REPUBLIC OF GREECE

LAW 4308/2014

GREEK ACCOUNTING STANDARDS, RELATED AND OTHER PROVISIONS

(FEK A251/24-11-2014)

UNOFFICIAL TRANSLATION

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CHAPTER 1

SCOPE OF THE LAW AND CATEGORIZATION OF ENTITIES BY SIZE

Article 1: Scope of the law

1. For the application of this law, the definitions in Appendix A shall apply.

2. The following categories of entities are subject to this law:

   a) legal entities of the form of joint-stock companies (Société Anonyme), limited liability companies, limited liability partnerships by shares, and private company.

   b) legal entities of the form of general partnerships or limited partnerships, when all of the direct or indirect members of the entity having otherwise unlimited liability in fact have limited liability, because that liability is limited by those members being of the type of (a) above or of a comparable type.

   c) limited partnership, general partnership, sole proprietorship, and any other private sector entity that is subject to this law under tax or other legislation.

   d) for-profit or non-profit entities in the public sector, or controlled by the state or under the oversight of the state, when they are not subject to article 156 of law 4270/2014.

3. The following categories of entities shall apply International Financial Reporting Standards (IFRS), on a mandatory basis (mandatory application of IFRS) for their separate and consolidated financial statements:

   a) Public interest entities, as defined in appendix A.

   b) Entities that are registered in Greece and that are subsidiaries of a parent entity whose securities are admitted to trading on a regulated market of any Member State within the meaning of Council Directive 2004/39/EC, in accordance with the provisions of Regulation 1606/2002 of the European Union, and that either individually or collectively account for more than 5% of the net turnover or total assets or total employees of the parent entity.

   c) Financial institutions under point 26 of paragraph 1, of article 4 of Regulation EU 575/2013, when they are subject to capital requirements.

   d) Investment companies of law 3606/2007 (Directive 2004/39/EC).

   e) Portfolio investment companies of law 3371/2005.

   f) Real estate investment companies of law 2778/1999.

   g) Companies of closed-end alternative investment funds of law 2367/1995.

   h) Management companies of entities for collective investment in transferable securities of law 4099/2012 (Directive 2009/65/EC).

i) Financial holding entities.

j) Entities for which other national legislation mandates the use of IFRS.

4. Any other entity may elect to prepare its financial statements in compliance with IFRS (voluntary application of IFRS). In this case, entities may not revert from the application of IFRS within five annual periods of the first application of IFRS.

5. Entities that elect to apply IFRSs, shall apply IFRSs for their separate and consolidated financial statements.

6. Entities that are obliged, or elect, to prepare their separate financial statements in accordance with IFRS shall apply only Articles 3 to 15 inclusive and paragraph 31 of article 29 of this law.

7. For-profit or non-profit entities in the public sector, or controlled by the state or under the oversight of the state that are subject to article 156 of law 4270/2014, shall apply only articles 3 to 15 inclusive of this law but excluding paragraphs 8 and 9 of article 3 of this law.

8. To the extent that these provisions are in conformity with its statutes, the Bank of Greece shall apply only articles 3 to 15 inclusive, but excluding paragraph 14 of article 5 of this law. It will also prepare a Balance sheet, an Income statement, and Notes, in accordance with the accounting and financial reporting rules applied within the Eurosystem.

9. The entities for collective investment in transferable securities of law 4099/2012 (Directive 2009/65/EC) whether they operate in the form of a fund or a variable capital company:

   a) Shall measure their assets referred to in paragraphs 1 and 2 of article 59 of law 4099/2012 (paragraphs 1 and 2 of article 50 of Directive 2009/65/EC) at fair value at the end of the reporting period. Fair values and related disclosures shall be applied in accordance with IFRSs.

   b) Differences arising from the measurement of the assets of paragraph 9(a) of this article at fair value at the end of the reporting period shall be treated in accordance with IFRSs.

   c) Shall apply articles 3 to 15 of this law, and articles 16 to 30 inclusive and 37 τo 40 inclusive of this law, for other assets, liabilities, expenses, losses, revenue and gains, as appropriate.

10. The entities of paragraph 9 of this article shall prepare a statement of financial position using model B.11 and a Statement of development of net assets using model B.12 (Appendix A).

Article 2: Categorization of entities by size

1. Entities are categorized on the basis of their size as follows.

2. **Micro entities.** Micro entities are entities which at the balance sheet date do not exceed the limits of at least two of the following three criteria:

   a) Total assets: 350.000 euros.

   b) Net turnover: 700.000 euros.

   c) Average number of employees during the reporting period: 10 people.

3. Entities that fall under point (c) of paragraph 2 of article 1 need not apply the thresholds of paragraph 2 a, b and c of this Article. They may be categorized as micro entities of paragraph 2 of this Article if they do not exceed the limit of 1.500.000 euros of net turnover at the balance sheet date.

4. **Small entities**. Small entities are entities which at the balance sheet date do not exceed the limits of two of the following three criteria:

   a) Total assets: 4.000.000 euros.

   b) Net turnover: 8.000.000 euros.

   c) Average number of employees during the reporting period: 50 people**.**

5. **Medium entities**. Medium entities are entities that are not micro entities or small entities, and which at the balance sheet date do not exceed the limits of two of the following three criteria:

   a) Total assets: 20.000.000 euros,

   b) Net turnover: 40.000.000 euros,

   c) Average number of employees during the reporting period: 250 people.

6. **Large entities**. Large entities are entities which at the balance sheet date exceed the limits of two of the following three criteria:

   a) Total assets: 20.000.000 euros.

   b) Net turnover: 40.000.000 euros.

   c) Average number of employees during the reporting period: 250 people.

7. The financial statement figures for ‘Total Assets’ and ‘Net Turnover’ referred in this Article shall be derived from the model financial statements of Appendix B, as follows:

a) “Total assets” shall consist of the line items “Total assets” in model balance sheet B.1.1 or B.1.2 or B.5, as appropriate.

b) “Net Turnover” shall consist of the line item “Net turnover” in model income statement B.2.1, B.2.2 or B.6, as appropriate.

8. In case of a period other than twelve months, the turnover referred in this Article is calculated on a proportionate annual basis.

9. When an entity exceeds or ceases to exceed the limits of two of the three criteria set out in paragraphs 2 and 4 to 6 or the criterion of paragraph 3 of this Article for two consecutive periods, the new size category shall be effected from the period following the two consecutive balance sheet dates.

10. Public sector entities that are not entities of point (a) or (b) or (c) of paragraph 2, article 1 shall be categorized as large entities.

CHAPTER 2

ACCOUNTING RECORDS

Article 3: Accounting system and accounting records

1. Entities shall maintain an accounting system that records each transaction or event relating to the entity that occurs during the financial period and any resultant revenues, gains, expenses, losses, purchases and sales of assets, discounts and returns, taxes, levies and contributions to social security organizations.

2. The accounting system of the entity shall record each asset, liability and equity item, as applicable, and any changes thereon.

3. The maintenance of accounting records of paragraphs 1 and 2 shall be effected in a manner appropriate to the size and nature of the entity.

4. For the obligation to keep the records of paragraphs 1 and 2 of this article, the materiality exemption criterion of paragraph 5 of article 17 of this law shall not apply.

5. The accounting system of the entity shall record the accounting basis of income, expenses, assets, liabilities and equity, as applicable, for the purpose of preparing the entity's financial statements. The accounting system of the entity shall also record the tax basis of income, expenses, assets, liabilities and equity and where the tax basis differs from the accounting basis, for the purpose of complying with tax legislation and filing the entity's tax return.

6. The accounting system and records may be kept manually or electronically. Where abbreviations or symbols are used, each of their meanings shall be clearly defined.

7. Supporting documentation, including sale invoices, may be expressed in a foreign language. All other accounting records shall be maintained in the Greek language.

8. The chart of accounts of Appendix C shall be used as part of the entity's accounting system as regards to the nomenclature and content of the accounts in accordance with this law, as well as the level of their analysis and aggregation. The further analysis of the chart of accounts to meet the information needs of the entity and support the application of this law, is the responsibility of management, taking into particular consideration the need to satisfy the requirements of paragraph 10 of article 5 of this law. The titles of the accounts may be adjusted in accordance to nomenclature established in particular economic sectors, taking into account paragraph 12 of article 16.

9. As an alternative to the use of the chart of accounts of paragraph 8 of this article, entities may continue to use the chart of accounts in force as at 31 December 2014.

10. When the entity prepares a balance sheet, the entity shall maintain:

    a) a record in which each transaction and event is recorded (journal).

b) a record showing the changes in each account maintained (ledger).

c) a system which aggregates all increases and decreases (debits and credits) and the balance of each account kept (trial balance).

11. The management of entities of point (c), paragraph 2, Article 1 that are micro entities and elect to prepare the financial statements of paragraph 8, Article 16, need not keep the records of paragraph 2 of this article.

12. Entities of point (c), paragraph 2, Article 1 that are micro entities and elect to prepare the financial statements of paragraph 8, Article 16, may use an appropriate single-entry accounting system, in place of the records and systems of paragraph 10 of this Article, to record the items of paragraph 1 of this article, including:

a) All revenue classified according to revenue from the sale of merchandize, revenue from the sale of products, revenue from the sale of services, and other revenue.

b) All gains.

c) All purchases of assets classified according to purchases of merhcandize, purchases of raw materials, purchases of fixed assets, and purchases of other assets.

d) All expenses classified in personnel expenses including employer's contributions, other services received, and other expenses.

e) All losses.

f) All taxes and levies incurred, classified per type.

Article 4: Other accounting records

1. In addition to the general requirement to keep the accounting records of Article 3, entities shall, where applicable, maintain the accounting records of this Article, with reference date the last day of the closing period (balance sheet date).

2. **Record of tangible and intangible fixed assets.** For each item of tangible and intangible fixed assets a record shall be maintained of the acquisition cost on initial recognition and all subsequent additions, adjustments, impairments, write-offs, depreciation and amortization, with an indication of the cumulative amounts and the amounts pertaining to each period. Fully depreciated/amortized assets that still meet the definition of an asset, irrespective of whether they are still in service or not, shall be recorded.

3. **Record of investments in debt and equity securities and other titles.** A record of debt and equity securities shall be maintained, with an indication of their quantity and carrying amount by unit and in aggregate.

4. **Record of owned inventory.**

   A record of inventory shall be maintained:

   a) For each type of inventory held, the physical measurement unit and quantity, for each separate geographical location.

   b) For each type of inventory held, the carrying value per unit and the total value.

   c) The physical measurement of inventory may be conducted using indirect techniques that are reliable and appropriately substantiated.

   d) Consumable goods which are not material, need not be included in inventory records.

5. **Record of inventory owned by other entities.** A record of inventory owned by another entity but stored in the premises of the entity shall be maintained, showing each type of inventory held, the physical measurement unit and quantity.

6. **Record of other assets.** A record of other assets shall be maintained with a description of their nature, quantities (where applicable) and carrying amount.

7. **Record of equity items.** A record of each equity item shall be maintained.

8. **Record of liability items.** A record of liability items shall be maintained, with an indication of their quantities (where applicable) and carrying amounts.

9. **Record of assets and liabilities denominated in foreign currency**. A record shall be maintained of the amount of foreign currency units for each asset or category of assets or liability or category of liabilities denominated in foreign currency.

10. The information required in this Article may be provided by other records, or a combination thereof, maintained by the entity.

Article 5: Ensuring the reliability of the accounting system

1. The management of the entity is responsible for the maintenance of a reliable accounting system and appropriate accounting records and for preparing financial statements and other information, in compliance with the provisions of this law or IFRSs, as applicable. These requirements should be comprehensively construed and assessed as a whole, not record-by-record, since the accounting records constitute a unified whole.

2. Accounting records are appropriate if they:

a. are properly maintained, with order, completeness and correctness, as regards to identifying, recording and processing transactions and events that concern the entity, and

b. are in full compliance with the provisions of this law,

c. are sufficient for the preparation of financial statements according to this law, and

3. The accounting system shall, at any time, be sufficient to allow a competent third party to gain an understanding of its structure and operation, of the records maintained in which the entity's transactions and events are recorded, and of the state of affairs of the entity, within a reasonable period of time.

4. The entity's financial statements shall be approved, prior to their issuance, by the appropriate administrative organ and signed by an authorized member of that organ and by the responsible accountant for preparing the financial statements of the entity, in accordance with applicable legislation.

5. Each of the entity's transactions and events shall be supported by appropriate documentation. The documentation may be issued by the entity or by counterparty to the transaction or by a third person, and in paper or in electronic form, as appropriate. The documentation issued or received shall bear all the information required for the secure evidencing of each transaction or event, and in any case all the information required by this law.

6. When a counterparty or a third person issues the documentation of paragraph 5 of this Article on behalf of the entity, that counterparty or third person shall send the entity all the necessary information, in sufficient time for both parties to fulfill all legal obligations.

7. The entity must determine the appropriate controls:

a) to ensure that all business transactions and events are traceable from origin to settlement,

b) to create a reliable and auditable trail of evidence that ensures that all transactions and events can be related to entries in the accounting records and the financial statements, and vice versa,

c) to ensure the authenticity of the evidence and the integrity of its content, with a view to ensure the origin of the evidence and confirm the occurrence of the transaction.

8. The entity shall apply appropriate controls over inventory received from suppliers or sent to customers, whether such inventory has been invoiced or not. Similarly, the entity shall apply

appropriate controls over third party inventory in its premises or of its own inventory in the premises of third parties. At a minimum, such controls comprise of a record of:

a) the full name, the address and the VAT identification number of the sender and recipient of goods.

b) the quantity and nature of the goods.

c) the date on which the goods are shipped.

9. The obligation of paragraph 8 is fulfilled when the entity properly maintains with order, completeness and correctness, the shipping documents or the invoice, as appropriate, issued or received for the relevant movements of goods a, so that the entity is able to account for the movement of goods at any time. Where no shipping document or invoice has been received for receipt of goods, the entity shall appropriately and upon delivery of goods record the information required in paragraph 8 under points (a) to (c).

10. The accounting system shall provide all the data and information, and in the detail or aggregation that facilitate the conduct of any audit.

11. The accounting records shall record the date of issue or receipt, as appropriate, of the relevant supporting document underlying the transaction or event.

12. If it is necessary to change an accounting entry, e.g. as a correction, the change shall be made in such a manner that the content of the original accounting entry remains determinable. The reason for any change shall be recorded, and a record of the date of original entry and of the date of any change shall also be maintained.

13. Entities may merge or consolidate any accounting records, provided that the underlying data from before the merger or consolidation can still be accessed after the merger or consolidation.

14. Without prejudice to the requirements of tax or other legislation, the accounting records shall be available for inspection by the relevant authorities for the enforcement of this law after a reasonable period of notice.

15. A parent entity that has a subsidiary entity which is not subject to this law shall take reasonable steps to ensure that the subsidiary entity keeps such accounting records as to enable the parent entity to comply with the requirements of this Law.

16. In the event two or more entities merge to form a new entity or there is a change of the form of an entity, the new entity shall have the responsibility for compliance with this law that the previous entity or entities had.

17. Upon request, the entity shall provide to the relevant authorities and auditors a translation of any record expressed in a foreign language or foreign currency into the Greek language and national currency. Such translation is to be delivered within a reasonable time frame determined by the relevant authority. A translation into the national currency shall be effected in accordance with Article 27 of this law.

18. The entity may use a third party (external accountant) to maintain all or any part of its accounting records, or to prepare all or any part of their financial statements. The use of a third party shall not relieve the management of the entity of the responsibility for ensuring that the entity's accounting records and financial statements are in compliance with the requirements of this Law or with the requirements of IFRS, as applicable.

19. When an entity uses a third party for all or any part of the activities undertaken for compliance with this law, in the event of any audit imposed by legislation upon the entity, the third party shall have the same obligations for cooperation with the relevant auditor as the entity itself. Non-cooperation by the third party shall not relieve the entity of any obligation under this law.

Article 6: Time limits for updating accounting records

1. The recording of transactions and events in the accounting records shall be effected as follows:
   a) When an entity prepares a balance sheet, the recording of the supporting documents of transactions and events of one month shall be effected within the following month.
   b) When an entity does not prepare a balance sheet, the recording of the supporting documents transactions and events of one quarter shall be effected within the month following the quarter.
   c) In any case, the updating of records shall be effected in time for the timely preparation of financial statements.
2. Any physical counting, where applicable, underlying the accounting records shall be conducted at an appropriate time to ensure the reliability of information collected with regard to the reporting date of the entity's financial statements,.
3. The preparation of the financial statements shall be completed within the shorter of:
   a) six months of the balance sheet date, or
   b) the time limits set by tax or any other applicable national legislation.

Article 7: Storing of accounting records

1. Accounting records maintained by the entity shall be kept for the longer of:

   a) a period of 5 years from the balance sheet date, or

   b) the storage period set by any other national legislation.

2. The accounting records may be stored in any form, provided that there is in operation a system for retrieving them in a form that facilitates the conduct of any audit and for providing a paper version, if required by the relevant authority.

3. Paragraphs 1 and 2 apply in full to the storage of all data required to ensure the authenticity and integrity of content of invoices.

