes as they wish to include all the business activities, even if they are entirely different.

However, adding different activity codes might require additional supporting documents such as a license to practice, a specific location, etc.

If the exact activity code for the business type cannot be found, a corresponding one must be declared with the approval of the tax office.

Value-added tax (VAT)

VAT Rates

Three primary VAT rates are applied to all transactions:

1. The **standard rate**, equal to **24%** of the taxable value

2. The **reduced rate** equals **13%** of the taxable value. This rate is applied to specific products and services. Some examples are:
 - essential consumer products such as bread, milk, meat, fish, olive oil, cheese, pasta, flour, cereals, vegetables, coffee, tea, salt, vinegar, flours, starches, live animals, agricultural supplies, etc.,
 - services such as tourist accommodations, home care services for children, the elderly, etc., restaurants, cafes, pastry shops, related businesses, etc.
3. The **super-reduced rate** equals **6%** of the taxable value. This rate is applied to specific products and services. Some examples are:
 - Medicines, books, newspapers, magazines, theater and concert tickets, electricity, natural gas, etc.

VAT Schemes

The VAT scheme the business is going to be classified by is determined at the start of the business operation and is one of the following choices:

1. Normal VAT scheme
2. VAT exemption scheme
3. VAT exemption scheme for small businesses (sales up to €10,000)
4. VAT scheme for farmers
5. Special categories VAT scheme

Businesses that offer specific services considered necessities are eligible to be exempt from VAT. Such services are medical, educational services, etc.

According to article 39 of the Greek VAT code, small businesses with yearly gross revenue (sales) of less than €10,000 are exempt from paying VAT. In case the gross annual income exceeds the €10,000 threshold, the business should make a declaration in the tax office.

European Union Intra-community transactions

Suppose the business has transactions with other EU member countries. In that case, it must be registered in intra-community acquisitions and deliveries by filling out an application at the local tax office. The business does not have to register in this system when it starts to operate but only once it starts having intra-community transactions.

For as long as the business has intra-community transactions, it must submit a declaration form of Recapitalization Tables of intra-community transactions. The declaration form must be submitted until the 26th day of the following month of the one during which the transaction took place.

If the value of the transactions surpasses the threshold announced by the Greek statistical office, the business must also submit an Intrastat declaration. For 2023 the thresholds are as follows :

1. €150,000 for imports from EU countries
2. €90,000 for exports to EU countries

Inspection of business location

In rare cases, the local tax office might request an inspection of the business location. An authorized tax office staff will be assigned to oversee the inspection of the business location. The staff must confirm that the business location is suitable for the business the owner wants to start.

For businesses that offer services, whose registered business location is the owner's home, the owner can submit a request to the tax office to be exempt from the inspection.

After a successful inspection, you can declare the commencement of activity at your local tax office or online, as described, below.

Business Registration Process

Registering a private business in the tax office and declaring the start of operation can be approached in two ways:

1. **Online Registration:** The business can be registered online through the myAADE platform in the section called «Τα Αιτήματά μου». The platform is offered only in Greek. The business owner must already have tax registration number (AFM) credentials to enter the platform. If they don't have credentials already they can be created in the section «ΑΦΜ& Κλειδάριθμος.»

The required documents must be uploaded to the platform, and there is a chance the tax office will notify the business of an inspection at the business location to verify that everything is in order.

2. **Registration in your local tax office (DOY):** To register the business in person, an appointment must be booked with the local tax office. All the necessary documents must be submitted to the tax office.

To register a private business, the owner is not required to have a specific amount of money as capital, and there is no registration fee to be paid.

Conclusion of the registration process

The tax office will post the certificate of commencement of operation on the personal gsis account of the business owner in the section e-notifications (in Greek e-κοινοποιήσεις). You can also get the original commencement certificate by booking an appointment with the tax office.

You should know that you can go through the registration process on your own, ***but you are highly advised to hire an accountant who will do the process on your behalf***, as any mistake you make might result in fines and other problems later.

Once the certificate of commencement of operation is issued, the registration process of your business in the tax office is completed. However, a few more techniques must be completed to operate legally. More information can be found in the following chapters.

Chapter 2: Registration in the General Commercial Registry (ΓΕΜΗ)

All businesses must be registered in the general commercial registry through the chamber their respective commercial activity belongs to (chamber of tradesmen, chambers of commerce and industry, economic chamber, technical chamber, etc.) or the respective association (Bar association, medical association, etc.).

