



Corporate Transformations: the positive changes introduced by Law 5162/2024

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1. Definitive capital gains exemption at shareholder level

Main rule:

- Shares or interests received in mergers, divisions and conversions are recognized for tax purposes at fair market value.
- The regime provides for a definitive exemption from capital gains tax

Key limits:

- The exemption is subject to a two-year holding period.
- A transfer within two years triggers a clawback.
- No exemption applies to the portion corresponding to any cash payment.



2. “Branch of activity”: wider definition and open points

A. Wider concept under the new framework

- For partial divisions and spin-offs, a branch of activity may consist of the totality of the assets and liabilities of part of a company, or of individualized assets together with the related liabilities.
- From an organizational perspective, the relevant unit(s) must constitute an autonomous operation capable of functioning independently.
- This applies irrespective of whether revenue is generated before the transformation.
- The definition is broader than the one under Directive 2009/133/EC.

B. Open points

It has not yet been clarified whether own-used assets or internal functions / departments of a company may qualify as branches of activity, save for branches still at an early stage of development.

3. Contribution of a sole proprietorship or joint venture- special rules



A. Scope

- L. 5162 expressly extends the new framework to the contribution of a sole proprietorship or a joint venture under Article 293 para. 2 of Law 4072/2012 to an existing or new company under Article 2 para. 1 of Law 4601/2019.
- This is one of the notable extensions of the new regime.



B. Tax treatment

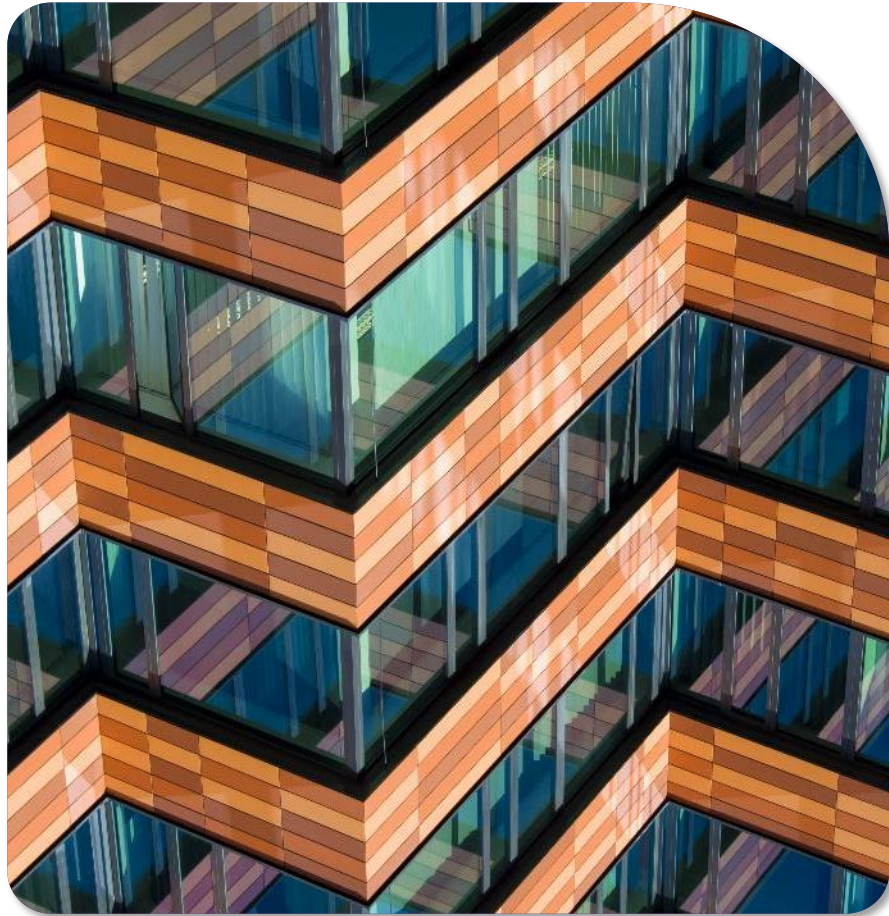
- Article 52 sets out the tax treatment of the contribution of a sole proprietorship or partnership.
- Tax neutrality is ensured both for the contributing sole proprietor and for the members of the partnership.
- Special rules applicable to these cases.



C. Article 52 and Article 56

- Article 56 introduces a specific carve-out from the capital concentration exemption for Article 52 cases.
- It also clarifies that real estate transfer tax is payable where the conditions of Article 52 are not satisfied.

4. Other exemptions and procedural simplifications - Article 56



A. General exemptions

- Broad exemption for all contracts and acts required to complete the transformation
- Covers taxes, stamp duty and other levies
- VAT remains excluded from those exemptions.
- Capital concentration tax also exempt, subject to the Article 52 carve-out.

B. Real estate transfer simplification

- No real estate transfer tax return is required in transformations involving universal succession.
- A simplified transfer procedure applies.
- Only the ENFIA certificate is required.
- Fixed registration fees of EUR 300 apply.

C. Anti-abuse rule

- Article 56 introduces a single anti-abuse rule.
- It expressly extends to all tax benefits, including the exemptions under Article 56 itself.





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