CHAPTER 3

DOCUMENTATION OF SALES TRANSACTIONS

Article 8: Invoice

1. An invoice shall be issued for each supply of goods or services, made either within the country or to other Member States of the European Union or to a third country, and for any transaction that is subject to VAT according to law 2859/2000.
2. Any document that includes all the information required of an invoice shall be considered as an invoice, subject to acceptance by the recipient of the goods or services that are subject to the invoice.
3. Any document or message that amends and refers specifically and unambiguously to an initial invoice shall be considered to be an invoice.
4. The term “invoice” may be altered according to the established practices in various sectors of the economy.
5. The entity that supplies goods or services shall ensure that an invoice be issued. The seller of goods or services may issue the invoice. Alternatively, the seller may by prior agreement, ensure that an invoice is issued by either the recipient of goods or services (self billing) or a third party, in the name and on behalf of the entity that sells the goods or services. An agreement to the effect that an invoice shall be issued by the recipient (self-billing) or by a third party shall not relieve the entity of the legal obligation to ensure that an invoice is issued or of any legal obligation.
6. A credit invoice shall be regarded as an invoice. A credit invoice shall be issued for each sales return, allowance or other difference.
7. All invoices issued and received by entities form part of their accounting records.
8. In the case of invoicing by the recipient of goods or services (self-billing) or by a third party on behalf of the entity (seller), the issuer of the invoice shall provide to the entity all the required information for the recording of transactions in sufficient time for the entity to fulfill all legal obligations.
9. The state, regional and local government authorities and other bodies governed by public law are exempted from the obligation to issue invoices in respect of the activities or transactions in which they engage as public authorities, even where they collect dues, fees, contributions or payments in connection with those activities or transactions. The exemption is granted only when those activities or transactions are not subject to VAT, in accordance with existing legislation and Directive EC 2006/112.

10. Entities subject to this law, when they enter, as buyers into a transaction with a person that under this law is not obliged to issue an invoice, shall issue a document to support the occurrence of the transaction and its recognition. This document shall contain:

    a) the date of issue.

    b) the full name, address and the VAT identification number of the counter party.

    c) the quantity and nature of the goods supplied or the extent and nature of the services rendered.

    d) the date on which the supply of goods or services was made or completed.

    e) the unit price and the total amount, as applicable, of the transaction.

    f) The kind and amount of any tax due.

11. Entities subject to this law when they enter, as buyers, into a transaction with another entity subject to this law, when the latter fails to issue a sales invoice for the transaction concerned, are subject to the obligation of paragraph 10 of this article.

12. When a third person sells goods on behalf of the entity and issues the sale invoice on behalf of the entity, the third person shall send all the necessary information to the entity, in sufficient time for both parties to fulfill all legal obligations.

13. By way of exception, for the sale of produce by a third person on behalf of a farmer-physical person, the third party shall send the information of paragraph 12 to that farmer in sufficient time for both parties to fulfill all legal obligations, but at least annually.

Article 9: Content of Invoices

1. Invoices shall contain the following details:

    a) the date of issue.

    b) a sequential number, based on one or more series, which uniquely identifies the invoice.

    c) the VAT identification number under which the entity supplied the goods or services.

    d) the customer's VAT identification number, under which the customer received a supply of goods or services.

    e) the full name and address of the entity and of the customer that receives the goods or services.

f) the quantity and nature of the goods supplied or the extent and nature of the services rendered, unless the extent and nature of the services rendered is described in an other document to which the invoice makes specific reference.

g) the date on which the supply of goods or services was made or completed, when this date is not the date on which the invoice is issued.

h) the taxable amount per rate or exemption, the unit price exclusive of VAT and any discounts or rebates if they are not included in the unit price.

i) the VAT rate applied

j) the VAT amount payable, except where a special arrangement is applied under which, in accordance with Directive 2006/112/EC, such a detail is excluded.

k) where the customer receiving a supply issues the invoice instead of the supplier, the indication ‘Self-billing’.

l) in the case of a VAT exemption, reference to the corresponding provision of the Greek law (law 2859/2000) or of Directive 2006/112/EC, or any other reference indicating according to which the supply of goods or services is exempt.

m) where the customer is liable for the payment of the VAT, the mention ‘Reverse charge’.

n) in the case of the supply of a new means of transport, the characteristics as identified in existing legislation and Directive 2006/112/EC.

o) where the margin scheme for travel agents is applied, the mention ‘Margin scheme — Travel agents’.

p) where one of the special arrangements applicable to second-hand goods, works of art, collectors’ items and antiques is applied, the mention ‘Margin scheme — Second-hand goods’; ‘Margin scheme — Works of art’ or ‘Margin scheme — Collector’s items and antiques’ respectively.

q) where the person liable for payment of VAT is a tax representative under the meaning of existing legislation and Directive 2006/112/EC, the VAT identification number, of that tax representative, along with his full name and address.

2. The amounts which appear on the invoice may be expressed in any currency. The amount of V.A.T. is expressed in the national currency.

3. An invoice need not be signed, for the purposes of this law.

Article 10: Simplified and Summary invoices

1. A simplified invoice may be issued in any of the following cases:

    a) where the amount of the invoice is not higher than EUR 100, or

    b) where it is a document of Article 8, paragraph 3.

2. Simplified invoices shall contain at least the following details:

    a) The date of issue.

    b) Identification of the entity supplying the goods or services

    c) Identification of the type of goods or services supplied.

    d) The amount of VAT payable or the information needed to calculate it.

    e) in case of an invoice issued in accordance with Article 8, paragraph 3, a reference to the initial invoice and the specific details which are amended.

3. Entities may issue summary invoices which detail several separate supplies of goods or services. Summary invoices shall contain the same information as invoices or simplified invoices, as appropriate.

Article 11: Time of issue of an invoice

1. A chargeable event shall occur at the point in time when goods or services are supplied.

2. The following shall apply with regard to the time of issue of an invoice:

    a) In the case of a sale of goods or services, an invoice shall be issued no later than the fifteenth day of the month following the month in which the chargeable event occurred.

    b) When the provision of goods, services or a construction contract is continuous, the invoice shall be issued no later than the fifteenth day of the month following the period for which the related payments become claimable, for goods and services that have been provided or for construction completed.

    c) In the case of a sale of the right to receive a service, when the right is transferred.

    d) When a summary invoice is being issued according to paragraph 3 of article 10, the summary invoice shall be issued no later than the fifteenth day of the month following the month in which the earliest chargeable event on the summary invoice occurred.

    e) In particular, when the buyer of goods or services is the state or legal entities of the public sector, an invoice shall be issued within the annual period in which the delivery or dispatch of goods, or the provision of services, or the certification of public works, or the certification of the transaction by the buyer occurred.

Article 12: Retail invoices for goods or services

1. Entities shall issue a sales invoice for all sales of goods or services to private customers. For such retail sale, entities may issue a retail invoice (receipt), instead of a sales invoice of article 8.
2. A retail invoice shall contain the following details:
   a) date of issue.
   b) a sequential number, for one or more series of retail invoices, which uniquely identifies the retail invoice.
   c) the VAT identification number under which the entity delivered the goods or services.
   d) the full name and address of the entity that sells goods or services.
   e) the VAT rate applied and the sale value which it applies to.
3. For the purpose of facilitating the identification of transactions, a decision issued by the Secretary General of Public Revenue of the Ministry of Finance may, after publication by the Secretary General of Public Revenue of the Ministry of Finance of an impact assessment that presents an analysis of the administrative burdens by comparison with the taxation benefits, require that retail invoices bear additional information for specific categories of sales.
4. In case of sales returns or allowances, a credit retail invoice shall be issued. For credit retail invoices over 50 euros, the entity shall maintain a record of the name and address of the customer involved.
5. A retail invoice need not be issued if other documents have been issued in which all the details of the retail invoice are included and a copy of those documents is issued to the customer.
6. The retail invoice may bear the name appropriate to established trading practices or required by other legislation.
7. The entity that supplies goods or services to private customers shall ensure that a retail invoice, instead of an invoice, be issued. The seller of goods or services may issue the retail invoice. Alternatively, the seller may, by prior agreement, ensure that a retail invoice is issued by a third party in the name and on behalf of the entity who sells the goods or services. An agreement to the effect that an invoice shall be issued by a third party does not relieve the

entity of the legal obligation to ensure that an invoice is issued or of any legal obligation under this law.

8. Invoices to private customers shall be issued using an Electronic Tax Equipment, as provided by law 1809/1988 when this law becomes effective.

9. The Secretary General of Public Revenue of the Ministry of Finance may issue a decision to prescribe technical specifications, information requirements and/or functionalities of electronic tax equipment. Such requirements shall be in line with European Union best practice for ensuring the authenticity and integrity of the retail invoices issued.

10. Entities may use an electronic service provider to fulfill the requirements of paragraph 8.

11. A decision issued by the Secretary General of Public Revenue of the Ministry of Finance may, after publication by the Secretary General of Public Revenue of the Ministry of Finance of an impact assessment that presents an analysis of the administrative burdens by comparison with the taxation benefits, exempt certain classes of entities with particular characteristics, from the use electronic tax registers for the issuance of retail invoices under paragraph 8. Such entities may issue their retail invoices manually or using other technical means.

12. Retail sales invoices may be issued manually or using other technical means, instead of using the means of paragraph 8 or paragraph 10 of this article, when an entity only occasionally conducts retail sales.

13. Retail invoices may be issued manually during a failure to the public electricity supply, or in the event of individual equipment failure. In the event of an individual equipment failure, the entity shall take all reasonable steps to recommence the use of the equipment of paragraph (8) without unreasonable delay and to avoid repeated equipment failures. A decision of the Secretary General may prescribe additional regulations with respect to this paragraph.

14. An entity which issues its retail invoices using an electronic tax equipment of paragraph 8 shall send the Information Technology Service of the Ministry of Finance the following information within 10 days of the date on which the equipment concerned is acquired or permanently withdrawn from service:

    a) the model and, where relevant, serial number of the equipment concerned.

    b) the date on which the equipment concerned is acquired or permanently withdrawn from service.

15. Entities that elect to issue retail sales invoices using a third party shall notify the Information Technology Service of the Ministry of Finance the name and communication details of the

third party, and the date on which the use of service commences or ends. The notification shall take place within 10 days from the date on which the service commenced or ended.

Article 13: Time of issue of retail invoices

1. A retail invoice shall be issued:

   a) in case of a sale of goods, at the point of delivery or shipment of goods. When the delivery of goods is effected by a third person, the retail invoice shall be issued within the next month of the delivery.

   b) In the case of sale of a service, upon the completion of the provision of the services.

   c) In the case of a sale of the right to receive a service, when the right is transferred.

   d) In the case of a provision of a service or a construction contract that is repeated or ongoing, and part of the revenue becomes claimable prior to the completion of the service or the construction contract, when the relevant fee becomes claimable for the services or construction contract worked, and in any case on the completion of the service or the construction contract.

Article 14: Electronic invoice

1. An invoice may be issued in paper or in electronic form.
2. An 'electronic invoice' means any invoice, including retail invoices, that contains the information required by this law, and which has been issued and received in any electronic format.
3. The use of an electronic invoice shall be subject to acceptance by the recipient of goods or services that are the subject of the invoice.
4. Where batches containing several electronic invoices are sent or made available to the same recipient, the details common to the individual invoices need be mentioned only once as long as, for each invoice, all the information is accessible.

Article 15: Authenticity of an invoice

1. The authenticity of the origin, the integrity of the content and the legibility of any invoice shall be ensured from the point in time of issue or receipt until the end of the period for storage of the invoice. This applies to invoices issued (e.g. for sales of goods and services) and to invoices received (e.g. for purchases of goods and services).
2. The entity shall determine the appropriate measures to ensure the authenticity of the origin, the integrity of the content and the legibility of each invoice. This may be achieved by any

business controls which create a reliable and auditable trail between each invoice and its related supply of goods or services, and vice versa.

3. The following are examples of controls that may be used to validate the authenticity of the origin and the integrity of the content of an electronic invoice:

   a) An advanced electronic signature and created by a secure signature creation device based on a qualified certificate for electronic signatures within the meaning of P.D. 150/2001 (FEK A 125).

   b) Electronic Data Interchange (EDI), as defined in Article 2 of Annex 1 to Commission's Recommendation 1994/820/EC of 19 October 1994 (official newspaper EC. EL 388/28.12.1994), where the agreement relating to the exchange provides for the use of procedures guaranteeing the authenticity of the origin and integrity of the data.

   c) The clearance of sales transactions through a payment service provider that is under the supervision of the Bank of Greece, under law 3862/2010.

   d) The use of Electronic Tax Equipment, as specified by the Secretary General pursuant to Article 12, paragraphs 8 and 9 of this Law.

CHAPTER 4

DEFINITION OF FINANCIAL STATEMENTS

Article 16: Definition of financial statements

1. All the transactions and events recorded in the accounting records for the financial year shall be incorporated into the financial statements for that year.

2. The financial statements shall comprise a composite whole and shall present fairly (fair presentation), in all material respects, as appropriate, the assets, liabilities, equity, revenue, expenses, gains and losses, and cash flows, in accordance with the provisions of this law.

3. Large entities of Article 2 shall prepare the following financial statements:

   a) Balance Sheet or Statement of Financial Position.

   b) Income Statement.

   c) Statement of Changes in Equity.

   d) Cash Flow Statement.

   e) Notes to the accounts.

4. Medium entities of Article 2 shall prepare the following financial statements:

   a) Balance Sheet or Statement of Financial Position.

   b) Income Statement.

   c) Statement of Changes in Equity.

   d) Notes to the accounts.

5. Small and Micro entities of Article 2 shall prepare the following financial statements:

   a) Balance Sheet or Statement of Financial Position.

   b) Income Statement.

   c) Notes to the accounts.

6. The financial statements shall be prepared in accordance with models presented in Appendix B: B.1.1 or B.1.2 (Balance sheet), B.2 (Income statement, B.2.1 or B.2.2), B.3 (Statement of changes in equity) and B.4 (Cash flow statement).

7. As an alternative to paragraph 6, micro entities may, after taking into consideration the need for compliance with other legislation, elect to prepare financial statements in accordance with:

   a. the abridged balance sheet of model B.5 and

   b. the abridged income statement of model B.6.

8. As an alternative to paragraph 7, micro entities of point (c) of paragraph 2, Article 1, after taking into consideration the need for compliance with other legislation, need only prepare an Income Statement (model B.6).

9. The line items laid down in the models in Appendix B of this law (prescribed items) shall be presented separately.

10. The structure and content of the financial statements shall not be changed from one period to the next, without prejudice to Article 17, paragraph 1, point b of this law.

11. Divergence from the structure and the content of model financial statements presented in Appendix A is not permitted, except that:

    a) further analysis of the prescribed items is permitted provided that the structure of the models is respected.

    b) new items may be added, provided that their content is not included in the prescribed items.

    c) prescribed items may be merged when:

        i. their amounts are immaterial for the purpose of fair presentation in paragraph 2 of article 16, and / or

        ii. merging leads to greater clarity

12. The layout, content, nomenclature and terminology of items of the financial statements shall be adapted where the special nature of an entity so requires.

Article 17: General principles for drawing up financial statements

1. The financial statements shall be prepared with clarity, in accordance with the fundamental assumptions of accruals and going concern, and the following general principles:

    a) Accounting policies shall be used on a consistent basis to ensure comparable financial information. In cases of changes in accounting policies and measurement bases, article 28 of this law applies.

    b) Where the figures of a previous period are not comparable with the corresponding figures of the current period, the figures of the previous period shall be adjusted accordingly.

    c) All elements of the balance sheet and the income statement shall be recognized and measured separately, on a prudent basis. No set-off is permissible between assets and liabilities or revenues and expenses, unless the set-off is provided for under this law.

d) All unfavorable changes in the value of assets and liabilities that occur in a period shall be recognized in that period, regardless of whether the result for the period is a profit or a loss.

e) All elements of the balance sheet and the income statement that arise in the course of the current period shall be recognized in the same period under the accrual principle.

f) All elements of the balance sheet and the income statement that have arisen in the course of a previous period but have not been appropriately recognized in that period, shall be recognized in the current period using Article 28 of this law.

g) The opening balance sheet for each period shall correspond to the closing balance sheet for the preceding period.

h) The going concern assumption shall be assessed for the foreseeable future, and in any case, for at least the 12 months following the balance sheet date.

i) Without prejudice to Article 24 of this law, profits not made at the balance sheet date shall not be recognized.

2. Each item of the financial statements shall be presented along with the corresponding amount for the preceding period. When there is no such amount in either of the periods, the relevant item shall be omitted.

3. Items that satisfy the recognition criteria shall be recognized in the balance sheet or income statement, as appropriate. The failure to recognize such items is not rectified by disclosure in the notes.

4. Contingent assets and contingent liabilities shall not be recognized as items of the financial statements.

5. The requirements set out in this law regarding recognition, measurement, presentation, disclosure and consolidation, need not be complied with when the effect of complying with them is immaterial.

6. Items in financial statements shall be accounted for and presented having regard to the substance of the reported transaction or event.

7. Entities drawing up their financial statements under this law may seek additional guidance from IFRS, to the extent that the IFRS provisions are compatible with this law.

8. Events that become apparent after the end of the reporting period but before the date on which the financial statements are drawn up shall be recognized in the reporting period, if they

provide evidence of conditions that existed at the end of the reporting period and affect the elements of the balance sheet and the income statement.

9. Where in exceptional cases the application of a provision of this law is in conflict with the requirement of paragraph 2 of article 16 for fair presentation, there shall be a deviation from that provision in order to meet the requirement for fair presentation. These exceptional cases shall be very unusual transactions or very unusual events.

10. When financial statements are prepared under the fundamental assumption of going concern (paragraph 1 of this article) items in the financial statements shall be measured according to Chapter 5 of this Law.

11. When financial statements are not prepared under the fundamental assumption of going concern (paragraph 1 of this article):

    a. assets shall be measured at net realizable value, and

    b. liabilities, including provisions, shall be measured at amounts expected to be required for settlement.

CHAPTER 5

MEASUREMENT

Article 18: Tangible and intangible fixed assets

1. **Tangible fixed assets, biological fixed assets and intangible fixed assets.** These assets are initially recognized at acquisition cost, and subsequently measured at amortized cost. In particular, the following items, among others, shall be considered as fixed assets, or parts thereof:

   a) Goodwill (intangible asset).

   b) Improvement expenditure on fixed assets.

   c) Repairs and Maintenance expenditure, only when such expenditure meets the definition of an asset.

   d) Development expenditure (intangible asset) may only be recognized as an asset when all of the following conditions are met.

      d1) the entity has the intention and the capability to complete the relevant assets, so that it will be ready for use or sale.

      d2) it is probable that the asset(s) will produce future economic benefits.

      d3) there is in place a reliable system for measuring and allocating relevant cost to to development expenditure.