The cost of registering in the General Commercial Registry is €50 (registration fee €20 and €30 for the first year's subscription).

The yearly subscription to the General Commercial Registry is €30.

A subscription must also be paid to the relevant chamber or association. This cost depends on each chamber or association.

The business can register with the General Commercial Registry after completing the business registration at the tax office. Information in writing can be found at the relevant chamber of your city.

Chapter 3: National Insurance Agency (e-ΕΦΚΑ)

Registration at National Insurance Agency (e-ΕΦΚΑ)

The National Insurance Agency must ensure the business owner is a self-employed individual. An application to register must be filed before the 10th day of the month following the one

the operation of the business started. For example, if the company started on January 1st, the owner must register with the National Insurance Agency before the 10th of February.

The owner can register either online or in person by booking an appointment.

The insurance category the owner will fall under during the registration process must be declared. If it is not declared during the process, the owner is automatically assigned a category as follows:

Neglect to register or registration after the deadline leads to the owner being automatically assigned to and must pay the insurance fee of the particular category(€138,15 if it's the first time you open a business and for the five first years)

If the data that the agency has in its possession to assign an insurance category is not sufficient, the owner is given and must pay the insurance fee of the 1st category(€230,25)

There is no cost to register at the National Insurance Agency.

Insurance categories

Every year the owner must declare the insurance category they wish to be under. The owner is automatically assigned to the lowest category if a class is not declared.

You are not obliged to enter a higher insurance category and pay a higher fee if you don't wish to.

The insurance categories and corresponding rates are:

Insurance Categories	Insurance fee
Special category (New business owners for the first five years of operation)	€138,15
1st category	€230,25
2nd category	€276,31
3rd category	€331,13
4th category	€398,02
5th category	€476,96
6th category	€620,60

The insurance fee the owner pays provides:

1. Free access to public hospitals.
2. A reduced price on medicine and medical examinations executed outside of public hospitals (pay 25% of the price).
3. A portion of the owner's insurance goes toward their pension plan.

Chapter 4: Business Obligations and Bookkeeping

Fiscal Documents

Electronic invoicing – Issuance of documents

Since 01/01/2022, the government has introduced a new online invoicing platform called MyData. Since then, we are issuing all fiscal documents electronically (invoices, receipts, etc.) has become mandatory. An exemption to this is the receipts issued from a cash register.

There are a few ways someone can issue, distribute to customers and send fiscal documents to the Independent authority of public revenue (AADE) :

1. Through an **electronic invoicing service provider**, meaning a company that sends the fiscal documents on your behalf to your customers and AADE. This includes receipts and invoices.
2. Through **commercial software** (accounting software, ERP, CRM, etc.) that is automatically connected with the AADE.
3. Through the free **e-timologio application** created by AADE. The application issues and sends the fiscal documents to customers, and AADE automatically
4. By applying to AADE to issue handwritten fiscal documents. The business must submit a **special registration form** electronically at AADE. This is the only way that gives you the option to issue handwritten budgetary documents. This way only applies if:
 - If the business has annual revenues of less than €50.000 or
 - If the business issues up to 50 invoices for sale annually
5. Through a **cash register**. This only applies to retail sales and the activity code numbers for retail trade. **The cash register needs to have the option to automatically sends all the sales data to AADE.**

Types of fiscal documents for sales

The primary fiscal documents used by most businesses are:

1. **Sales invoice (ΤΠ)**: the document issued for any product sale **where the client is another business or company.**
2. **Invoice for provided services (ΤΠΥ)**: the document issued for any service provided to other businesses or companies.
3. **Retail sales receipt (ΑΛΠ)**: the document issued for any retail sale of consumer products.
4. **Receipt for provided services (ΑΠΥ)**: the document issued for any service provided to individuals.

All the above fiscal documents are subjected to VAT.

Keep in mind that any transaction with clients that exceeds €500 needs to be paid by card or bank transaction to be legal.

Business Bank Account

The business owner has to open a business current bank account within 30 days of the commencement of operations in a bank of their choice. The bank must operate in Greece. The business bank account must be declared at AADE through the owner's gsis account. The owner can have multiple business bank accounts from different Greek banks.

