Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila
Website : www.insurance.gov.ph

MEMORANDUM

9-29-10

TO IT and Records

please scan and disseminate
IC Circular Letter 27-2010 dated Sept. 29, 2010
to PLIA
PIRA
IAAB
CHAMBAI
Federation of Pre-Need Companies.

Thanks.

fr
PRECY

– Note: To be posted at IC website

PRECY fr

Deputy Commissioner VIDA T. CHIONG

Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
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Circular Letter No.:	27-2010
Date:	~~September 29,~~ 2010

TO : ALL INSURANCE AND REINSURANCE COMPANIES, INTERMEDIARIES, MUTUAL BENEFIT ASSOCIATIONS, TRUSTS FOR CHARITABLE USES AND PRE-NEED COMPANIES

SUBJECT : GREEK GOVERNMENT TAX INCENTIVES FOR THE REPATRIATION OF CAPITAL

Attached for your information and guidance is the letter dated June 22, 2010 of Hellenic Anti-Money Laundering and Anti-Terrorism Financing Commission and copy of Article 18 of *L3842/23-4-2010 (OGG A58)* granting incentives for the repatriation of capital.

VIDA R. CHIONG
Deputy Insurance Commissioner
Officer-in-Charge

INSURANCE COMMISSION
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HELLENIC ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING COMMISSION

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GREECE

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Athens, 22/06/10

To: the Heads of FIUs

Dear All,

As you are all aware, over the last months, Greece faces serious economic issues. One of the measures introduced by the Greek government to mitigate the crisis is L3842/23-4-2010 (OGG A58) which came into force on 23 of April 2010. The scheme offers tax incentives for those who wish to repatriate funds, for a limited period of six months. The transfer of funds is to be exclusively executed through the credit and financial institutions that have effective AML/CFT regime.

It is worth mentioning that AML/CFT requirements are kept in force and effect. International cooperation is an additional valuable tool to prevent the Greek asset repatriation scheme being misused by criminals who wish to use the scheme to launder funds from illicit activities.

To this end, I would very much appreciate if you could disseminate this information to the competent authorities of your country responsible for monitoring incoming and outgoing funds.

I would like to assure you that the Greek financial sector has already taken the appropriate measures to effectively monitor the situation.
Having faith in our close cooperation I would like to thank you for your support.

Sincerely yours,

CHAIRMAN OF THE GREEK FIU

STELIOS K. GKROZOS

PUBLIC PROSECUTOR TO THE SUPREME COURT

Article 18 of L3842/23-4-2010 (OGG A58)
Incentives for the repatriation of capitals

1. Natural and legal persons that are subject to taxation in Greece can transfer, within six (6) months from the day that the present law becomes into force, assets from abroad which are subject either to declaration or to taxation according to the domestic provisions in force at the time of a duration of at least one (1) year, by paying a tax of 5% on their value at the at the time of the transfer. If the assets remain abroad a tax of 8% is posed. For the implementation of the provisions of this paragraph, the imported assets should have been deposited abroad at the time this law comes into force.

2. The import of assets becomes exclusively via banks or other financial institutions, situated in Greece, with "statement-authorization" of the natural and legal person who proceeds to the transfer of the assets. The banks or the financial institution, retains the tax at the time of assets transfer and within the foreseen special statement to attribute the tax to the relevant tax authority up to the last working day of the following the transfer month. Especially for assets remaining to banks abroad, the tax is attributed by the obligated person with a special statement to the relevant tax authority within the next month of the end of the six month period provided in paragraph 1. The provisions of articles 66 up to 71, 74, 75 and 84 of the Code on Income Taxation as well as these of law 2523/1997 (A΄ 179) are implemented in an analogous way and are implemented to the tax payable by virtue of the provisions of this article.

3. Banks and financial institutions must keep the provisions relevant to the bank and tax secrecy for the persons importing assets or asking information for the application of this article.

4. Upon the payment of the tax, the tax obligation for assets imported by the natural or the legal person is exhausted. The way of acquisition of this capital is not monitored in order to apply the relevant tax provisions, and is taking into account to cover or to minimize the difference between the total expense accrued according to article 17 of the Code on Income Taxation and the income declared or it is calculated by the Tax Authority according to the provisions of article 19 of the Code.

5. If the assets imported are placed on government securities which are kept by the relevant natural or legal person for at least two (2) years or are placed in mutual funds or are used within two (2) years from their import for buying real estate or for construction of any building in Greece or for any other business investment, a fifty per cent (50%) of the tax paid is returned free of interest to the natural or legal person. If a part of the assets imported is invested then the relevant part of the returnable tax according to the previous sentence is returned, according to the value of the investment.

6. With decision of the Minister of Finance are determined:

a) The form and content of the "statement-authorization" of the person proceeding to the transfer of assets,
b) The way and process of the transferring of these assets in Greece,
c) The form and the content of the declaration according to which the banks or the financial institutions attribute the tax that has been retained to the State,
d) The form and content of the declaration according to which the obligated persons attribute the tax percentage of 8% due to the state,
e) The procedure of tax return that has been retained and attributed to the state when the transferred assets have been invested according to paragraph 5 and
f) Any other or relevant issue.

7. Following the end of the six (6) month period provided in paragraph 1, the greek authorities activate any international or european agreement in order to identify assets in banks abroad held by the persons referred to the same paragraph.
8. L3691/2008 is applicable irrespective of the previous paragraphs.