      In all other cases, development expenditure is treated as a current period expense, as required by article 25.

   e) The cost of an item of property, plant and equipment includes the costs of its de-installation, removal or restoration, when an entity incurs the relevant obligation as a consequence of installing the item or as a consequence of using the item during a particular period for purposes other than to produce inventories during that period. When the cost of de-installation, removal or restoration is related to the production of inventory during a period, this cost shall be charged to inventory produced.

2. **Self-constructed fixed assets**

   a) The cost of a self-constructed fixed asset shall include all expenditure required to bring the asset to the location and condition required so as to be capable of operating in the intended manner.

   b) The cost of a self-constructed fixed asset shall include the cost of raw materials, consumables, labour and other costs directly attributable to it.

c) The cost of a self-constructed fixed asset shall include a reasonable proportion of fixed and variable overhead costs indirectly attributable to it, to the extent that such costs relate to the period of construction.

d) In the case of a qualifying asset, the cost may also include the interest of interest-bearing liabilities, by the amount attributable to the relevant asset.

e) Self-constructed fixed assets in progress shall be valued at the cost they have absorbed as of the balance sheet date.

f) With the exception of development expenditure of paragraph 1, internally generated intangible assets, including goodwill, shall not be recognized.

3. **Value adjustments**

a) Depreciation

a1) The value of fixed assets of limited useful life shall be subject to depreciation. Depreciation shall be commenced when the asset is ready for its intended use and shall be carried out based on the estimated useful economic lives.

a2) The management of the entity shall choose an appropriate depreciation method to systematically allocate the value of the fixed asset over its useful economic life.

a3) Acceptable depreciation formulas include the straight line method, the accelerated depreciation method and the units of production method.

a4) Land shall not be subject to depreciation. However, improvements thereon with limited life shall be depreciated.

a5) Fine art, antiques, jewelry and other fixed assets not subject to wear and tear or obsolescence shall not be subject to depreciation.

a6) Goodwill and intangible assets with an indefinite useful life shall not be subject to amortization. In this case, goodwill shall be subject to annual impairment testing.

a7) Goodwill, development expenditure and other intangible assets with a useful life that cannot be reliably estimated shall be subject to amortization over a period of ten years.

b) Impairment

b1) Fixed assets that are measured at cost or at amortized cost shall be subject to impairment testing whenever there is an indication of permanent impairment.

Impairment losses arise when the recoverable amount of these assets becomes less than their carrying value.

b2) Indications of impairment include (i) a decline in the asset's value significantly more than would be expected as a result of the passage of time or normal use, (ii) adverse changes in the technological, economic and legal environment of the entity, (iii) an increase in market interest rates or other market rates of return on investments that is likely to lead to a material decrease in the asset's recoverable amount, and (iv) obsolescence or physical damage of an asset.

b3) Impairment losses shall be recognized as an expense in the income statement.

b4) Impairment losses shall be reversed in the income statement when the conditions which gave rise to them cease to exist.

b5) By way of exception to b4, the impairment of goodwill shall not be reversed.

b6) The carrying value of an asset after the reversal of an impairment shall not exceed the carrying value that this asset would have had, if no impairment had been recognized.

4. Derecognition of fixed assets

a) A fixed asset is derecognized when that asset is disposed or when future benefits are not expected from its use or disposal.

b) The gain or loss from the derecognition of the fixed asset is determined as the difference between the net proceed from its disposal, if any, and its carrying amount.

c) The gain or loss from the derecognition of the fixed asset is included in the income statement of the period in which the derecognition occurs, unless this law provides otherwise.

5. **Finance leases**

a) An asset held by an entity (lessee) under a finance lease shall be recognized as asset of this entity at the acquisition cost, had the same asset been purchased, along with a simultaneous recognition of a corresponding liability to the lessor. These fixed assets shall be subsequently accounted for in accordance with the provisions of this law for the entity's owned assets. The liability under the financial lease shall be treated as a loan and the rental comprises of a gradual capital repayment which reduces the amount of the loan, and an interest charge which is recognized in the income statement as financing charge.

b) In the financial statements of the lessor, assets leased through a finance lease are initially presented as a financial asset at the net investment of the lease. Subsequently to initial recognition, the lease receivable is treated as a loan given, and the annual payment received includes a return of capital and interest revenue.

c) Sale and leaseback of an asset under a financial lease shall be treated as a mortgage loan. Proceeds from the sale shall be recognized as a liability which is reduced by the amount of the capital repayments, whereas interest shall be recognized in the income statement as financing charge. Assets sold under a sale and lease back agreement shall continue to be recognized in the balance sheet as assets.

6. Operating leases

a) The lessor of fixed assets presents in the balance sheet the assets leased to the lessee under an operating lease, according to the nature of the assets. The amount of rent is recognized as revenue in the income statement using the straight line method, unless another systematic method is more appropriate for allocating the rent over the period(s) of the rental agreement.

b) The lessee under an operating lease agreement recognizes the amount of rent as an expense in the income statement using the straight line method, unless another systematic method is more appropriate for allocating the rent over the period(s) of the rental agreement.

Article 19: Financial assets

1. All financial assets shall be initially recognized at cost.
2. Subsequent to initial recognition, financial assets shall be measured at cost less any impairment losses.
3. Subsequent to initial recognition, interest bearing assets shall be measured at amortized cost using the effective interest rate method or the straight line method, instead of cost under paragraph 1 of this article, if the amortized cost method has a material impact on the financial statements. The amortized cost method shall not be used in the measurement of financial assets other than interest bearing financial assets. Financial assets may be interest bearing assets, even when interest is not explicitly stated.
4. Financial assets shall be subject to impairment testing whenever there is an indication that an impairment loss has occurred.
5. Indications of impairment shall be presumed to exist when:

a) there are obvious, serious financial difficulties of the issuer or the obligor of the financial asset, or,

b) when the carrying value of financial assets is considerably higher than their fair value (when the fair value is available).

c) when adverse local, national or international conditions entail an increased likelihood of default on key obligations relating to the financial assets.

6. An impairment loss shall be recognized when the carrying amount of the asset exceeds the amount that the entity estimates it will recover from this asset.

7. The impairment loss shall be estimated as the difference between the carrying amount of the asset and the higher amount of:

   a) the present value of the estimated amount to be obtained from the asset using the original effective interest rate, or

   b) the fair value of the asset, less costs to sell.

8. Impairment losses shall be recognized in the income statement, and reversed as income when the conditions that gave rise to them cease to exist. The amount reversed as revenue shall not exceed the carrying amount that the item would have, had no impairment loss been recognized. In particular, impairment losses of non-current financial assets are recognized when these losses are permanent.

9. The entity shall derecognize a financial asset when:

   a) the contractual rights to the cash flows from the financial asset expire; or

   b) it transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

10. On derecognition of a financial asset, the difference between the carrying amount and the consideration received shall be recognized in the income statement as a gain or loss, as appropriate.

11. Financial assets shall be presented in the balance sheet as current or non-current assets, depending on the intention of the entity and the agreed or estimated date of their settlement.

Article 20: Goods and services

1. Inventories shall initially be recognized at acquisition cost.

2. The cost of inventories shall include the total expenditure required to bring them to their present location and condition.

3. The production cost of goods and services shall be determined following a generally accepted costing technique. Production cost shall include:

   a) the cost of raw materials, consumables, labor and other costs directly attributable to the item in question, and

   b) a reasonable proportion of fixed and variable overhead costs indirectly attributable to the item in question, to the extent that they relate to the period of production.

4. Distribution and administration costs shall not be included in the cost of inventory.

5. When a substantial period of time is required to prepare inventory for its intended use or sale, the inventory cost may be charged with the interest of interest-bearing liabilities by the amount attributable to inventory for the period concerned.

6. After initial recognition, inventory shall be measured at the lower of cost and net realizable value.

7. Cost of closing inventory:

   a) The cost of closing inventory shall be determined in accordance with the First-In, First-Out (FIFO) or the weighted average cost formula, or a method reflecting generally accepted practice. The use of Last-In, First-Out (LIFO) is not permitted.

   b) An entity shall use the same cost formula for all inventories having a similar nature and use to the entity. For inventories with a different nature or use, different cost formulae are permitted.

   c) The cost of inventories of individual items that are not ordinarily interchangeable with other inventory items, and the cost of goods or services produced and segregated for specific projects shall be assigned by using specific identification of their individual costs.

8. Purchases of consumable materials which are immaterial may be treated as an expense of the period.

Article 21: Prepayments and other non-financial assets

1. Prepayments shall initially be recognized at cost. Subsequently they shall be measured at initial cost less any amounts expensed in accordance with the accruals basis and any impairment loss.

2. Any other non-financial assets shall initially be recognized at cost. Subsequently, they shall be measured at the lower of cost and their recoverable amount.

Article 22: Liabilities

1. **Financial liabilities.** Financial liabilities shall initially be recognized at the amount due.
2. Any discounts, premiums or costs that relate to a liability shall be treated as expenses of the period of initial recognition of the liability.
3. Subsequent to initial recognition, financial liabilities shall be measured at the amount due.
4. Financial liabilities shall be initially recognized and subsequently measured at amortized cost using the effective interest rate method or the straight line method, when the effect on the amounts in the financial statements is material.
5. Under paragraph 4 of this article, financial liabilities shall be initially recognized at the net amount received or accrued, after any discounts, premiums, interest or costs that concern the liabilities.
6. Interest arising from financial liabilities shall be recognized as an expense, unless such interest increases the acquisition cost of assets in accordance with article 18, paragraph 2.d (qualifying assets) or article 20, paragraph 5 (inventories) of this law.
7. An entity shall remove a financial liability from its statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expires.
8. A substantial modification of the terms of an existing financial liability or a part of it shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.
9. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including the book value of any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.
10. **Non-financial liabilities**. Non-financial liabilities shall be initially recognized and subsequently measured at the nominal amounts expected to be incurred for settlement.
11. **Provisions.** Provisions shall initially be recognized and subsequently measured at the nominal amounts expected to be incurred for settlement.
12. Provisions shall initially be recognized and subsequently measured at the present value of the amounts expected to be incurred for settlement, instead of the nominal amount, if the present value is likely to have a material impact on the amounts in the financial statements.
13. Provisions for employee benefits after retirement shall be recognized and measured either at their amounts due under existing legislation on the balance sheet date or by using an accepted

actuarial method, if the latter value is likely to have a material impact on the amounts in the financial statements.

14. Differences arising either on revaluation or settlement of non-financial liabilities**,** including provisions, shall be transferred to the income statement as gains or losses for the period.

Article 23: Government grants and deferred taxes

1. **Government grants for asset expenditure.** Government grants relating to assets shall be recognized as liabilities in the period in which payment is received or finally approved. Government grants shall be recognized at the amounts received or approved. Subsequent to initial recognition, government grants shall be transferred to the income statement as revenue over the same periods as the book value of the subsidized asset is transferred to the income statement as an expense.

2. **Government grants for expenses**. Government grants relating to expenses shall be recognized as liabilities in the period in which payment is received or finally approved. Such grants shall be transferred to the income statement as income in the period in which the related expenses are recognized.

3. **Deferred taxes.** Entities may recognize deferred tax in their financial statements. Entities that recognize deferred tax shall recognize all deferred tax liabilities. Entities may recognize deferred tax assets only to the extent that it is probable that taxable profit will be available, against which the deductible temporary difference can be utilized. The amount of deferred tax claimed or due shall be subject to set-off, and the net amounts are shown in the balance sheet and income statement, as appropriate.

4. If deferred tax, whether an asset or a liability, is recognized, it shall initially be recognized and subsequently measured at the amount resulting after applying the current income tax rate on each of the temporary differences.

5. Changes in the amount of the deferred tax asset or liability in the balance sheet arising from one period to another shall be recognized as a decrease or increase in the income tax expense in the income statement. By way of exception, the differences that arise from assets and liabilities whose changes are recognized as a reserve in equity, shall be recognized directly in equity, reducing or increasing the relevant reserve, as appropriate.

Article 24: Assets and liabilities at fair value (fair value option)

1. As an alternative to the provisions of articles 18 to 23, the assets and liabilities specified in this article, after their initial recognition at cost, may be measured at fair value (fair value option).

2. When any item is valued in accordance with Article 24, all individual assets and liabilities of a similar nature shall be measured in accordance with this article.

3. Valuation in accordance with Article 24 shall only be applied when the fair value of an asset or liability can be measured reliably. When the fair value of an asset or liability of an item cannot be measured reliably, that item and all items of a similar nature, shall be measured according to Articles 18 to 23 of this law.

4. When the fair value option is chosen for financial instruments classified as “available for sale”, “trading portfolio” or “held for hedging”, the fair value measurement shall be applied to all individual financial assets or liabilities of the three categories.

5. **Owner-occupied property:**

   a) Gains arising from measurement at fair value shall be recognized to an equity reserve for each item of property (revaluation reserve).

   b) Losses arising from measurement at fair value shall firstly be offset against any prior gains recognized in the revaluation reserve arising from the item concerned. Any remaining loss shall be recognized in the income statement.

   c) A net gain in the revaluation reserve may be transferred directly to retained earnings, only to the extent that it has become realized. The transfer may take place either gradually as the asset is being depreciated or in a single movement in the income statement of the financial period of de-recognition or disposal of the asset concerned.

   d) When the fair value option is chosen, the fair values of property assets shall be re-assessed whenever market conditions indicate that the book value of the asset is significantly different from its fair value , and in any case at least every four years.

   e) The fair value of owner-occupied property shall normally be determined by a professional valuer taking into consideration market-based evidence, in accordance with valuation standards.

   f) Depreciation, where applicable, shall be calculated each year on the basis of the revalued amount of the asset concerned.

6. **Investment property**

a) Differences arising from the measurement at fair value (gains or losses) shall be recognized in the income statement.

b) When the fair value option is chosen, the fair value of investment property shall be reassessed whenever market conditions indicate that the book value of the asset is significantly different from its fair value, and in any case, at least every two years.

c) The fair value of investment property shall normally be determined by a professional valuer taking into consideration market-based evidence, in accordance with of valuation standards.

d) Investment property at fair value shall not be subject to depreciation.

7. **Biological assets**

a) When the fair value option is chosen, biological assets shall be measured at fair value less costs to sell them.

b) When the fair value option is chosen, non-current biological assets shall not be subject to depreciation.

c) Differences arising from the measurement at fair value (gains or losses) shall be recognized in the income statement.

8. **Merchandise inventory**

a) Merchandise inventory whose prices are quoted in active markets, and which are intended to be sold by commodity brokers may be measured at fair value, less cost to sell.

b) Differences arising from the measurement at fair value (gains or losses) shall be recognized in the income statement.

9. **Available for sale financial assets**:

a) Differences arising from the measurement of available for sale financial assets at fair value (gains or losses) shall be recognized as a reserve in equity in the period in which they occur.

b) If a financial asset of this paragraph is derecognized or there is objective evidence that the asset is impaired in accordance with paragraph 5 of article 19, the related amounts held in the fair value reserve shall be transferred to the income statement in the period of derecognition or impairment.

c) Any impairment losses recognized in (b) above, shall be reversed to the income statement, when the conditions which gave rise to them cease to exist. By way of exemption, impairment losses from equity instruments are reversed directly to equity.

10. Financial assets held for trading and financial liabilities held as part of a trading portfolio

a) Differences arising from the measurement at fair value (gains or losses) shall be recognized in the income statement in the period in which they occur.

b) Derivative financial instruments that are not held for hedging purposes shall be considered as financial assets acquired for trading.

11. Derivative financial instruments held for hedging.

a. When the fair value option is chosen for fair value hedges:

a1) both the hedged item and the corresponding hedging instrument shall be measured at fair value.

a2) gains and losses arising from the measurement of both the hedged item and the corresponding hedging instrument at fair value shall be recognized in the income statement in the period in which they occur.

b. For cash flow hedges: gains and losses arising from the measurement of a hedging instrument at fair value shall be recognized in an equity reserve. This equity reserve shall be transferred to the income statement in the same period in which the hedged cash flows are recognized in the income statement.

c. The gains and losses arising from the measurement of any hedged items and the related hedging instruments, shall be merged in one line item in the income statement.

d. The accounting treatment of this paragraph shall be applied only when it is demonstrated that a hedging relationship exists and this hedging is effective.

12. The fair value of financial assets and liabilities shall be:

a. The market value, in the case of financial instruments for which the market creates a reliable price.

b. If a market value is not directly identifiable for an item, but can be determined for its elements or for a similar item, the fair value of the item concerned may be determined from its elements or from the similar item.

c. In the case of financial instruments for which a reliable market cannot be identified, the price that is produced from generally accepted models and measurement techniques, provided that these models and techniques may be used as a fair estimation of the market value.

13. Commodity-based contracts that give either contracting party the right to settle in cash or some other financial instrument, shall be considered to be derivative financial instruments, except where such contracts:

    a. were entered into and continue to meet the entity's expected purchase, sale or usage requirements of the relevant commodity, both at the time they were entered into and thereafter,

    b. were designated as commodity-based contracts at their inception, and

    c. are expected to be settled by delivery of the commodity.

14. Transfers of financial assets between categories:

    a) Transfers of financial assets to and from the “trading portfolio” are not permitted.

    b) Transfers of financial assets from “held to maturity” to “available for sale” are permitted only when the entity no longer has the intention to hold the assets concerned to their maturity. In this case, the difference between the book value of the transferred item and its fair value as of the date of the transfer is recognized in equity and treated in accordance with paragraph 9 of this article.

    c) Transfers of financial assets from “available for sale” to “held to maturity” are permitted only when the entity no longer has the intention to sell the assets concerned before their maturity. In this case, any fair value difference in equity is amortized over the period until the maturity date of the items concerned.