All business transactions need to be made through the business bank account, both for revenues and expenses.

Electronic transaction terminal and card payment system (POS)

The business is obliged to have in place a method of card payment for your customers. Types of methods that can be used are:

- Having a POS terminal machine
- Having a POS application on your phone
- Having an electronic payment method at an e-shop.

The POS terminal must not be registered at AADE, but you must connect it to your business bank account.

Cash register (Electronic Tax mechanism)

Some business types must issue receipts through a cash register(mainly commercial trade businesses). Each cash register has a unique ID number which needs to be registered under the owner's tax registration number (ΑΦΜ). The cash register must support an online connection with AADE. In case of loss of the cash register or the accompanying book, the business will be fined. The cash register must be registered online at gsis within ten days of the date of purchase.

Chapter 5: Taxation and Fees

Basic Tax Obligations

1. **Transactions bookkeeping (Book of revenues and expenses):** It is mandatory to record all the business transactions in the book of income and expenses. The records in the book must be updated every three months. Failure to do so can lead to a **fine of €3000**.
2. **VAT declaration:** At the end of every quarter, a VAT declaration form must be submitted to AADE. For example, the VAT declaration form for the first quarter includes the transactions that took place during January, February, and March. The VAT declaration form must be submitted by the end of the month following the quarterly transactions you declare.
3. **Declaration of income:** Once a year (usually during spring), the declaration form for the business's profits (E3) and the owner's revenue (E1) must be submitted. Each year we declare the profits and income for the previous fiscal year.
4. **Declaration of EU intra-Community transactions:** If the business has transactions with other EU countries, either for selling goods or buying supplies, these transactions must be declared monthly.
5. **Tax withhold on businesses that offer services to other businesses:** Businesses that provide services (mainly consulting services) to another business and receive a payment of a net value that surpasses €300 are subjected to a tax withholding of 20% of the payable value of the service. The tax is being withheld by the business that receives the service (client), which is also responsible for declaring the tax withholding within two months of the transaction. The client needs to pay the tax withholding through gsis to AADE. Once the business submits the year's income declaration, it will reclaim the amount of the tax withholding. It will appear automatically in the income declaration form either as a deduction of the tax payable or a return if the business is not subject to paying tax on this specific year. **Only specific businesses are subject to tax withholding.**

For example, let's assume the business is a consulting agency that offers services to a client for a net value of €1,000. The amount the business will receive upon completion of the services is calculated as follows:

Net service value	€1,000
VAT(24%)	+ € 240
Service value with VAT	= €1,240
Tax withhold (20%)	- € 200
The amount payable by the client	= €1,040

Taxation

Taxation scale (2023)

The tax on personal businesses for 2023 is calculated based on the following scale:

Income Bracket	Tax Rate	Bracket Tax	Total Income	Total Tax Payable
€0-€10,000	9%	€900	€10,000	€900
€10,001-€20,000	22%	€2,200	€20,000	€3,100
€20,001-€30,000	28%	€2,800	€30,000	€5,900
€30,001-€40,000	36%	€3,600	€40,000	€9,500
More than €40,000	44%			

The business is taxed on net profit and NOT on sales!

For the **first three years of operation**, the tax rate of the first income bracket is discounted by 50% if the **business sales do not surpass €10,000**. That means the tax rate becomes 4,5%

For businesses that declare zero profits or losses, the business owner is taxed based on presumptions (in Greek τεκμήρια) such as:

- **Cost of living presumption:** The amount considered needed to survive. For an unmarried individual is equal to €3,000, and for a married one to €2,500
- **Car ownership presumption:** The amount considered needed to own a car. The amount is announced by AADE for each type of car every year. It is calculated based on the age of the vehicle and the car's engine capacity.
- **House ownership presumption:** The amount considered needed to own a house. The amount is announced by AADE every year. It is calculated based on the size of the house, whether it is an apartment or a detached house, etc.
- **Loan repayments presumption:** The amount the individual paid during the year as repayments of a loan.

The accumulated amount calculated based on the presumptions is taxed based on the above-mentioned taxation scale.

If the business has profits but the amount calculated based on the presumptions is higher than the business profits, the business owner will still be taxed based on presumptions.

