

Logaras & Associates

**Corporate/Tax
Incentives for R&D and
investments in start-ups**

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Corporate/Tax

Incentives for R&D and investments in start-ups

In an effort to support innovation and create a more attractive environment for the start-up eco-system in Greece, Law 4712/2020 introduces fiscal incentives for R&D and investments in the early stages of start-ups.

R&D tax incentives

As of September 1, 2020, the **tax deduction increment** for R&D related expenses, including depreciation of equipment and instruments, **is raised from 30% to 100%**. The eligibility criteria for said expenses remain to be determined by the Government and the Independent Authority for Public Revenue. An alternative and faster audit mechanism for the approval of the eligible expenses by the competent authorities is also introduced.

National Start-Up Registry

For the first time, start-ups will be documented in the newly set up “**National Start-Up Registry**”. Given that there is no official legal definition for a start-up company in Greece, the need for a filtering mechanism was apparent. Law 4712/2020 introduces a system where start-ups will be registered after an evaluation process, the details and criteria of which will be set out in a joint ministerial decision. Once such decision is issued, **start-ups**, upon which the relevant legislation will apply, **will be considered only the companies registered in the Registry**.

Angel investors

Law 4712/2020 also encourages **natural persons (angel investors)** to invest in start-ups. In particular, 50% of their contribution in the capital of start-ups registered in the National Start-Up Registry, having the form of a capital company, is deducted from their taxable income. The above applies for contributions **up to 300,000 EUR per fiscal year**,

allocated to up to three different start-ups, (max. 100,000 EUR per start-up), meaning that the investment will most likely take place in the early stages of the start-up.

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