Article 25: Income statement items

1. The items specified in this article shall be recognized in the income statement under the appropriate line items.

2. Revenue shall be recognized within the period in which it is earned.

3. Revenue arising from the sale of goods shall be recognized when:

    a) all substantial risks and rewards related to the goods are transferred to the buyer, and

    b) the goods are accepted by the buyer, and

c) the economic benefits of the transaction can be measured reliably and will probably flow to the entity.

4. Revenue arising from providing services and construction contracts shall be recognized when the economic benefits from the transaction can be measured reliably and the inflow of the consideration to the entity is probable. The revenue shall be recognized using the percentage of completion method. The completed contract method may be used only when its use, in comparison with the percentage of completion method, does not have a material impact on the financial statements.

5. Revenue arising from the use of the assets of the entity by third parties shall be recognized as follows:

   a) interest – on a time basis, under the effective interest rate method or the straight line method.

   b) dividends or income of a similar nature arising from the participation in the equity of another entity – when approved by the appropriate body that decides their distribution.

   c) rights – in accordance with the relevant contractual terms.

6. Revenue of paragraphs 3 and 4 of this Article shall be measured net of any discounts, rebates or sales taxes.

7. Revenue of paragraphs 3 to 5 of this Article shall be recognized separately from any related expenses.

8. Gains from the measurement of assets and liabilities, including gains from the reversal of provisions or reversal of impairment of assets, recognized in accordance with this law.

9. Gains arising from the derecognition of assets or liabilities shall be recognized in the income statement at the time of derecognition from the balance sheet.

10. Any other revenue or gain shall be recognized appropriately in the income statement.

11. Gains shall be appropriately reported as part of income at their net amounts.

12. Expenses shall include, where applicable:

   a) formation expenditure.

   b) acquisition cost or production cost, as applicable, of goods and services sold.

   c) employee remuneration, including any provisions for future employee benefits.

   d) research expenditure.

e) development expense.

f) repairs and maintenance.

g) depreciation and amortization.

h) provisions for future employee benefits.

i) provisions for other risks and expenses.

j) interest and similar expenses.

k) expenses and losses arising from the measurement of assets and liabilities.

l) losses arising from the derecognition of assets.

m) any other losses incurred and presented at their net amount.

n) income tax expense, including current and, where applicable deferred tax, for the period.

o) other expenses not included in the categories above.

13. All expenditure of paragraph 12 incurred shall be recognized and classified in the income statement in an appropriate manner, except when such expenditure meets the definition of an asset, in accordance with this law.

14. When sales or purchase agreements include terms for deferral of payment, there may be an implicit financing element in the transaction. The associated revenues or costs shall be measured at amortized cost using the effective interest rate method or the straight line method, instead of the nominal amount due, if the amortized cost method is likely to have a material impact on the financial statements. The interest element shall be recognized appropriately in the financial statements.

Article 26: Equity items

1. Equity items shall include, where applicable:

a) Capital paid-up by the owners of the entity including:

i) any share premium amount and;

ii) any other contribution of equity participants, if that contribution cannot be cancelled and the entity has an obligation to issue shares or other equity instruments, as appropriate, to the contributors within a period of 6 months from receipt.

b) Reserves formed under the provisions of tax or other legislation or the articles of association of the entity.

c) Retained earnings.

d) Differences arising from the use of the fair value option of article 24.

e) Treasury shares and other treasury participating titles of the entity. Such titles shall be presented as a separate item deducted from equity.

f) Gains or losses on the disposal or cancelation of treasury shares and other treasury participating titles shall be directly recognized in equity as a separate item.

2. All equity items of paragraph (1.a) and (1.e) of this article shall be initially recognized and subsequently measured at the nominal amounts that have been received or paid.

3. Costs relating directly to equity items shall be recorded as a reduction to the equity item concerned, if the amount is material for the financial statements. If the amount concerned is not material, it may be expensed in the period concerned.

4. Gains from the measurement of assets and liabilities at fair value that are recognized in equity (item c of paragraph 1) shall not be issued as equity under item (a) of paragraph 1, until such gains are realized.

Article 27: Transactions and balance sheet items denominated in another currency

1. A foreign currency transaction shall be recorded, on initial recognition in the currency in which the financial statements are presented, by applying to the foreign currency amount the spot exchange rate between the presentation currency and the foreign currency at the date of the transaction.

2. At the end of each reporting period:

   a) foreign currency monetary items shall be translated using the closing rate;

   b) non-monetary items that are denominated in a foreign currency and measured at historical cost shall be translated using the exchange rate at the date of the transaction.

   c) non-monetary items that are denominated in a foreign currency and measured at fair value shall be translated using the exchange rate at the date when the fair value was determined. Any resultant differences are subject to the relevant treatment of the fair value differences in accordance with article 24.

3. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during

the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

4. The exchange difference resulting from a monetary item which is part of the net investment in a foreign operation shall be recognized directly as an item (difference) in equity. This item shall be transferred to the income statement at the time of disposal of the foreign operation.

Article 28: Changes in accounting policies and estimates, and corrections of errors

1. Changes in accounting policies and corrections of errors shall be recognized retrospectively. Appropriate adjustments shall be made to:

   a) the carrying amounts of assets, liabilities and equity for the cumulative effects of the change as at the beginning and end of the comparative and reporting periods, and

   b) the income and expenses for the effect of the change on the figures of the comparative and reporting periods.

2. Changes in accounting estimates shall be recognized in the reporting period in which they are decided upon and shall affect this period and subsequent periods, as appropriate. Such changes shall not recognized retrospectively.

3. Errors shall be corrected in the earliest possible accounting period after their discovery.

CHAPTER 6

NOTES TO THE ACCOUNTS AND EXEMPTIONS

Article 29: Notes in the financial statements

1. The notes to the financial statements shall be prepared in accordance with the following principles:

   a) Entities that are not required to provide the information of a particular paragraph of this article may elect to do so, on a voluntary basis. An entity that elects to provide information on this basis shall provide that information in a manner that is in compliance with the relevant paragraphs of this Article.

   b) The notes to items in the financial statements shall be presented in the order in which those items are presented in the financial statements.

   c) Where abbreviations, charts or symbols are used in the financial statements or the notes, their meanings shall be made clear. The units of measurement and the level of rounding of numbers shall be made clear.

   d) When information required under this article is presented in the tables of the financial statements, this information need not be repeated in the notes.

2. Entities shall provide, at a minimum, the explanatory information and analyses specified in paragraphs 3 to 33 of this Article, except where exemptions are permitted.

3. Information disclosing:

   a) the name of the entity.

   b) the legal form of the entity.

   c) the reporting period.

   d) the address of the registered offices or equivalent information.

   e) the registry that the entity is registered to and the registration number, or equivalent information, as appropriate.

   f) whether the entity is a going concern.

   g) whether the entity is in the process of liquidation.

   h) The category of the entity (micro, small, medium, large, public interest) according to this law.

   i) A statement that the entity’s financial statements comply fully with this law.

4. An entity shall disclose in the notes to their financial statements whether there are any factors that may put the enity's status as a going concern in doubt, and the nature of these factors.

5. A summary of the accounting policies adopted by the entity in the preparation of the financial statements. In case of a change in accounting policies, accounting estimates or a correction of errors, an explanation of the change and of the impact on items of the financial statements shall be provided in the related note(s).

6. Where, in exceptional cases, the entity has deviated from a provision of this law in order to meet the requirement of paragraph 2 of article 16 for fair presentation, such deviation shall be disclosed and adequately justified, and any effects on the assets, liabilities, equity and income shall be set out in full in the relevant note(s).

7. Where an asset or liability relates to more than one line item of the financial statements, its relationship to other line items shall be disclosed.

8. A table showing for each category of tangible and intangible fixed assets:

   a) the cost or production cost or the fair value if the fair value option (article 24) has been applied, as at the beginning and end of the period.

   b) the additions, reductions, and transfers between categories of assets during the period.

   c) depreciation and impairments relating to the current period.

   d) accumulated depreciation and impairments as at the beginning and end of the period.

   e) other changes in accumulated depreciation and impairments during the period.

   f) the amount of any interest capitalized in the period according to paragraph 2(d) of article 18.

   g) Any other change in the value of the asset.

9. The nature of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet, and the financial effect of those events.

10. When the fair value option is used (article 24):

   a) a clear statement that the fair value measurement option has been used and of the financial statement items that have been measured at fair value.

   b) a description of the significant assumptions underlying the models and measurement techniques.

   c) for each financial statement item: the fair value, the changes in fair value that have been transferred directly to the income statement, and the changes in fair value that have been recognized in a fair value reserve.

d) a table showing the opening and closing balance and the movements on the fair value reserve during the period, and any deferred tax effects if deferred tax has been recognized.

e) for each class of derivative financial instruments, information about the extent and their nature, including significant terms and conditions that may affect the amount, timing and probability of future cash flows.

f) the value of fixed assets by category that would have been recognized as the carrying value in the balance sheet, if these assets were not measured at fair value using article 24.

11. For financial instruments that are measured at cost:

a) For each class of derivative financial instruments:

i. the fair value of these instruments, when it can be determined according to paragraph 12 of Article 24, and

ii. information about the extent of use of these instruments and their nature.

b) For non-current financial assets with a carrying amount in excess of their fair value:

i. the carrying amount and the fair value of either the individual assets or of appropriate classes of those individual assets, and

ii. the reasons for not reducing the carrying value and the nature of the evidence which support the recoverability of the carrying value.

12. As regards to the equity of the entity:

a) The amount of capital that has been authorized but not yet paid.

b) The number and their nominal value, or, when there is no nominal value, the accounting par value of each type of equity securities.

c) Number and the nominal value or, when there is no nominal value, the accounting par value of securities representing the capital, that have been issued during the period, within the limits of the authorized capital.

d) The existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with disclosure of their number, values and a description of the rights they confer.

e) An analysis of each reserve with a brief description of its purpose and the movement that has taken place during the period, if this movement is not provided in detail in the statement of changes in equity.

f) The number and the nominal value, or, when there is no nominal value, the accounting par value of each type of treasury shares held.

13. The entity's total debt covered by valuable security furnished by the entity**,** with a description of the nature and form of the security.

14. The amounts owed by the entity that become due after more than five years.

15. The nature and business purpose of the entity's arrangements that are not included in the balance sheet, and the financial impact of these arrangements on the entity, in so far as the risks or benefits arising from such arrangements are material and the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the entity.

16. The total amount of any financial commitments, guarantees or contingencies (contingent liabilities) that are not included in the balance sheet, with a description of the nature and form of any valuable security which has been provided. Any commitment concerning post-retirement benefits and affiliated or associated entities shall be disclosed separately.

17. The amount and nature of individual items of income or expenses which are of an exceptional size or incidence. When in accordance with this law expenses are set-off against related revenue, the relevant gross amounts shall be disclosed.

18. The amount of any interest accrued during the period that has been charged to the acquisition cost of goods and services according to article 20.

19. The proposed and the finally approved distribution of profits.

20. The amount of dividends paid in the period.

21. Where applicable, the accounting treatment of losses incurred in the period.

22. When deferred taxes are recognized, the deferred tax balances in the balance sheet at the beginning and end of the financial year and an analysis of their movement during the period, with an indication of the amounts that affect the income statement and equity.

23. For the entity's employees during the period:

a) The average number of employees

b) An analysis of the average number of employees per category of staff.

c) If the costs of employee benefits for the period are not separately presented in the income statement, the totals of the following categories of such expenses shall be disclosed:

   i. wages and salaries.

   ii. social security costs, and

   iii. cost of post-employment benefits.

24. The net turnover of the entity, broken down by categories of activity and by geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organized.

25. The amount of advances and credits granted to members of the administrative, managerial and supervisory bodies, with indications of: the relevant interest rate, the conditions under which they were granted, any amounts repaid or written off or waived, as well as any commitments undertaken on their behalf by way of guarantees of any kind. The total amount for each category of persons is to be disclosed.

26. The name, the registered office and the legal form of every other entity in which the entity is a member having unlimited liability.

27. The name and registered office of the entity which draws up the consolidated financial statements of the largest body of entities, in which the entity is a subsidiary, where applicable.

28. The name and registered office of the entity which draws up the consolidated financial statements of the smallest body of entities, in which the entity is a subsidiary, and which is also included in the body of entities referred to in paragraph 27.

29. The place where copies of the consolidated financial statements referred to in paragraphs 27 and 28 may be obtained, provided that they are available, or if the relevant consolidated financial statements are not available, a statement that they are not available.

30. The amount of the emoluments granted during the financial year to the members of administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of post-retirement benefits of former members of those bodies, with an indication of the total amount for each type of bodies.

31. The entity’s transactions with related parties, including the amount of these transactions, the nature of the related party relationship, and other information about the transactions necessary for understanding the financial condition of the entity. The corresponding information on the

balances of any related assets and liabilities as of the balance sheet date shall also be disclosed. Information about individual transactions and related balances may be aggregated according to their nature, unless the separate information is necessary for understanding the effects of the related party transactions on the financial position of the entity.

32. The total fees for the financial year charged by the entity's statutory auditor or audit firm for the statutory audit of the annual financial statements, for other assurance services, for tax advisory services, and for all other non-audit services.

33. The book value of assets and any related liabilities, which the entity has already decided to dispose of in the next accounting period and at least within 12 months from the balance sheet date, when the relevant amount is material.

34. Micro entities making use of either of the micro entity elections paragraphs 7 and 8 of Article 16, shall clearly state that they have used the election and identify which election they have used.

Article 30: Simplifications and exemptions for micro, small and medium entities

Micro entities of article 1.2.c

1. Entities of Article 1, paragraph 2(c) that make use of the micro entity elections of Article 16, Paragraph 8:

   a) Need not apply paragraph 8 or 9, Article 3 on the use of a chart of accounts.

   b) Need not apply paragraphs 6 to 8 inclusive of article 4.

   c) Shall not apply Article 16, Paragraphs 11 and 12 (deviation from model statements). They shall not deviate from the applicable model statements.

   d) Need not apply Article 17, Paragraph 6 (substance).

   e) Need not apply of Article 17, Paragraph 9 (exceptional cases). They need not deviate from the provisions of this law.

   f) Need not apply Article 18, Paragraph 2c (self constructed assets). They need not include overhead costs in the costs of self constructed fixed assets.

   g) Shall not apply Article 18, paragraphs 3(a)(1) to 3(a)(4) inclusive. They shall recognize depreciation of fixed assets using the appropriate methods and formulae prescribed by tax legislation.

h) Shall not apply Article 18, paragraphs 3(a)(6). They shall amortize goodwill and other intangible assets with an indefinite useful life and shall not test fixed assets for impairment. Any such items shall be amortized in accordance with tax legislation.

i) Shall not apply Article 18, Paragraph 3(b). They shall recognize impairment losses on tangible and intangible assets in accordance with tax legislation.

j) Shall account for leases in accordance with tax legislation

k) Shall not apply Article 19, Paragraph 3 (use of effective interest rate method or the straight line method in measuring financial assets at amortized cost).

l) Shall not apply Article 19, Paragraphs 4 to 8 inclusive. They shall recognize impairment losses on financial assets in accordance with tax legislation.

m) Shall not apply Article 20, Paragraph 3b and 5 (inventory). They shall not include overhead costs or interest costs in the costs of production of inventory.

n) Shall not apply Article 22, Paragraph 4 (use of effective interest rate method or the straight line method in measuring financial liabilities at amortized cost).

o) Shall not apply Article 22, Paragraphs 11 to 14 inclusive. They shall recognize provisions in accordance with tax legislation.

p) Shall not apply Article 23, paragraphs 1 and 2. They shall recognize government grants in accordance with tax legislation.

q) Shall not apply Article 23, Paragraphs 3 to 5 (deferred taxes). They shall not recognize deferred taxes.

r) Shall not apply article 24 (fair value option) to financial statement items. They shall not apply fair value to any items in their financial statements.

s) Need not apply Article 28, paragraphs 1 to 3 inclusive. They may recognize all changes in accounting policies and estimates and corrections of errors in the earliest set of financial statements still to be prepared. They need not retrospectively amend financial statements that have already been filed.

2. Micro entities of paragraph 1 of this article are required to provide the information of paragraphs 3 and 34 of Article 29. They need not provide any of the other notes specified in other paragraphs of Article 29.

3. Micro entities of paragraph 1 of this article whose annual net revenue does not exceed the amount of euros 150.000 from the sale of goods may elect not take a physical inventory count

at the end of the period and treat all purchases of the period as expenses. In this case, the opening inventory of the period shall be assumed to be nil for the purpose of determining net income.

4. The micro entities of paragraph 3 of this article of this article that elect to take a physical inventory count in one period for determining net income for the period, whereas they had not been taking such inventory counting, shall take a physical inventory count for at least the next three annual periods.

5. When the micro entities of paragraph 3 of this article elect to take a physical inventory count at the end of the period, whereas they had not been taking such inventory count, the opening balance of inventory for the same period is assumed nil for the purpose of determining net income.

6. When the micro entities of paragraph 3 of this article elect to cease taking a physical inventory count, whereas they had been taking one, the closing balance of inventory of the last period is assumed nil for the purpose of determining the net income of the first period in which physical inventory is discontinued.

Micro entities of article 1.2(a), 1.2(b)

7. Entities of Article 1, paragraphs 2(a) and 2(b) that make use of the micro entity elections of Article 16, Paragraph 7:

   a) Shall not apply of Article 17, Paragraph 9 (exceptional cases). They shall not deviate from the provisions of this law.

   b) Shall not apply article 24 (fair value option) to financial statement items. They shall not apply fair value to any items in their financial statements.

   c) Need not apply Article 28, paragraphs 1 to 3 inclusive. They may recognize all changes in accounting policies and estimates and corrections of errors in the earliest set of financial statements still to be prepared. They need not retrospectively amend financial statements that have already been filed.

8. Entities of paragraph 7 of this article are required to provide the information of paragraphs 3, 16, 25 and 34 of Article 29. They need not provide any of the notes specified in other paragraphs of Article 29.