Advance tax payments

On top of income tax, businesses also have to pay an advance tax payment. The advance tax payment is paid for every year of operation, and the next fiscal year is either returned to the business owner or is offset with the amount payable for that year. After the first year, the burden of the advance tax payment is almost not noticeable if the business has similar profits, as it is counterbalanced from the return of the previous year's advance payment.

The advance tax payment rate is 55% but is discounted by 50% for the first three years of operation. That means the advance tax payment rate becomes 27,5% for the first three years.

The following is an example of how the advanced payment was calculated in 2023.

A business in 2022 had a net profit of €40,000. The business is in its 1st year of operation.

The total tax payable for 2023 is*

$$(\text{€}10,000 \times 9\%) + (\text{€}10,000 \times 22\%) + (\text{€}10,000 \times 28\%) + (\text{€}10,000 \times 36\%) = \text{€}9,500.$$

The advance tax payment on this tax is $\text{€}9,500 \times 27.5\% = \text{€}2,612.5$

That means the business must pay a total amount of $\text{€}9,500 + \text{€}2,612.5 = \text{€}12,112.5$ in 2023

***The Calculations are based on the taxation scale for the profits of 2022. In this case, it is the same as in 2023. If it were different, we would use the rates announced for 2022.**

The same business in 2023 had a net profit of €45,000.

If the taxation scale does not change, the total tax payable for 2024 is

$$(\text{€}10,000 \times 9\%) + (\text{€}10,000 \times 22\%) + (\text{€}10,000 \times 28\%) + (\text{€}10,000 \times 36\%) + (\text{€}5,000 \times 44\%) = \text{€}11,700.$$

The advance tax payment is $\text{€}11,700 \times 27.5\% = \text{€}3,217.5$

That means the business must pay a total amount of $\text{€}11,700 + \text{€}3,217.5 - \text{€}2,612.5 = \text{€}12,305$ in 2024.

Profession Fee

The business owner must pay a profession fee every year based on the following:

1. Pay a fee of €650 annually for the main business. The fee is issued after the declaration of income is submitted for the year
2. Pay an additional fee of €600 for each branch of the business annually
3. If the entrepreneur is a freelancer, the profession fee is reduced to €400 if the tax domicile (business address) is in a tourist area or an area with a population of up to 200,000 residents. The fee is increased to €500 if the area's population surpasses 200,000 residents.

The business owner is exempt from paying the profession fee if:

1. The business is in the first five years of operation, counting from the registration date.
2. The business owner has a disability evaluated as equal to or higher than 80%. The relevant authorities conduct the evaluation.
3. If the tax domicile (business address) is located in a village of up to 500 residents or non-touristic islands of fewer than 3,100 residents.

Taxation as a Freelancer (in Greek “Μπλοκάκι”)

If the business owner is a freelancer, all the above-stated apply. The only differences from a typical private business owner are the following:

1. A freelancer is taxed the same way staff would. Based on the following scale:

Income Bracket	Tax Rate	Bracket Tax	Total Income	Total Tax Payable
€0-€10,000	9%	€900	€10,000	€900
€10,001-€20,000	22%	€2,200	€20,000	€3,100
€20,001-€30,000	28%	€2,800	€30,000	€5,900
€30,001-€40,000	36%	€3,600	€40,000	€9,500
More than €40,000	44%			

Unlike other business owners or companies, employees' and freelancers' income is not taxed from the first euro. On the contrary, up to a limit, their income is tax-free. The tax-free income is calculated after the tax deduction and is based on the individuals overall income and family status(no of children he/she has).

2. To be categorized as a freelancer, the entrepreneur needs to :
 - Have a contract to provide services to no more than three legal entities or individuals, or 75% of your sales to be generated by services provided to 1 legal entity or individual.
 - Not have commercial activities (sell products etc.)
 - Register their home as the tax domicile (business address).
3. Once taxed as a freelancer, any expenses for the business apart from your insurance fees can not be deducted
4. A freelancer cannot receive a salary for working as a staff member for another business, something a regular private business owner can.

Deductible Expenses

All the expenses the business makes can be deducted from the income before taxes if:

1. They are expenses made exclusively for the business
2. They correspond to actual transactions
3. They are registered in the business accounting books and can be proved by relevant accompanying documents (invoices, receipts, etc.)

