

## Angel Investors Take Flight: New Tax Breaks and Golden Visa Opportunities Fuel Startup Growth in Greece

Law 5162/2024 (**"New Law"**), which aims to enhance business innovation and competitiveness through tax incentives for investments in start-ups, introduces significant changes in Law 4172/2013 (**Income Tax Code**) and Law 5038/2023 (**Immigration Code**) providing substantial benefits and opportunities to Angel Investors.

According to Greek legislation, **Angel Investors** are considered to be natural persons, tax residents in Greece or abroad, holders of a Greek Tax Identification Number, who provide capital contribution in cash to start-ups. **Start-ups** covered by the New Law are those registered in the National Registry of Startups "Elevate Greece", which is accessible through the platform [www.elevategreece.gov.gr](http://www.elevategreece.gov.gr).

## Taxable Income Deductions for Angel Investors

Article 36 of the New Law brings considerable alterations to the taxable income deductions provided by the previous regime of Article 70A of the Income Tax Code, under which an amount of up to 50% of the amount contributed to start-ups was deductible from the taxable income of Angel Investors. This deduction was also limited to capital contributions of up to €300,000 per year and €100,000 per company.

Under the new regime of Article 70A of the Income Tax Code as amended by the New Law:

- taxable income deduction is also extended to capital contributions made by Angel Investors to closed-end venture capital mutual funds ("A.K.E.S.") established in Greece and managed by a domestic company for the purpose of making venture capital investments, and

- the maximum contribution eligible for a 50% deduction is raised to 900,000€ per year and 300,000€ per company , encouraging larger investments.

Therefore, by increasing the maximum contribution limit, as well as by extending the possibility of using this incentive for capital contributions in A.K.E.S., the tax incentives for Angel Investors are being remarkably expanded, in order to favour the creation of investment schemes based entirely in Greece.

### **Introduction of new Golden Visa for Angel Investors**

The New Law introduces also a new type of residence permit (type B.6.), which is obtained by investing **at least 250,000€** in the capital of a start-up company either (a) for the acquisition of shares through a share capital increase or (b) for the acquisition of bonds following the issuance of a bond loan by the start-up company.

This new Golden Visa can be acquired provided that the following conditions/obligations are met:

1. The acquired shares or participations must not exceed 33% of the share capital or voting rights of the start-up company.
2. The start-up company must create, within the first year after the investment is made, at least 2 new jobs.
3. The start-up company must maintain, for at least five years after the investment is made, the same total number of jobs plus the jobs referred to above.

Angel Investors are, also, able to acquire this new Golden Visa by investing in Greek start-up companies through legal entities in which they hold a significant percentage of shares. In particular, if the concerned entity is a domestic legal entity, the Angel Investor must own 100% of its shares, while in case of a foreign legal entity, the Golden Visa may be granted to up



to three of its Shareholders (Angel Investors) holding at least 33% each.

### **Tax Incentives for scientific and technological research capital expenditure for start-ups**

It is worth mentioning that under the New Law, not only Angel Investors but also start-up companies themselves are able to benefit from tax incentives. In particular, Article 35 of the New Law adds a new provision in Article 22A of the Income Tax Code, according to which the scientific and technological research expenditures of start-ups are deductible from their gross income, at the time of their realization, increased by 150%.

### **Conclusion**

The introduction of the New Law marks a significant step in the right direction for fostering an even more investment-friendly environment in Greece. By offering substantial tax incentives to Angel Investors and start-up companies,

the Greek Government is demonstrating its commitment to stimulating innovation, entrepreneurship, and economic growth. While there is always more work to be done, these measures lay a strong foundation for attracting capital and strengthening Greece's position as a promising hub for start-ups.

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If you have questions or would like additional information, please contact the author:

**Angelos Sarrianni, Junior  
Associate**

[angelos.sarrianni@yourlegalpartners.gr](mailto:angelos.sarrianni@yourlegalpartners.gr)