Small entities

9. Small entities are required to provide the information of paragraphs 3 to 8 inclusive, 10, 13, 14, 16 to 18 inclusive, 23(a), and 25, of article 29. They need not provide any of the other notes specified in Article 29.

Medium entities

10. Medium entities need not provide the information of paragraphs 24, 32 and 33 of article 29.

Special simplifications

11. Entities of paragraph 2.c of article 1 that sell liquid fuel under law 3054/2002 may be categorized as micro entities of paragraph 2, Article 2, if they do not exceed the revenue size criterion of paragraph 4, Article 2.

12. When an entity of paragraph 11 of this article exceeds or ceases to exceed the limit set in paragraph 11 for two consecutive periods, the option of paragraph 11 becomes available or unavailable respectively from the period following the two consecutive annual periods.

13. The following categories of entities of Article 1, paragraph 2(c) need prepare only an abridged income statement, according to model B.6 and provide the information of paragraph 2 of this article:

    a) the foreign enterprises operating in Greece under law 89/1967 and 378/1968; or

    b) the branches of foreign air-carriers operating in Greece that are exempted from income tax on condition of reciprocity; or,

    c) the ship of category B of article 3 of law 27/1975.

14. A decision issued by the Secretary General of Public Revenue of the Ministry of Finance may, after publication by the Secretary General of Public Revenue of the Ministry of Finance of an impact assessment that presents an analysis of the administrative burdens by comparison with the taxation benefits, provide simplifications and exemptions for specific categories of entities on the basis of size, manner or location of business activity, but without prejudice to the determination of taxable income.

CHAPTER 7

CONSOLIDATED FINANCIAL STATEMENTS

Article 31: Categorization of groups for consolidation purposes

1. Small groups shall be groups consisting of a parent and subsidiary entities to be included in a consolidation and which on a consolidated basis on the balance sheet date of the parent entity do not exceed the limits of at least two of the following three criteria:
   a) balance sheet total: EUR 4.000.000,
   b) net turnover: EUR 8.000.000,
   c) average number of employees during the financial year: 50.
2. Medium-sized groups shall be groups which are not small groups, consisting of a parent and subsidiary entities to be included in a consolidation and which on a consolidated basis on the balance sheet date of the parent entity do not exceed the limits of at least two of the following three criteria:
   a) balance sheet total: EUR 20.000.000,
   b) net turnover: EUR 40.000.000,
   c) average number of employees during the financial year: 250.
3. Large groups shall be groups consisting of a parent and subsidiary entities to be included in a consolidation and which on a consolidated basis on the balance sheet date of the parent entity exceed the limits of at least two of the following three criteria:
   a) balance sheet total: EUR 20.000.000,
   b) net turnover: EUR 40.000.000,
   c) average number of employees during the financial year: 250.
4. The limits in paragraphs 1 to 3 of this article apply after the deduction of set-offs and eliminations of paragraphs (3) and (7) of article 35. If these set-offs and eliminations are not taken into account, the limits of assets and turnover shall be increased by 20 %.
5. When a group exceeds or ceases to exceed the limits of two of the three criteria set out in paragraphs 1 to 4 of this article for two consecutive periods, the new size category is effected from the period following the two consecutive balance sheet dates.
6. The figures for ‘Total Assets’ and ‘Net Turnover’ shall consist of the line items “Total assets” in model balance sheet B.7 and “Turnover (net)” in model B.8.1 or B.8.2, as appropriate, of the model financial statements in Appendix B.

Article 32: The requirements to prepare consolidated financial statements

1. The provisions of articles 32 to 36 shall be applied by:

    a) Parent entities of Article 1, paragraph 2, points (a) and (b).

    b) Any other entity when it elects, or is obliged by other legislation, to prepare consolidated financial statements.

2. A parent entity shall draw up consolidated financial statements of itself and any other entity, if the parent entity:

    a) has a majority of the shareholders' or members' voting rights in another entity (a subsidiary entity);

    b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another entity (a subsidiary entity) and is at the same time a shareholder in or member of that entity;

    c) has the right to exercise a dominant influence over another entity (a subsidiary entity) of which it is a shareholder or member, pursuant to a contract entered into with that entity or to a provision in its memorandum or articles of association.

    d) is a shareholder in or member of another entity, and either:

        1) controls alone, pursuant to an agreement with other shareholders in or members of that entity (a subsidiary entity), a majority of shareholders' or members' voting rights in that entity, or

        2) the following three conditions all apply:

            i) a majority of the members of the administrative, management or supervisory bodies of that entity (a subsidiary entity) who have held office during the financial year, during the preceding financial year and up to the time when the consolidated financial statements are drawn up, have been appointed solely as a result of the exercise of its voting rights, and

            ii) the voting rights held by that parent entity represent at least 20% of the total voting rights in the subsidiary entity, and

            iii) no third party has the rights referred to in points (a), (b) or (c) of this paragraph with regard to that entity (a subsidiary entity).

    e) has the power to exercise, or actually exercises, dominant influence or control over another entity (the subsidiary entity); or

3. For the purposes of points (a), (b) and (d) of paragraph 2 of this Article, the voting rights and the rights of appointment and removal of any other subsidiary entity as well as those of any person acting in his own name but on behalf of the parent enity or of another subsidiary entity shall be added to those of the parent entity.

4. For the purposes of points (a), (b) and (d) of paragraph 2 of this Article, the rights mentioned in paragraph 3 of this Article shall be reduced by the rights:

   a) attaching to shares held on behalf of a person who is neither the parent entiy nor a subsidiary of that parent entity; or

   b) attaching to shares***:***

      i) held by way of security, provided that the rights in question are exercised in accordance with the instructions received, or

      ii) held in connection with the granting of loans as part of normal business activities, provided that the voting rights are exercised in the interests of the person providing the security.

5. For the purposes of points (a) and (d) of paragraph 2, the total of the shareholders' or members' voting rights in the subsidiary entity shall be reduced by the voting rights attaching to the shares held by that entity itself**,** by a subsidiary entity of that entity or by a person acting in his own name but on behalf of those entities.

6. A parent entity and all of its subsidiary entities shall be entities to be consolidated regardless of where the registered offices of such subsidiary entities are situated.

7. Entities shall draw up consolidated financial statements, if that entity and one or more other entities to which it is not related as described in paragraphs 2 to 5 of this Article, are managed on a unified basis in accordance with:

   a) a contract concluded with that entity or provisions in the memorandum**,** or,

   b) articles of association of those other entities.

8. The entities described in paragraph 6 and 7 and all of their subsidiary entities shall be consolidated, where one or more of those entities is established as one of the types of entities referred to in points (a) or (b) of paragraph 2 of article 1 of this law.

9. Paragraph 6 of this Article, Article 33 (1), (6) and (7) and Articles 34 to 36 shall apply to the consolidated financial statements referred to in paragraph 7 of this Article, subject to the following modifications:

a) references to parent entities shall be understood to refer to all of the entities specified in paragraph 7 of this Article; and

b) without prejudice to Article 34 (4), the various equity items to be included in the consolidated financial statements shall be the aggregate amounts of the same items attributable to each of the entities specified in paragraph 7 of this Article.

Article 33: Categories of entities exempt from consolidation

1. Small and medium sized groups need not draw up consolidated financial statements, except where any affiliated entity is a public-interest entity.

2. A parent entity need not draw up consolidated financial statements, if that parent entity (the exempted entity) is also a subsidiary entity, including a public-interest entity unless that public-interest entity falls under point (a) of the definition of a public-interest entity in Appendix A, of another entity, the own parent entity of which is governed by the law of a Member State, and:

a) the parent entity of the exempted entity holds all of the shares in the exempted entity. The shares in the exempted entity held by members of its administrative, management or supervisory bodies pursuant to a legal obligation or an obligation in its memorandum or articles of association shall be ignored for this purpose; or

b) the parent entity of the exempted entity holds 90% or more of the shares in the exempted entity and the remaining shareholders in or members of the exempted entity have approved the exemption.

3. The exemptions referred to in paragraph 2 shall fulfil all of the following conditions:

a) the exempted entity and, without prejudice to paragraph 6, all of its subsidiary entities shall be consolidated in the financial statements of a larger body of entity, the parent entity of which is governed by the law of a Member State.

b) the consolidated financial statements referred to in point (a) of the larger body of entities are drawn up by the parent entity of that body, in accordance with the law of the Member State by which that parent entity is governed, in accordance with Directive 2013/34/EU or IFRSs adopted in accordance with Regulation (EC) No 1606/2002.

c) in relation to the exempted entity the following items shall be published in the manner prescribed by the law of the Member State by which that parent undertaking is governed, in accordance with Article 30 of Directive 2013/34/EU:

i) the consolidated financial statements referred to in point (a),

ii) the audit report, and

d) the notes to the annual financial statements of the exempted entity shall disclose the following:

i) the name and registered office of the parent entity that draws up the consolidated financial statements referred to in point (a), and

ii) the exemption from the obligation to draw up consolidated financial statements.

4. A parent entity is exempt from the obligation to draw up consolidated financial statements if that parent entity (the exempted entity) is also a subsidiary entity, the parent entity of which is not governed by the law of a Member State, if all of the following conditions are fulfilled:

a) the exempted entity and, without prejudice to paragraph 6, all of its subsidiary entities are consolidated in the financial statements of a larger body of entities;

b) the consolidated financial statements referred to in point (a) are drawn up***:***

i) in accordance with Directive 2013/34/EU; or

ii) in accordance with IFRSs adopted in accordance with Regulation (EC) No 1606/2002; or

iii) in a manner equivalent to consolidated financial statements drawn up in accordance with Directive 2013/34/EU; or

iv) in a manner equivalent to international accounting standards as determined in accordance with Commission Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council;

c) the consolidated financial statements referred to in point (a) have been audited by one or more statutory auditor(s) or audit firm(s) authorized to audit financial statements under the national law governing the entity which drew up those statements**.**

d) Points (c) and (d) of paragraph 3 shall apply.

5. The exemption of paragraph 4 above does not apply if the exempted entity is a public interest entity that falls within point (a) of the definition of public interest entity in Appendix A.

6. An entity, including a public-interest entity, need not be included in consolidated financial statements where at least one of the following conditions is satisfied:

a) in extremely rare cases where the information necessary for the preparation of consolidated financial statements in accordance with this law cannot be obtained without disproportionate expense or undue delay;

b) the shares of that entity are held exclusively with a view to their subsequent resale; or

c) severe long-term restrictions substantially hinder:

  i) the parent entity in the exercise of its rights over the assets or management of that entity; or

  ii) the exercise of unified management of that entity where it is in one of the relationships defined in Article 32(7).

7. Any parent entity, including a public-interest entity, shall be exempted from the obligation imposed in Article 32 if:

  a) it only has subsidiary entities which are immaterial, both individually and collectively; and / or

  b) all its subsidiary entities can be excluded from consolidation by virtue of paragraph 6 of this Article.

Article 34: The preparation of consolidated financial statements

1. The consolidated financial statements are presented in accordance with models B.7 to B.10 of Appendix B to this law.

2. Articles 16 to 29 of this law shall apply in respect of consolidated financial statements, taking into account the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements.

3. The assets and liabilities of entities included in a consolidation shall be incorporated in full in the consolidated balance sheet.

4. The book values of shares in the capital of entities included in a consolidation shall be set off against the proportion which they represent of the capital and reserves of those entities, in accordance with the following:

  a) except in the case of shares in the capital of the parent entity held either by that entity itself or by another entity included in the consolidation, which must be treated as treasury shares under this law, that set-off shall be effected on the basis of book values as they stand on the date on which those entities are included in a consolidation for the first time. Differences arising from that set-off shall**,** as far as possible**,** be entered directly against those items in the consolidated balance sheet which have values above or below their book values.

b) any difference remaining after the application of point (a) concerns goodwill and is treated as follows:

   i) a positive difference shall be shown in the consolidated balance sheet as an asset under the heading of goodwill and is accounted for under Article 18, paragraphs 3(a)(6) or 3(a)(7), as appropriate.

   ii) a negative difference shall be transferred immediately to the income statement of consolidated financial statements as a gain.

c) when a parent and a subsidiary are controled by the same ultimate party both before and after the consolidation, and when such control is not temporary, the provision of the first sentence of point (a) and the provision of point (b) of this paragraph shall not apply. In this case, the book value of the investment of the parent in the subsidiary is set-off against the amount that corresponds to the proportion of equity of the subsidiary held by the parent, and any differences are directly recognized in the retained earnings of the consolidated balance sheet.

5. Where shares in subsidiary entities included in the consolidation are held by persons other than the parent entity, the amount attributable to those shares shall be shown separately in the equity section of the consolidated balance sheet as non-controlling interests.

6. The income and expenditure of entities included in a consolidation shall be incorporated in full in the consolidated profit and loss account.

7. The amount of any profit or loss attributable to the shares referred to in paragraph 5 shall be shown separately in the consolidated profit and loss account as the profit or loss attributable to non-controlling interests.

8. Consolidated financial statements shall show the assets, liabilities, financial positions, profits or losses of the entities included in a consolidation as if they were a single entity. In particular, the following shall be eliminated from the consolidated financial statements:

   a) debts and claims between the entities;

   b) income and expenditure relating to transactions between the entities; and

   c) profits and losses resulting from transactions between the entities, where they are included in the book values of assets.

9. Consolidated financial statements shall be drawn up as at the same date as the annual financial statements of the parent entity.

10. Assets and liabilities included in consolidated financial statements shall be measured on a uniform basis and in accordance with articles 16 to 29 of this law.

11. Where assets and liabilities included in consolidated financial statements have been measured by entities included in the consolidation using accounting policies differing from those used for the purposes of the consolidation, those assets and liabilities shall be re-measured in accordance with the accounting policies used for the consolidation. Departures from this requirement shall be permitted in exceptional cases. Any such departures shall be disclosed in the notes to the consolidated financial statements and reasons given.

12. When recognized, deferred taxes shall be recognized in consolidated financial statements in accordance with article 23. By way of exception, deferred tax assets and deferred tax liabilities shall not be set-off, when the relevant amounts refer to entities operating in different fiscal jurisdictions.

13. Joint operations are consolidated using the proportionate consolidation method. Article 33, paragraphs (6) and (7), and Article 34 shall apply mutatis mutandis to the proportionate consolidation.

14. When subsidiaries of the parent entity produce their own financial statements in a currency other than the currency in which the financial statements of the parent entity are prepared, the items from financial statements of the subsidiary shall be translated into the currency in which the financial statements of the parent entity are prepared in the following manner:

    a) Income statement items shall be translated at the average rate prevailing during the reporting period.

    b) Assets and liabilities shall be translated at exchange rates prevailing at the balance sheet date.

    c) Equity items shall be translated at exchange rates prevailing at the date those items were contributed or formed.

    d) The exchange differences arising from the above conversions shall be recognized directly as an exchange difference item in equity. This item shall be transferred to the consolidated income statement on the disposal of the subsidiary.

Article 35: Equity accounting of associated and joint venture entities

1. Where an entity included in a consolidation has an associated entity or a joint venture entity,

the associated or joint venture entity shall be shown in the consolidated balance sheet as a separate item with an appropriate heading, under the equity method.

2. Under the equity method an associated or joint venture entity is initially recognized at cost.

3. The amount corresponding to the proportion of the associated entity’s capital and reserves, arising from the application of paragraphs 1 and 2 of this Article, shall be increased or reduced by the amount of any variation which has taken place during the period in the proportion of the entity's capital and reserves represented by that participating interest; it shall be reduced by the amount of the dividends relating to that participating interest.

4. In so far as a positive difference between the acquisition cost and the proportion of the equity acquired cannot be related to any category of assets or liabilities, it shall be treated as goodwill in accordance with Article 18, paragraph 3(a)(6) or 3(a)(7), as appropriate.

5. The proportion of the profit or loss of the associated entities or joint venture entities attributable to the participating interests in such entities shall be shown in the consolidated profit and loss account as a separate item under an appropriate heading.

6. The eliminations referred to in Article 34(8) shall be effected in so far as the facts are known or can be ascertained.

7. Where an associated or joint venture entity draws up consolidated financial statements, paragraphs 1 to 6 of this Article shall apply to the capital and reserves shown in such consolidated financial statements.

8. This Article need not be applied where the amount of the participating interest in the capital of the associated or joint venture entity is not material.

9. The provisions of article 34, paragraph 14 shall apply in the translation of the financial statements of associate or joint venture entities that produce their own financial statements in a currency other than the currency in which the financial statements of the investing entity are prepared.

Article 36: Notes to the consolidated financial statements

1. The notes to the consolidated financial statements shall set out the required information, including that of Article 29, in a way which facilitates the assessment of the financial position of the entities included in the consolidation taken as a whole, taking account of the essential adjustments resulting from the particular characteristics of consolidated financial statements as compared to annual financial statements. In particular:

a) in disclosing transactions between related parties, transactions between related parties included in a consolidation that are eliminated on consolidation shall not be included.

b) in disclosing the average number of employees employed during the period there shall be separate disclosure of the average number of employees employed by joint operations.

c) in disclosing the amounts of emoluments and advances and credits granted to members of the administrative, managerial and supervisory bodies, only amounts granted by the parent entity and its subsidiary entities to members of the administrative, managerial and supervisory bodies of the parent entity shall be disclosed.