Expenses that are considered non-deductible are the following:

1. Expenses related to purchasing goods or receiving services with a value over €500, provided that partial or complete payment has been made in cash.
2. Unpaid insurance fees
3. Fines and penalties, including surcharges
4. Personal expenses of the business owner

Chapter 6: Hiring Staff

Employer Registration with the National Insurance Agency (ΕΦΚΑ)

Apart from personal insurance, the owner must also register as an employer from the first-day staff is hired.

Following the registration as an employer, the business has three days to submit the hiring documents of all staff members online through the “Business Service Information System” (ΕΡΓΑΝΗ) of the Ministry of Labor and Social Affairs.

The business must also contract a certified technical safety specialist that will supervise the premises of the company every month for the safety and welfare of the staff. Alternatively, the business owner can attend a safety and welfare techniques seminar in a certified vocational training center (ΚΕΚ) and receive a certification that can only be used for his /hers own business. Upon receiving this certification, the business owner is no longer obliged to contract an external specialist.

Employer’s obligations

Obligations toward the state

Apart from the above-mentioned, the employer has the following obligations towards the state:

1. **Detailed periodic statement (ΑΠΔ):** It is a statement of the monthly salaries of all the business employees, along with the employer’s and the staff’s contributions to the employees’ insurance. It must be submitted online to the National Insurance Agency monthly. The employer is also obliged to pay the employer’s insurance contribution every month and the insurance contribution that has been withheld on behalf of every staff member.
2. **Staff Board:** It is a list of all employees a business has. It includes their details, the hours and days they work, etc. The staff board must be submitted to the Independent Authority of Labour Inspectorate (ΣΕΠΕ) annually if there are no changes in members of staff or their working dates and hours. Otherwise, it must be submitted every time a staff member or their operating hours or dates change. If ΣΕΠΕ inspects the business

location and finds irregularities between the staff board and the staff present on the day of inspection, the business will be fined €10,500.

3. **Declaration of annual leave:** The business must declare through “ΕΡΓΑΝΗ” in April of each year the details of the employees that received their annual leaves days and end-of-year allowance for the previous year. These details must be registered in the “Annual leave book” (E11 form), an online document that must always be up to date in case of an inspection
4. **Declaration of Overtime:** The business must declare through “ΕΡΓΑΝΗ” the hours of overtime for each staff before the start of its implementation (E8 form)
5. **Application for work on Sundays or National Holidays:** Some businesses belong to the category of businesses that are not permitted to operate on Sundays or National holidays. Those businesses, in the rare case that they want to employ staff on Sundays and/or holidays, must submit an online application to the Independent Authority of Labour Inspectorate (ΣΕΠΕ). The deadline to submit this application is the working day before the Sunday or Holiday and until 13:00.
6. **Declaration of termination of the employment contract:** Within four working days, the business must declare the termination of the employment contract of staff, stating the reason for termination. The declaration must be submitted online through “ΕΡΓΑΝΗ.”

Obligations toward the staff

The business also has the following obligations toward the staff:

1. **Contract of employment:** The business must create a contract for every new staff member. The agreement must clearly state the total amount of monthly salary or daily wage, the working hours, the position details, duties, etc.
2. **Bank payroll payment:** The business must pay the total net amount of the staff’s salary to him through a mandatory bank transfer. **Paying staff in cash is illegal.**
3. **Employee benefits:** Apart from the salary, the employer is obliged by law to provide the following benefits to the staff:
 - *Annual leave:* 20 days for the first year of the staff working for the business.
 - *End-of-year(holiday) allowance:* Equals half a salary
 - *Christmas allowance:* Equals to one salary
 - *Easter allowance:* Equals half a salary

Minimum Wage, Insurance Contribution and Payroll Taxes

Minimum Wage

The statutory minimum gross wage in Greece is €780 per month. The net salary for this amount is €667. You cannot employ someone full-time for less money than this amount.

The minimum wage is increased depending on the staff's years of proven legal work experience as follows:

Years of experience	Minimum Wage	Additional gross pay	Total minimum wage
0-3	€780	€0	€780
3-6	€780	€78	€858
6-9	€780	€156	€936
9 & Over	€780	€234	€1,014

If you employ someone on a day-by-day basis, then a minimum gross daily wage applies, which amounts to €34.84 per day.

