

COUNTRY DIGEST

Stamp Duty Eliminated on Insurers

A much-anticipated but long-delayed elimination of Greece's stamp duty on insurance contracts is finally under way. The Parliament on February 5 passed a bill ending the stamp duty, which is currently 2.4 percent of the risk premium, with retroactive effect from January 1.

The tax relief currently applies only to life and damage insurance, but the stamp duty likely will be withdrawn on all other insurance classes starting in 2010. The tax relief extends to all EU insurers providing risk

coverage in Greece on a nonresident basis under the EU directive on the freedom of services.

The law is not yet in force, as the bill has not been published in the official gazette. However, that is expected to happen soon.

Stamp duty reform has been a topic of discussion in Greece for several years, so it is surprising that it has been approved at a time when many governments are looking to increase taxes. ♦

♦ *Richard Asquith, head of VAT, TMF Group, London*