2. The notes to the consolidated financial statements shall, in addition to the information required under paragraph 1, set out the following information:

a) in relation to entities included in the consolidation:

i) the names and registered offices of those entities,

ii) the proportion of the capital held in those entities, other than the parent entity, by the entities included in the consolidation or by persons acting in their own names but on behalf of those entities, and

iii) information as to which of the conditions referred to in Article 32, paragraphs (2) and (7) following the application of Article 32 paragraphs (3), (4), and (5) has formed the basis on which the consolidation has been carried out. That disclosure may, however, be omitted where consolidation has been carried out on the basis of point (a) of Article 32(2) and where the proportion of the capital and the proportion of the voting rights held are the same.

iv) The information in points (i) to (iii) above shall be given in respect of entities excluded from a consolidation on the grounds of immateriality pursuant to Article 17, paragraph 5 and Article 33, paragraph 7, and an explanation shall be given for the exclusion of the entities referred to in Article 33, paragraph 7.

b) the names and registered offices of associated or joint venture entities included in the consolidation as described in Article 35, paragraph 1 and the proportion of their capital held by entities included in the consolidation or by persons acting in their own names but on behalf of those entities;

c) the names and registered offices of joint ventures and joint operations, the factors on which joint management of those entities is based, and the proportion of their capital held by the entities included in the consolidation or by persons acting in their own names but on behalf of those entities, and

d) in relation to each of the entities, other than those referred to in points (a), (b) and (c), in which entities included in the consolidation, either themselves or through persons acting in their own names but on behalf of those entities, hold a participating interest:

   i) the name and registered office of those entities,

   ii) the proportion of the capital held,

   iii) the amount of the capital and reserves, and the profit or loss for the latest financial year of the entity concerned for which financial statements have been adopted**.**

e) The information concerning capital and reserves and the profit or loss in point (d) above may also be omitted where the entity concerned does not publish its balance sheet.

3. The methods used to calculate the amount of goodwill and any significant changes thereon during the period, shall be explained in the notes to the financial statements.

4. When equity accounting is applied to an associated entity or a joint venture entity, the entity shall disclose the difference between the cost of the investment and the book value of the proportion of the equity acquired as of the date of acquisition. This disclosure is required for the period in which the acquisition occurred.

5. Where an associated entity's or a joint venture entity’s assets or liabilities have been valued in their separate financial statements by methods other than those used for consolidation in accordance with Article 34, paragraph 10, they may, for the purpose of calculating the difference referred to in paragraph 4, be re-valued by the methods used for consolidation. Where such revaluation has not been carried out, that fact must be disclosed.

6. If the composition of the entities included in a consolidation has changed significantly in the course of a period, the consolidated financial statements shall include information which makes the comparison of successive sets of consolidated financial statements meaningful.

7. When Article 34, paragraph 4, point (c) is applied, the amount of change in retained earnings, the name and the address of the registered office of the subsidiary(ies) involved shall be disclosed.

CHAPTER 8

FIRST APPLICATION AND TRANSITIONAL PROVISIONS

Article 37: First time application

1. This law shall be effective as determined in article 44.

2. The first application of chapters 4, 5, 6 and 7 of this law shall be regarded as a change in accounting policies under article 28.

3. When the retrospective adjustment of a financial statement item is impracticable or when significant cost is involved, at the beginning of the period of the first application of this law the entity may:

   a) where the historic cost is adopted as the measurement basis of an item henceforth:

      i. consider the carrying value of that item as the deemed cost of these item, or

      ii. measure that item at its fair value under article 24, and consider this value to be the deemed cost henceforth. This option is available only for owner-occupied property and investment property.

      iii. any fair value differences arising under (ii) above shall be recognized as retained earnings in equity.

   b) Where the fair value option is elected as the measurement basis henceforth under article 24, the entity shall measure the relevant balance sheet items at fair value. Any resultant differences shall be recognized either directly in retained earnings in equity or as a fair value difference in equity, in accordance with article 24.

4. The retrospective adjustment of financial statement items may be impracticable or involve significant cost, when:

   a) the initial recognition of balance sheet items has occurred at a distant period in the past, or

   b) the fair values of balance sheet items are not available for the points in time necessary for the retrospective application of the fair value model.

5. The balance sheet items that do not satisfy the recognition criteria of this law, but had been recognized in accordance with the accounting rules being abolished by this law, may continue to be presented in the balance sheet after 31 December 2014 until they are fully depreciated in accordance with tax legislation or disposed off.

6. The financial statement items of the comparative period shall be classified under the model financial statements of Appendix B of this law.

7. The notes to the accounts shall disclose the methods used for the first time application of this law and the impact on each financial statement item. In particular, any use of the provision of paragraph 5 shall be disclosed in the notes.

8. Entities which in the first application of this law or subsequently are obliged or opt to prepare a balance sheet for the first time, shall take an inventory count of their assets and liabilities, on the basis of which they shall prepare their first (opening) balance sheet.

9. Micro and small entities need not apply paragraph 4, 5, 6 and 7 of this article.

10. Micro entities shall not apply paragraph 3.a.ii or 3.a.iii or 3b of this Article.

11. Consolidation differences of Article 103 of Law 2190/1920 in the first application of this law is subject to the following treatment:

    a) The carrying amount, if an asset, as of 31 December 2014 is subject to the provision of Article 18, paragraph 3, points a6 and a7 of this law.

    b) The carrying amount, if presented directly in equity of the consolidated balance sheet as of 31 December 2014, is transferred directly to retained earnings.

Article 38: Legislation to be abolished

1. Sub-paragraph E1 of paragraph E of Law 4093/2012 and all circulars and guidance issued for its application, on the basis of Law 4093/2012 or its predecessor Presidential Decree 186/1992, is abolished with effect from 1 January 2015.

2. Law 1809/1988 and all circulars and guidance issued for its application is abolished with effect from 1 January 2015. By way of exemption, article 10 of law 1809/1988 remains in force for infringement committed on or before 31 December 2014.

3. The following laws,legislative decrees and presidential decrees are abolished with effect from 1 January 2015:

    a) law 2190/1920: paragraph 8(d) of article 16, article 42, paragraphs 1 to 4 of article 42a, articles 42b to 43, paragraphs 1 and 2 of article 43a, articles 43c, articles 90 to 107, articles 110 to 130, articles 132 to 134, and articles 138 to 143.

    b) law 2065/1992: articles 20 to 27.

    c) legislative Decree 400/1970: paragraph 1(b) of article 23 and articles 62 to 78.

    d) law 3190/1955: paragraph 2 of article 22.

    e) law 4072/2012: article 80, paragraph 1 of article 98 and article 101.

f) Presidential Decree 1123/1980 on the application of the Greek General Accounting Plan, without prejudice to paragraph 9 of Article 3 of this law, and the relevant provisions of articles 47 to 49 of law 1041/1980, for the entities that are subject to this law.

g) Presidential Decree 148/1984 on the application of the Sectoral Accounting Plan for Insurance Entities, without prejudice to Article 3, paragraph 9 of this law.

h) Presidential Decree 384/1992 on the application of the Sectoral Accounting Plan for Banks, without prejudice to Article 3, paragraph 9 of this law.

4. Any other circular, interpretation or guidance that has been issued persuant to legislation referred to in paragraph 3 of this article is abolished with effect from 1 January 2015, in so much as it contradicts or regulates in a different manner any issue regulated in this law.

5. Where a piece of legislation or regulation references any of the provisions of Law 2190/1920 that are abolished under this article, this reference shall apply to the relevant provisions of this law from the date this law becomes effective. In particular:

a) Reference to paragraph 1 of article 42a or to article 42c of law 2190/1920 shall be considered as a reference to article 16 of this law.

b) Reference to paragraph 5 of article 42e of law 2190/1920 shall be considered as a reference to article 32 of this law.

c) Reference to paragraph 5 of article 103 of law 2190/1920 (presentation of treasury shares in the balance sheet) shall be considered as a reference to paragraph 1(e) of article 26 of this law.

6. Paragraph 6 of article 42a of law 2190/1920 is amended as follows: «6. A company, which on its first balance sheet date after the enactment of this law does not exceed two of the following three criteria a) total assets euro 2.500.000 b) net turnover euro 5.000.000 c) average number of employees during the period 50 people, and when it does not apply International Financial Reporting Standards (IFRS) under Regulation 1606/2002, may appoint an auditor who is not a member of the Institute of Certified Auditors – Accountants of Greece. When accompany ceases to exceed the limits of two of the three criteria of this paragraph, the option is available from the period following the two consecutive balance sheet dates. When accompany exceeds the limits of two of the three criteria of this paragraph, the option becomes unavailable from the period following the two consecutive balance sheet dates.»

Article 39: Other matters

1. The folllowing natural persons of Article 1, paragraph 2(c) are not subject to this law:

    a) Farmers of the special status of VAT of law 2859/2000, on the basis of the amount of gross revenue from the sale of produce and the provision of farming services or the amount of subsidies they receive per tax year. The thresholds of this paragraph shall be determined by a decision of the Secretary General of Public Revenue.

    b) Natural persons who occasionally and as an auxiliary engagement sell products or provide services, when the total of revenue does not exceed the amount of euro 10.000 per annum.

    c) Public or private sector employees who are authors or instructors in educational programs, unless they conduct other business activity.

2. Where other legislation requires the submission of statistical information, the entity concerned shall aggregate as appropriate in order to provide the information required.

3. A standing committee shall be set up by decision of the Deputy Minister of Finance to support the application and evaluate this Law. The standing committee may review proposals made to the committee or develop their own proposals for improving and updating this Law, including the introduction of secondary legislation. Such proposals may be presented to Parliament after taking into account developments in European accounting regulation and international accounting practice and the need to ensure the efficient interraction of this law with tax and other legislation. Such proposals may be presented after publication of an impact assessment that presents an analysis of the administrative burdens by comparison with the benefits.

Article 40: Transitional provisions

1. The electronic tax equipment of law 1809/1980 may continue to be used, unless otherwise determined in a decision issued by reference to paragraph 9 of Article 12.

2. The decisions 1220/2012 and 1221/2012 of the Ministry of Finance remain in force as regards to technical specifications of electronic tax equipment, unless otherwise determined in a decision issued by reference to paragraph 9 of Article 12.

3. New electronic tax equipment may be approved under decisions 1220/2012 and 1221/2012 of the Ministry of Finance to the date of issue of the Decision provided in paragraph 9 of article 12 of this law.

Article 41

This article refers to ammendments introduced to other legislation unrelated to this law.

Article 42

This article refers to ammendments introduced to other legislation and has no relevance to this law.

Article 43

This article refers to ammendments introduced to other legislation and has no relevance to this law.

Article 44: Transitional provisions

1. This law comes into force as follows:

   a) Chapters 4 to 7 and the definitions of Appendix A that relate to these chapters shall become effective for annual periods commencing after 31 December 2014.

   b) All other chapters and the definitions of Appendix A that relate to these chapters shall become effective on 1 January 2015.

APPENDIX A:

DEFINITIONS

DEFINITIONS

Accounting estimate: An assessment of the present status, expected future benefits or obligations associated with its assets and liabilities.

Accounting policies: The specific principles, measurement bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

Accounting records: Records, including electronic records, that contain the information required for the preparation and audit of an entity's financial statements. Accounting records include databases of detailed information, invoices, other documentation and accounting books in which the transactions and events are recorded.

Accounting system. The accounting system includes the accounting records and the procedures for recording the transactions and events of the entity, and for preparing its financial statements.

Accrual: The effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid). They are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

Acquisition cost (purchase price) – assets and services: The amount of money or cash equivalents, or the fair value of the consideration given to acquire an asset or service at the time of acquisition or construction, plus any incidental expenses and minus any incidental reductions of acquisition. This cost shall include any expenditure incurred in bringing an asset to its present location and condition, or its intended use.

Acquisition cost of liabilities: The value of money or cash equivalents or other assets received at the time the liability was undertaken or accrued, after appropriately accounting for any incidental expenses of acquisition.

Active market: A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Affiliated entities: Two or more entities of the same group.

Amortized cost – financial assets: The amount at which a financial asset is measured at initial recognition minus any principal repayments, plus or minus the cumulative amortization using the effective interest method or the straight line method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or non-collectibility.

Amortized cost – financial liabilities: The amount at which a financial liability is measured at initial recognition minus any principal repayments or reductions, plus or minus the cumulative amortization using the effective interest rate method or the straight line method of any difference between that initial amount and the maturity amount.

Amortised cost – fixed assets: The amount at which a fixed asset is measured at initial recognition, less accumulated depreciation or amortization and any accumulated impairment.

Asset: A resource owned or controlled by the entity as a result of past transactions or events, and from which future economic benefits are expected to flow to the entity.

Associated entity: An entity, in which another entity has a participating interest, and over whose operating and financial policies that other entity exercises significant influence. An associated entity is neither a subsidiary nor a joint venture.

Authenticity of origin of an invoice: The assurance of the identity of the supplier or the issuer of the invoice.

Available for sale financial instruments: Any non-derivative financial instruments (assets) designated on initial recognition as available for sale or any other non-derivative instruments that are not classified as (a) loans and receivables, (b) investments held to maturity or (c) financial assets at fair value through profit or loss.

Biological asset: A living animal or plant.

Book value (or carrying amount): The amount at which an item is recognized in the financial statements.

Business: An integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to owners, members or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. If goodwill is present in a transferred set of activities and assets, the transferred set shall be presumed to be a business.

Carrying amount (or Book value): The amount at which an item is recognized in the financial statements.

Cash: cash on hand and demand deposits.

Cash equivalents: Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flow hedge:A hedge of the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and (ii) could affect profit or loss.

Cash generating unit: The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Carrying amount: see Book value

Close members of the family of a person: Those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

a) that person's spouse or domestic partner;

b) dependants, including lineal ascendants and lineal descendants, of that person or that person's spouse or domestic partner

Completed contract method: The method in which the revenues and expenses from a service or construction contract are recognized when the contract is completed.

Construction contract: A contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contingent asset: A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or

b) a present obligation that arises from past events but is not recognized because:

   i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or;

   ii) the amount of the obligation cannot be measured with sufficient reliability.

Control: The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Costs of disposal of an asset or a cash generating unit: The incremental costs directly attributable to the disposal of an asset or a cash generating unit, excluding finance costs and income tax expense.

Current asset: An asset that:

a) The entity expects or intends to realize, sell or consume in its normal operating cycle.

b) The entity holds primarily for the purpose of trading.

c) The entity expects to realize within 12 months after the reporting date, or.

d) Is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for more than twelve months after the reporting date.

Current (short-term) liability: A liability that the entity:

a) expects to settle in its normal operating cycle, or
b) holds primarily for the purpose of trading, or
c) must settle within twelve months after the reporting date; or
d) does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current tax: The amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the reporting period, in accordance with tax legislation.

Debt instrument: A financial instrument that gives rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Deferred tax: Deferred income tax arises from temporary differences between the carrying amount of assets and liabilities and their tax base.

Deferred tax asset: The amounts of income taxes recoverable in future periods in respect of: deductible temporary differences, unused tax losses carried forward, and of unused tax credits carried forward.

Deferred tax liability: The amounts of income taxes payable in future periods in respect of taxable temporary differences.

Depreciable amount: The cost of an asset, or other amount substituted for cost (in the financial statements), less the residual value of the asset.

Depreciation (amortization): The systematic allocation of the depreciable amount of an asset over its useful life.

Debt instrument: A financial instrument that gives rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derivative financial instruments (assets or liabilities): A financial instrument or other contract with all of the following three characteristics:

a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').

b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

c) It is settled at a future date.

Examples of derivatives are futures, forwards, swaps and options. Derivatives often have a notional amount, which is an amount of currency, a number of shares, a number of units of weight or volume or other units specified in the contract.

Development: The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use.

Disclosure: Information in an entity's financial statements, including explanatory notes and analyses.

Dividends: Amounts (cash or other assets) distributed to holders of an equity instrument, other than amounts representing a return of capital contributed.

Dominant influence: Influence that can be exercised to direct the operating and financial policies in accordance with the wishes of the holder of the influence, notwithstanding the rights or influence of any other party.

Economic substance of transactions and events: Transactions and events are presented in the financial statements on the basis of their financial impact rather than on the basis of their legal form.

Economic substance of transactions and events: Transactions and events are presented in the financial statements on the basis of their financial impact rather than on the basis of their legal form.

Effective hedge. A hedge is effective if at the inception as well as at the subsequent periods the hedge is expected to be effective in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Equity instrument: Interest in the equity of another entity, irrespective of the percentage of participation.

Effective interest rate: The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Entity: Any natural or legal person or association thereof, business enterprise, or organization for-profit or non-profit, of the private or public sector. An entity may or may not be a legal entity.

Equity: The residual interest in the assets of the entity after deducting all its liabilities.

Event: An occurrence or phenomenon that causes a change in the assets or liabilities of an entity. Events may include the impairment of an asset or the forfeiture of a guarantee, including contingent assets and contingent liabilities.

Expenditure: The sum of amounts of money paid out, other assets or services given or liabilities undertaken, to acquire an asset or service.

Expense: Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Fair presentation (or true and fair view): Faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income (revenue and gains) and expenses (including losses).

Fair value: The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm’s length transaction at the measurement date.

Fair value hedge: A hedge of the exposure to changes in fair value of a recognized asset or liability or an identified portion of such an asset, or liability, that is attributable to a particular risk and could affect profit or loss.

Finance lease: A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. Examples of conditions that individually or in combination would normally lead to a lease being classified as a finance lease are:

a) the lease transfers ownership of the asset to the lessee by the end of the lease term.

b) the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.

c) the lease term is for the major part of the economic life of the asset even if title is not transferred.

d) at the inception of the lease the present value of the minimum lease payments, excluding the part of payments relating to any services offered during the period of the lease, amounts to at least substantially all of the fair value of the leased asset, and

e) the leased assets are of such a specialized nature that only the lessee can use them without major modifications.

Indicators of conditions that individually or in combination could also lead to a lease being classified as a finance lease are:

a) if the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee.

b) gains or losses from the fluctuation in the fair value of the residual accrue to the lessee (for example, in the form of a rent rebate equaling most of the sales proceeds at the end of the lease).

c) the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent.

Financial asset: any asset that is:

a) Cash or cash equivalent.

b) an equity instrument of another entity

c) a contractual right:

   i. to receive cash or another financial asset from another entity, or

   ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or

d) a contract that will or may be settled in the entity's own equity instruments and:

   i. under which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or

ii. that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments. For this purpose the entity’s own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity’s own equity instruments.