The minimum gross daily wage is also increased depending on the staff's years of proven legal work experience as follows:

Years of experience	Minimum Daily Wage	Additional gross pay	Total minimum wage
0-3	€34.84	€0	€34.84
3-6	€34.84	€1.74	€36.58
6-9	€34.84	€3.48	€38.32
9-12	€34.84	€5.23	€40.07
12-15	€34.84	€6.97	€41.81
15-18	€34.84	€8.71	€43.55
18 & Over	€34.84	€10.45	€45.29

Insurance Contribution

Employers are obliged to pay insurance contributions for their employees. Moreover, they must withhold from the staff's monthly gross salary the staff's insurance contributions and pay them on their behalf to the National Insurance Agency (ΕΦΚΑ).

The insurance contributions for the most categories of employee's are calculated based on the following rates and are used to cover the following categories:

Category of Insurance	Staff's Contribution	Employer's Contribution	Total Contribution
Primary pension	6.67%	13.33%	20.00%
Healthcare	2.55%	4.55%	7.10%
Supplementary pension	3.00%	3.00%	6.00%
Unemployment Agency	1.65%	1.41%	3.06%
Total	13.87%	22.29%	36.16%

For example, if staff is paid minimum wage, his net salary is €667 per month for 40 hours per week.

- The monthly staff's insurance contribution is calculated based on the gross wage the staff receives, which in this case is €780. $€780 \times 13.87\% = €108.19$ per month withheld and to be paid to ΕΦΚΑ by the employer
- The monthly employer's insurance contribution is calculated based on the employee's gross wage. $€780 \times 22.29\% = €173.86$ per month to be paid to ΕΦΚΑ

Based on the above and taking into account the allowances the employer must pay to the staff each year, the cost of wages and insurance of hiring staff on minimum wage for a year is :

Salary:	$€667 \times 14 =$	€9,338
Staff's insurance contribution:	$€108.19 \times 14 =$	€1,514.66
Employer's insurance contribution:	$€173.86 \times 14 =$	€2,434.04
Total annual cost:		13,286.70

The same rates apply to employees that are paid daily. There might be a small additional amount that must be paid for employees that work in hazardous occupations.

Payroll Taxes

Payroll taxes are the taxes employees pay on salaries. For employees, taxes are withheld from their paychecks and delivered to the government by the employer every month.

The payroll tax for each staff is calculated based on the salary after the staff's insurance contribution is deducted.

For example, let's assume a staff with no children, with a monthly salary of €1,500. The payroll tax is calculated following the steps below:

1. Calculate the salary after the staff's insurance contribution is deducted.
 $€1,500 - (€1,500 \times 13.87\%) = \mathbf{€1,291.95}$
2. Calculate the annual income of the staff (including the allowances)
 $€1,291.95 \times 14 = \mathbf{€18,087.30}$
3. Calculate the tax that applies to this income based on the previously stated rates.
 $(€10,000 \times 9\%) + (€8,087.30 \times 22\%) = €900 + €1,779.21 = \mathbf{€2,679.21}$
4. Calculate staff benefits from a tax deduction up to a certain income. Calculating this tax deduction is the next step.

For up to €12,000, the tax deduction is €777. The deduction is reduced by €20 for every €1000 of the remaining €6,087.30. That means the total deduction is € 777 – {(€20 x 6) + [(€87.30 /€1000) x €20]} = **€655.26**

The payable tax for the staff will be €2,679.21- €655.26 = **€2.023,95**

5. The monthly payroll tax is equal to €2.023,95 / 14 = **€144.57**

Chapter 7: Businesses of Sanitary Requirements

Some types of businesses are of health interest. Examples of those businesses are restaurants, cafes, nail salons, hair salons, etc. Opening a sanitary requirements business requires having an operating license from the local municipality. A civil engineer is generally in charge of preparing all the necessary documents and applying on behalf of the owner in the municipality. Depending on the type of business, the owner might be asked for one or more of the following:

1. License to practice
2. Fire safety license approved by the fire department
3. Smoking license approved by the municipality
4. Safety technician's book accompanied by the annual report
5. Signage for the prohibition of alcohol consumption for persons under 18 years of age
6. Music reproduction license
7. License to use common area
8. Health certificate for owner and staff.

There are other specifications that the business need to comply with that have to do with the physical store.

You are advised to consult with a civil engineer before buying or renting a space to ensure the building is appropriate for a business of health interest.