Financial holding entity: An entity, the sole object of which is to acquire holdings in other entities and to manage such holdings and turn them to profit, without involving themselves directly or indirectly in the management of those entities, and without prejudice to their rights as shareholders.

Financial instrument: A contract that creates a financial asset for one entity, and a financial liability or an equity title for another entity.

Financial instruments held for hedging (hedging instruments): A derivative financial instrument (asset or liability) that meets all of the following:

a) it is a contract for a future exchange of interest rates or foreign currency or commodities, that is very effective in offsetting a risk that is designated as hedged risk.

b) it involves an external party in relation to the reporting entity (i.e. an external party for the group, the division or the reporting entity)

c) the notional amount is equal to the designated amount of the principal or the notional amount of the hedged item.

d) it has a specified maturity date, no later than: i) the date of the financial instrument that is hedged, ii) the expected settlement date of the purchase of the commodities, or iii) the actual occurrence of the highly probable forecast foreign currency or commodity transaction being hedged.

e) it has no prepayment, early termination or extension features.

Financial instruments held for trading (trading portfolio): Any financial instrument (asset or liability) that meets any of the following:

a) was acquired or undertaken principally for the purpose of making a profit by selling or repurchasing it in the short-term.

b) on initial recognition it was designated as held for trading (trading portfolio).

c) on initial recognition it was part of a portfolio of identifiable financial instruments managed collectively, for which the entity has prepared a realistic plan for short-term profit making.

d) is a derivative, except derivatives designated as hedging instruments.

Financial liability: Any liability that is:

a) a contractual obligation:

   i) to deliver cash or another financial asset to another entity, or

   ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or

b) a contract that will or may be settled in the entity's own equity instruments and:

   i) under which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments, or

   ii) will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Fixed assets: Non-current assets which are intended for use on a continuing basis for the entity's activities and are expected to produce benefits beyond one annual period.

Gains: Increases in economic benefits that meet the definition of income but are not revenue. Gains result in a net increase in equity, either by a reduction in liabilities or an increase in assets, but excluding increases in equity arising from transactions with the owners of the entity.

Going concern, assumption: An entity is considered a going concern unless its management has the intention to liquidate the entity or cease operations, or has no realistic alternative but to do so.

Goodwill: The difference between the consideration given for the acquisition of part or all of an entity and the sum of the fair value of the identifiable net assets. Positive goodwill represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Negative goodwill normally indicates a bargain purchase.

Government grants:Assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Group: A parent entity and all its subsidiary entities.

Held to maturity investments: Any non-derivative financial assets with fixed or determinable payments and fixed maturity, that an entity has the intention and ability to hold to maturity, provided that:

a) they do not meet the definition of loans and receivables, and

b) they are not designated on initial recognition as part of the trading portfolio or as available for sale.

Impairment loss: The amount by which the carrying amount of an asset exceeds its recoverable amount, such as a loss from non-collectable receivables (bad debts).

Improvement (fixed assets): Expenditure to extend the useful or economic life of a fixed asset beyond its originally intended life or to improve its performance over that of the original asset.

Income: Increases in economic benefits during the reporting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity investors. Income may be generated by revenues and gains.

Income tax (tax expense): the aggregate amount included in the determination of profit or loss for the period in respect of current tax and, where applicable, deferred tax. Tax expense (tax income) comprises current tax expense (current tax income) and, where applicable, deferred tax expense (deferred tax income).

Initial recognition: The recognition of an item of the financial statement when first recorded in the accounting system of the entity.

Intangible asset: An identifiable and non-monetary asset without physical substance. An intangible asset is identifiable when it:

a) is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or

b) arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Integrity of content: Integrity of content means that the content of a document (e.g. an invoice) has not been altered in relation to the requirements of the law or the intention of the issuer.

International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS): These terms shall have the meaning as defined in Regulation 1606/2002 of the European Union.

Inventories: are assets:

a) held for sale in the ordinary course of business.

b) in the process of production for such sale, or

c) in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Investing activities: The acquisition and disposal of long-term assets and other investments not included in cash equivalents.

Investment entity:

a) An entity the sole object of which is to invest its funds in various securities, real property and other assets, with the sole aim of spreading investment risks and giving the shareholders the benefit of the results of the management of their assets,or

b) An entity associated with an investment entity with fixed capital, if the sole object of this associated entity is to acquire fully paid shares issued by this investment entity without prejudice to point (h) of Article 22(1) of Directive 2012/30/EU.

Investment property: Property (land and/or buildings, or parts thereof) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.

Invoice: A document (in paper or electronic form) issued for the sale of goods or services.

Joint arrangement: An arrangement of which two or more parties, bound by a contractual agreement, have joint control.

Joint control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operation(s): An arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities arising thereof. A joint operation is conducted jointly by the legal entities involved. A joint operation is not an independent legal entity.

Joint venture: A joint venture is a legal entity over which two or more parties have joint control and rights to the net assets of the arrangement.

Lease: An agreement whereby the lessor conveys the right to use an asset for an agreed period of time to the lessee in return for a payment or series of payments from the lessee.

Liability: A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Loans and receivables originated by the entity: Non-derivative financial instruments with a fixed or determinable payment, that are not quoted in an active market, and which are originated by the entity when it delivers goods, services or financial assets to third parties.

Long-term liabilities: non-current liabilities, i.e. liabilities that are not current liabilities.

Loss: A reduction in economic benefits that is not an expense. Losses result in a net decrease in equity, in the form of an increase in liabilities or a reduction in assets, but excluding decreases from transactions with the owners of the entity.

Maintenance (fixed assets): An expenditure incurred to preserve an asset's service potential to original estimations.

Material: Omissions or misstatements of information are material if they could reasonably be expected to influence, individually or collectively, the economic decisions that users make on the basis of the financial statements of an entity. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Measurement: The process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the balance sheet or income statement.

Monetary items: Money held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

Net book value (of an asset or liability): The amount left after deducting all cumulative adjustments from the amount initially recognized.

Net income: The difference between a) the total revenue and gains of a period, and b) the corresponding total expenses and losses. Net income may be positive (profit) or negative (loss).

Net investment in a foreign operation: The amount of the reporting entity's interest in the net assets of an operation that is a subsidiary, associate, joint venture or branch of the reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.

Net investment in a finance lease (lessor): Net investment in a finance lease is the gross investment in the lease discounted at the interest rate implicit in the lease. Gross investment in the lease is the aggregate of:

a) the minimum lease payments receivable by the lessor under a finance lease, and

b) any unguaranteed residual value accruing to the lessor.

Net realizable value: The estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-current asset: an asset that is not a current asset.

Non-controlling interest: Equity in a subsidiary not attributable, directly or indirectly, to a parent.

Non-derivative financial instruments: Financial instruments that are not derivative financial instruments.

Non-financial liability: a liability that is not a financial liability.

Non-monetary item: An item that is not a monetary item.

Notes to the financial statements: Notes contain information in addition to that presented in the statement of financial position (balance sheet), income statement, statement of changes in equity or statement of cash flows, as applicable. Notes provide narrative or numerical descriptions or disaggregations of items presented in those statements and about items that do not qualify for recognition in those statements.

Operating activities: The principal revenue-producing activities of an entity and other activities that are not investing or financing activities.

Operating cycle: The time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Operating lease: An operating lease is a lease other than a finance lease.

Owner occupied property: Property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes.

Parent entity: An entity which controls one or more subsidiary entities.

Participating interest: Rights in the capital of other entities, whether or not represented by certificates, which, by creating a durable link with those entities, are intended to contribute to the activities of the entity which holds those rights. The holding of part of the capital of another entity is presumed to constitute a participating interest where it is lower than 20% and not less than 10%.

Percentage of completion method: The recognition of revenue and expenses by reference to the stage of completion of a service or construction contract. Under this method, contract revenue is matched with the contract costs incurred, in relation to estimated total cost, in reaching the stage of completion as at the balance sheet date of the service provider or constructor, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.

Presentation currency: The currency in which the financial statements are presented.

Present value: The current worth of a future sum of money or stream of cash flows, given an appropriate discount rate in the normal course of business.

Prior period errors: Omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

a) was available when financial statements for those periods were authorized for issue; and

b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Production cost: Production cost is the cost attributable to goods or services.

Proportionate consolidation: a method of accounting and reporting whereby a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled operation is combined line by line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.

Provision: A liability of a clearly defined nature which at the balance sheet date is either likely to be incurred or certain to be incurred, but uncertain as to its amount or as to the date on which it will arise. A provision represents the best estimate of the amount or expense required to meet that liability.

Public interest entities: Public interest entities include:

a) Entities whose securities are admitted to trading on a regulated market of any Member State within the meaning of Council Directive 2004/39/EC, in accordance with the provisions of Regulation 1606/2002 of the European Union.

b) Insurance and re-insurance entitiesunder point 5 and 6 of paragraph 1, article 4 of Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 on the requirements of preventive supervision over credit institutions and investment entities, and the modification of Regulation (EU) 648/2012.

c) Credit institutions as defined under point 1 of paragraph 1, article 4 of Regulation EU 575/2013.

d) Entities designated by Greek law as public-interest entities on the basis of the nature of their business, their size or the number of their employees.

Qualifying asset. An asset that necessarily takes a substantial period of time to be made ready for its intended use or sale.

Recognition: The process of incorporating in the balance sheet and/or income statement an item that satisfies the following criteria.

a) it is probable that any future economic benefit associated with the item will flow to or from the entity; and

b) the item has a cost or value that can be measured with reliability.

Recoverable acquisition cost or recoverable amount: The higher of a) the fair value of an asset or cash generating unit less costs to sell, and b) its value in use.

Related party:

a) A person or a close member of that person's family is related to a reporting entity if that person:

    i) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;

    ii) has control over the reporting entity; or

    iii) has joint control or significant influence over the reporting entity or has significant voting power in it.

b) An entity is related to a reporting entity if any of the following conditions applies:

    i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

    ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).

    iii) both entities are joint ventures of a third entity.

    iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.

    v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.

vi) the entity is controlled or jointly controlled by a person identified in (a).

vii) a person identified in (a)(i) has significant voting power in the entity.

viii) a person identified in (a)(ii) has significant influence over the entity or significant voting power in it.

ix) a person or a close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the reporting entity.

x) a member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the reporting entity or has significant voting power in it.

Repair (fixed assets): An expenditure incurred to restore an asset's initial service potential, after damage, prolonged use or other deterioration.

Reporting date or balance sheet date: The last day of the period covered by the financial statements.

Reporting period: The period covered by the financial statements.

Research: Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

Residual value (of an asset): The estimated amount that an entity would currently obtain from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revaluation: The increase or decrease in the carrying value of an item, resulting from a reassessment of its carrying value.

Revenue: The gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Self-constructed asset: an asset that is constructed by the entity, or by a third party on behalf of the entity, or jointly on behalf of the entity.

Service provider – issuance of sales invoices: a service provider is an entity that undertakes under an agreement with another entity to issue sales invoices in the name and on behalf of the latter party using electronic means. The sales invoices issued may delivered to the end recipient directly by the service provider or to the other entity. The service provider may also undertake the storing of copies of sales invoices on behalf of the other entity.

Share premium. The amount over and above the par value of shares, when that entity issues shares as a result of an increase in its share capital.

Shipping documents: Documentation, issued to accompany the movement of goods, that, at a minimum, contain the following information:

d) the full name, the address and the VAT identification number of the sender and recipient of goods.

e) the quantity and nature of the goods.

f) the date on which the goods are shipped.

Significant influence: The power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Significant influence is presumed to exist when an entity holds directly or indirectly at least 20% of the voting rights in another entity, unless it can be clearly demonstrated that this is not the case.

Subsidiary: an entity controlled by a parent entity, including any subsidiary entity of an ultimate parent entity.

Supporting documentation: evidential matter, including sale invoices, issued by the entity or by a third party, in printed or electronic form, that supports the transactions and events of the entity.

Tax basis (of an asset or liability): the amount attributed to that asset or liability for tax purposes.

Temporary differences: Differences between the carrying amount of an asset, liability or other item in the financial statements and its tax basis that the entity expects will affect taxable profit when the carrying amount of the asset or liability is recovered or settled (or, in the case of items other than assets and liabilities, will affect taxable profit in the future).

Trade receivables: Any receivable from the sale of goods or services on credit, arising from the ordinary operating activities of the entity.

Trade payables: Any payable from the purchase of goods and services on credit, arising from the ordinary operating activities of the entity.

Transaction: Any agreement between the entity and a third party that causes a change in assets or liabilities of the contracting parties, such as the sale or exchange of assets, the issuing of a loan or changes in contingent assets and contingent liabilities.

True and fair view: see fair presentation.

Turnover (net turnover): The amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover.

Useful economic life: The estimated period over which an asset is expected to be economically usable or the number of production or similar units expected to be obtained from the asset.

Value adjustment: The decrease of the carrying amount of an asset, resulting from depreciation, amortization or impairment.

Value in use: The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

APPENDIX B: MODEL FINANCIAL STATEMENTS

Model B.1.1: Balance Sheet – Separate financial statements (financial items at cost)

Amounts in units (or thousands, as appropriate)of presentation currency

	Note	20X1	20X0
Non-current assets			
Tangible fixed assets			
Property		X	X
Machinery		X	X
Fixture & fittings/ other equipment		X	X
Investment property		X	X
Biological assets		X	X
Other		X	X
Total		*X*	*X*
Intangible fixed assets			
Development expenditure		X	X
Goodwill		X	X
Other intangible assets		X	X
Total		*X*	*X*
Advances and non-current assets under development		X	X
Financial assets		X	X
Loans and receivables		X	X
Debt instruments		X	X
Investments in subsidiaries, associates and joint ventures		X	X
Other equity instruments		X	X
Other		X	X
Total		*X*	*X*
Deferred tax asset		X	X
Total non-current assets		**X**	**X**
Current assets			
Inventories			
Finished products and work in progress		X	X
Merchandise		X	X
Raw materials		X	X
Biological assets		X	X
Advances for inventory		X	X
Other inventory		X	X
Total		*X*	*X*
Financial assets and prepayments			
Trade receivables		X	X
Accrued revenue		X	X
Other receivables		X	X
Other financial assets		X	X
Prepaid expenses		X	X
Cash and cash equivalents		X	X
Total		X	X
Total current assets		**X**	**X**
Total assets		**X**	**X**

	Note	20X1	20X0
Equity			
Capital paid-up			
Share capital		X	X
Share premium		X	X
Owners' deposits		X	X
Treasury shares		-X	-X
Total		*X*	*X*
Differences in fair value		X	X
Differences arising from tangible fixed assets		X	X
Differences arising from available for sale		X	X
Differences arising from cash flowhedgingitems		X	X
Total			
Reserves and retained earnings		X	X
Statutory reserves		X	X
Non-taxed reserves		X	X
Retained earnings		X	X
Total		*X*	*X*
Exchange differences		X	X
Total equity		***X***	***X***
Provisions			
Provisions for employee benefits		X	X
Other provisions		X	X
Total		*X*	*X*
Liabilities		X	X
Long-term liabilities			
Loans		X	X
Other long-term liabilities		X	X
Government Grants		X	X
Deferred taxes		X	X
Total		*X*	*X*
Short-term liabilities			
Bank loans		X	X
Short-term part of long-term debts		X	X
Trade payables		X	X
Income taxes		X	X
Other taxes and levies		X	X
Social security organizations		X	X
Other liabilities		X	X
Accrued expenses		X	X
Deferred income		X	X
Total		*X*	*X*
Total liabilities		**X**	**X**
Total equity, provisions and liabilities		**X**	**X**

Note

When "available for sale", "trading portfolio", and "hedging instruments" are measured at cost, they are presented in the balance sheet as "other financial assets" (current or non-current, as appropriate).

Model B.1.2: Balance Sheet – Separate financial statements
(financial items at fair value)

Amounts in units (or thousands, as appropriate)of presentation currency

	Note	20X1	20X0
Non-current assets			
Tangible fixed assets			
Property		X	X
Machinery		X	X
Fixture & fittings/ other equipment		X	X
Investment property		X	X
Biological assets		X	X
Other		X	X
Total		*X*	*X*
Intangible fixed assets			
Development expenditure		X	X
Goodwill		X	X
Other intangible assets		X	X
Total		*X*	*X*
Advances and non-current assets under development		X	X
Financial assets		X	X
Loans and receivables		X	X
Financial instruments held to maturity		X	X
Investments in subsidiaries, associates and joint ventures		X	X
Financial instruments available for sale		X	X
Financial instruments held for hedging		X	X
Total		*X*	*X*
Deferred tax asset		X	X
Total non-current assets		**X**	**X**
Current assets			
Inventories			
Finished products and work in progress		X	X
Merchandise		X	X
Raw materials		X	X
Biological assets		X	X
Advances for inventory		X	X
Other inventory		X	X
Total		*X*	*X*
Financial assets and prepayments			
Trade receivables		X	X
Accrued revenue		X	X
Other receivables		X	X
Financial instruments – trading portfolio		X	X
Prepaid expenses		X	X
Cash and cash equivalents		X	X
Total		X	X
Total current assets		**X**	**X**
Total assets		**X**	**X**

	Note	20X1	20X0
Equity			
Capital paid-up			
Share capital		X	X
Share premium		X	X
Owners' deposits		X	X
Treasury shares		-X	-X
Total		*X*	*X*
Differences in fair value		X	X
Differences arising from tangible fixed assets		X	X
Differences arising from available for sale		X	X
Differences arising from cash flow hedging items		X	X
Total			
Reserves and retained earnings		X	X
Statutory reserves		X	X
Non-taxed reserves		X	X
Retained earnings		X	X
Total		*X*	*X*
Exchange differences		X	X
Total equity		***X***	***X***
Provisions			
Provisions for employee benefits		X	X
Other provisions		X	X
Total		*X*	*X*
Liabilities		X	X
Long-term liabilities			
Loans		X	X
Other long-term liabilities		X	X
Government Grants		X	X
Deferred taxes		X	X
Total		*X*	*X*
Short-term liabilities			
Bank loans		X	X
Short-term part of long-term debts		X	X
Trade payables		X	X
Income taxes		X	X
Other taxes and levies		X	X
Social security organizations		X	X
Other liabilities		X	X
Accrued expenses		X	X
Deferred income		X	X
Total		*X*	*X*
Total liabilities		**X**	**X**
Total equity, provisions and liabilities		**X**	**X**

Note

When "available for sale", "trading portfolio", and "hedging instruments" are measured at cost, they are presented in the balance sheet as "other financial assets" (current or non-current, as appropriate).

Model B.2.1: Income statement by function – Separate financial statements

	Note	20X1	20X0
Net turnover		X	X
Cost of sales		-X	-X
Gross margin		X	X
Other ordinary revenue		X	X
		X	X
Administration expenses		-X	-X
Selling and distribution expenses		-X	-X
Other expenses and losses		-X	-X
Impairment of assets (net amount)		-X	X
Gains/Losses on disposal of non-current assets		X	X
Gains/Losses from measurement at fair value		X	X
Revenue from investments		X	X
Gain from bargain purchase of a business		X	X
Other revenue and gains		X	X
Income before interest and tax		X	X
Interest income		X	X
Interest expense		-X	-X
Income before tax		X	X
Income tax		-X	-X
Net income for the period		X	X

Model B.2.2: Income statement by nature – Separate financial statements

	Note	20X1	20X0
Net turnover		X	X
Changes in inventories (merchandise, products & work in progress)		X	-X
Other ordinary revenue		X	X
Work performed by the entity and capitalized		X	X
Purchases of merchandise and materials		-X	-X
Employee benefits		-X	-X
Depreciation/amortization of tangible and intangible assets		-X	-X
Other expenses and losses		-X	-X
Impairment of assets (net amount)		-X	X
Gains/Losses on disposal of non-current assets		X	-X
Gains/Losses from measurement at fair value		X	X
Revenue from investments		X	X
Gain from bargain purchase of a business		X	X
Other revenue and gains		X	X
Income before interest and tax		X	X
Interest income		X	X
Interest expense		-X	-X
Income before tax		X	X
Income tax		-X	-X
Net income for the period		X	X

Model B.3: Statement of changes in equity for the year 20X1 – Separate financial statements

	Capital	Share premium	Owners' deposits	Treasury shares	Differences in fair value	Statutory reserves	Non-taxed reserves	Retained earnings	Total
Balance 01.01.20X0	X	X	X	-X	X	X	X	X	X
Changes in accounting policies and corrections of errors								-X	-X
Changes of items in the period	X	X			-X		X		X
Internal transfers							X	-X	0
Dividends								-X	-X
Profit/loss for the period								-X	-X
Balance 31.12.20X0	X	X	X	-X	X	X	X	X	X
Changes of items during the period					X				X
Internal transfers									0
Dividends									X
Profit/loss for the period								X	X
Balance 31.12.20X1	X	X	X	-X	X	X	X	X	X

Model B.4: Cash flow statement – Separate financial statements (indirect method)

	Note	20X1	20X0
Cash flows from operating activities			
Profit/loss before tax		X	X
Plus or minus adjustments for:			
Depreciation and impairment of tangible and intangible fixed assets		X	X
Provisions		X	X
Gains and losses on disposal of fixed assets		X	X
Revenue from investments		X	X
Gains and losses arising from remeasurement of assets		X	X
Interest income and expense (net amount)		X	X
		X	X
Plus or minus changes in working capital accounts			
Changes in inventories		X	X
Changes in receivables		X	X
Changes in liabilities		X	X
		X	X
Less:			
Interest paid		X	X
Income tax paid		X	X
Total		*X*	*X*
Cash flows from investing activities			
Payments to acquire (proceeds from disposal of) fixed assets		X	X
Loans (net change)		X	X
Interest received		X	X
Dividends received		X	X
Total		*X*	*X*
Cash flows from financing activities			
Proceeds (payments) from increase (decrease) of capital		X	X
Repayment of (or proceeds from) loans		X	X
Dividends paid		X	X
Total		*X*	*X*
Reconciliation of changes in cash and cash equivalents			
Net increase/decrease of cash and cash equivalents in the period		X	X
Cash and cash equivalents at the beginning of the period		X	X
Cash and cash equivalents at the end of the period		X	X

Model B.5: Balance sheet of micro entities – Separate financial statements

Assets		**20X1**		**20X0**
Fixed assets – gross amount		X		X
Less: Depreciation	X		X	X
Impairment	X	X	X	X
Inventory		X		X
Receivables		X		X
Prepayments and accrued revenue		X		X
Other assets		X		X
Total assets		X		X
Equity and liabilities				
Capital and reserves		X		X
Long-term liabilities		X		X
Short-term liabilities		X		X
Total liabilities and equity		X		X

Model B.6: Income statement of micro entities – Separate financial statements

	20X1	20X0
Net turnover	X	X
Other ordinary revenues	X	X
Change in inventory	X	X
Purchases of merchandise and materials	X	X
Personnel expenses	X	X
Depreciation and amortization	X	X
Other expenses and losses	X	X
Other revenue and gains	X	X
Interest	X	X
Income before taxes	X	X
Taxes	X	X
Net income	X	X

Model B.7.1: Balance Sheet – Consolidated financial statements (financial assets at cost)

	Note	20X1	20X0
Non-current assets			
Tangible fixed assets			
Property		X	X
Machinery		X	X
Fixture & fittings / other equipment		X	X
Investment property		X	X
Biological assets		X	X
Other		X	X
Total		*X*	*X*
Advances for non-current assets		X	X
Intangible fixed assets			
Development expenditure		X	X
Goodwill		X	X
Other intangible assets		X	X
Total		*X*	*X*
Advances and non-current assets under development			
Financial assets		X	X
Loans and receivables		X	X
Debt instruments		X	X
Investments in associates and joint ventures		X	X
Other equity instruments		X	X
Other		X	X
Total		*X*	*X*
Deferred income tax		X	X
Total non-current assets		**X**	**X**
Current assets			
Inventories			
Finished products and work in progress		X	X
Merchandise		X	X
Raw materials		X	X
Biological assets		X	X
Advances for inventory		X	X
Other inventory		X	X
Total		*X*	*X*
Financial assets and prepayments			
Trade receivables		X	X
Accrued revenue		X	X
Other receivables		X	X
Other financial assets		X	X
Prepaid expenses		X	X
Cash and cash equivalents		X	X
Total		X	X
Total current assets		**X**	**X**
Total assets		**X**	**X**

	Note	20X1	20X0
Equity			
Capital paid-up			
Share capital		X	X
Share premium		X	X
Owners' deposits		X	X
Treasury shares		-X	-X
Total		*X*	*X*
Differences in fair value / revaluations		X	X
Differences in value of tangible fixed assets		X	X
Differences in value of available for sale		X	X
Differences in value of hedging cash flow items		X	X
Total			
Exchange differences		X	X
Reserves and retained earnings		X	X
Statutory reserves		X	X
Non-taxed reserves		X	X
Retained earnings		X	X
Total		*X*	*X*
Equity attributable to the owners of the parent entity		X	X
Equity attributable to non-controlling interests		X	X
Total equity		***X***	***X***
Provisions			
Provisions for employee benefits		X	X
Other provisions		X	X
Total		*X*	*X*
Liabilities		X	X
Long-term liabilities			
Bank loans		X	X
Other long-term liabilities		X	X
Government Grants		X	X
Deferred taxes		X	X
Total		*X*	*X*
Short-term liabilities			
Loans		X	X
Short-term part of long-term debts		X	X
Trade payables		X	X
Income taxes		X	X
Other taxes and levies		X	X
Social security organizations		X	X
Other liabilities		X	X
Accrued expenses		X	X
Deferred income		X	X
Total		*X*	*X*
Total liabilities		**X**	**X**
Total equity, provisions and liabilities		**X**	**X**

Model B.7.2: Balance Sheet – Consolidated financial statements (financial items at fair value)

	Note	20X1	20X0
Non-current assets			
Tangible fixed assets			
Property		X	X
Machinery		X	X
Fixture & fittings / other equipment		X	X
Investment property		X	X
Biological assets		X	X
Other		X	X
Total		*X*	*X*
Advances for non-current assets		X	X
Intangible fixed assets			
Development expenditure		X	X
Goodwill		X	X
Other intangible assets		X	X
Total		*X*	*X*
Advances and non-current assets under development			
Financial assets		X	X
Loans and receivables		X	X
Financial instruments held to maturity		X	X
Investments in associates and joint ventures		X	X
Financial instruments available for sale		X	X
Financial instruments held for hedging		X	X
Total		*X*	*X*
Deferred income tax		X	X
Total non-current assets		**X**	**X**
Current assets			
Inventories			
Finished products and work in progress		X	X
Merchandise		X	X
Raw materials		X	X
Biological assets		X	X
Advances for inventory		X	X
Otherinventory		X	X
Total		*X*	*X*
Financial assets and prepayments			
Trade receivables		X	X
Accrued revenue		X	X
Other receivables		X	X
Financial instruments – trading portfolio		X	X
Prepaid expenses		X	X
Cash and cash equivalents		X	X
Total		X	X
Total current assets		**X**	**X**
Total assets		**X**	**X**

	Note	20X1	20X0
Equity			
Capital paid-up			
Share capital		X	X
Share premium		X	X
Owners’ deposits		X	X
Treasury shares		-X	-X
Total		*X*	*X*
Differences in fair value / revaluations		X	X
Differences in value of tangible fixed assets		X	X
Differences in value of available for sale		X	X
Differences in value of hedging cash flows items		X	X
Total			
Exchange differences		X	X
Reserves and retained earnings		X	X
Statutory reserves		X	X
Non-taxed reserves		X	X
Retained earnings		X	X
Total		*X*	*X*
Equity attributable to the owners of the parent entity		X	X
Equity attributable to non-controlling interests		X	X
Total equity		***X***	***X***
Provisions			
Provisions for employee benefits		X	X
Other provisions		X	X
Total		*X*	*X*
Liabilities		X	X
Long-term liabilities			
Bank loans		X	X
Other long-term liabilities		X	X
Government Grants		X	X
Deferred taxes		X	X
Total		*X*	*X*
Short-term liabilities			
Loans		X	X
Short-term part of long-term debts		X	X
Trade payables		X	X
Income taxes		X	X
Other taxes and levies		X	X
Social security organizations		X	X
Other liabilities		X	X
Accrued expenses		X	X
Deferred income		X	X
Total		*X*	*X*
Total liabilities		**X**	**X**
Total equity, provisions and liabilities		**X**	**X**

Model B.8.1: Income statement by function – Consolidated financial statements

	Note	20X1	20X0
Net turnover		X	X
Cost of sales		-X	-X
Gross margin		X	X
Other ordinary revenue		X	X
		X	X
Administration expenses		-X	-X
Selling and distribution expenses		-X	-X
Other expenses and losses		X	X
Assets’ impairment (net amount)		-X	X
Gains/Losses on disposal of non-current assets		X	X
Gains/Losses from measurement at fair value		X	X
Income from associates and joint ventures		X	X
Gain from bargain purchase of a business		X	X
Revenue from investments		X	X
Other revenue and gains		X	X
Income before interest and tax		X	X
Interest income		X	X
Interest expense		-X	-X
Income before tax		X	X
Income tax		-X	-X
Net income		X	X
To be allocated to:			
- The owners of the parent entity		X	X
- Non-controlling interests		X	X
		X	X

Model B.8.2: Income statement by nature – Consolidated financial statements

	Note	20X1	20X0
Net turnover		X	X
Changes in inventories (merchandise – products & work in progress)		X	-X
Other ordinary revenue		X	X
Work performed by the entity and capitalised		X	X
Purchases of merchandise and materials		-X	-X
Employee benefits		-X	-X
Depreciation/amortization of tangible and intangible assets		-X	-X
Other expenses and losses		-X	-X
Impairment of assets (net amount)		-X	X
Gains/Losses on disposal of non-current assets		X	-X
Gains/Losses from measurement at fair value		X	X
Income from associates and joint ventures		X	X
Gain from bargain purchase of a business		X	X
Revenue from investments		X	X
Other revenue and gains		X	X
Income before interest and tax		X	X
Interest income		X	X
Interest expense		-X	-X
Income before tax		X	X
Income tax		-X	-X
Net income for the period		X	X
To be allocated to:			
- the owners of the parent entity		X	X
- non-controlling interests		X	X
		X	X

Model B.9: Statement of changes in equity for the year 20X1 – Consolidated financial statements

	Capital	**Share premium**	**Owners' deposits**	**Treasury shares**	**Differences in fair value / revaluations**	**Foreign exchange differences**	**Statutory reserves**	**Non-taxed reserves**	**Retained earnings**	**Equity attributable to owners of parent**	**Equity attributable to non-controlling interests**	**Total equity**
Balance 01.01.20X0	X	X	X	-X	X	X	X	X	X	X	X	X
Changes in accounting policies and correction of errors									-X	-X	-X	-X
Changes of items in the period	X	X			-X	X	X	X				X
Internal transfers								X	-X	-X		
Dividends									-X	-X	-X	-X
Profit/loss for the period									-X	-X	-X	-X
Balance 31.12.20X0	X	X	X	-X	X	X	X	X	X	X	X	X
Changes of items during the period					X	X	X					X
Internal transfers												
Dividends												X
Profit/loss for the period									X	X	X	X
Balance 31.12.20X1	X	X	X	-X	X	X	X	X	X	X	X	X

Model B.10: Cash flow statement – Consolidated financial statements (indirect method)

	Note	20X1	20X0
Cash flows from operating activities			
Profit/loss before tax		X	X
Plus or minus adjustments for:			
Depreciation and impairment of tangible fixed and intangible assets		X	X
Provisions		X	X
Gains and losses on disposal of assets		X	X
Gains and losses arising from measurement of assets		X	X
Revenue from investments		X	X
Income from associates and joint ventures		X	X
Gain from bargain purchase of entities		X	X
Interest income and expense (net amount)		X	X
		X	X
Plus or minus changes in working capital accounts			
Changes in inventories		X	X
Changes in receivables		X	X
Changes in liabilities		X	X
		X	X
Less:			
Interest paid		X	X
Income tax payments		X	X
Total		*X*	*X*
Cash flows from investing activities			
Payments to acquire (proceeds from disposal of) fixed assets		X	X
Loans (net changer entity?)		X	X
Interest received		X	X
Dividends received		X	X
Total		*X*	*X*
Cash flows from financing activities			
Proceeds (payments) from increase (decrease) of capital		X	X
Repayment of (or proceeds from) loans		X	X
Dividends paid		X	X
Total		*X*	*X*
Reconciliation of changes in cash and cash equivalents			
Net increase/decrease of cash and cash equivalents in the period		X	X
Cash and cash equivalents at the beginning of the period		X	X
Cash and cash equivalents at the end of the period		X	X

Model B.11: Balance sheet of entities for collective investment in transferable securities of law 4099/12 (UCITs)

Amounts in units (or thousands, as appropriate)of presentation currency

	20X2	**20X1**	**20X0**
Transferable securities	X	X	X
Bank balances	X	X	X
Other assets	X	X	X
Total assets	**X**	**X**	**X**
Liabilities	X	X	X
Net assets	**X**	**X**	**X**
Number of units in circulation	X	X	X
Net assets per unit	X	X	X
Analysis of portfolio			
1. Transferable securities admitted to official stock exchange listing	X	X	X
2. Transferable securities dealt in on another regulated market	X	X	X
3. Recently issued transferable securities whose term issuance provides that they will be admitted to official listing on a stock exchange or to another regulated market, within a year from their issuance	X	X	X
4. Other transferable securities that are not included in points (1), (2) or (3)	X	X	X
Total	**X**	**X**	**X**

Model B.12: Statement of development of net assets of entities for collective investment in transferable securities of law 4099/12 (UCITs)

A. Income statement	**20X2**	**20X1**	**20X0**
Income from investments	X	X	X
Other income	X	X	X
Management charges	X	X	X
Depository’s charges	X	X	X
Other charges and taxes	X	X	X
Net income	X	X	X
B. Statement of other changes in net assets			
Distribution and income reinvested	X	X	X
Issuance of new units	X	X	X
Redemption of units in circulation	X	X	X
Differences in the measurement of investments	X	X	X
Other changes of assets and liabilities	X	X	X
Cost of transactions in transferable securities	X	X	X
	X	X	X
Sum of changes in net assets (A + B)	**X**	**X**	**X**

APPENDIX C

CHART OF ACCOUNTS

CHART OF ACCOUNTS

1. This chart of accounts is to be used as part of an entity's accounting systems, in accordance with paragraph 8 of article 3 of this law. The chart provides flexibility for adjustment in order to cover the particular needs of users.

2. The accounts used in this chart are intended to:

   a) reflect the nature of financial statement items.

   b) serve internal and external reporting needs as well as control purposes.

   c) cover, to the extent possible, the needs of all entities, independent of size or business sector.

3. The entity may add account numbers to this chart or sub-divisions to account numbers and/or may use the broader accounting and information systems of the entity in order to provide further classifications or sub-classifications of items, in order to:

   a) provide all data and information required under this law and the applicable tax, social security or other legislation, in detail and in summary, in order to facilitate the conduct of checks and confirmation procedures,

   b) manage its operations effectively.

   c) classify various items into current and non-current, short-term or long-term or by other financial statement presentation criteria, or by accounting treatment.

   d) identify transactions and balances with related parties, to the extent required further to the analysis provided herewith.

   e) to record the financial statement items of branches of an entity.

4. In particular, in developing and adjusting the chart of accounts:

   a) The accounts of group 3 "Financial and other assets" shall be analysed at the lowest level of analysis.

   b) The account 42 "Owners' deposits" of group 4 "Equity" shall be recorded at the lowest level of analysis. All other accounts of group 4 "Equity" shall be recorded according to the nature of each item by further analysis of the chart of accounts.

   c) The accounts 50 "Accounts payable", 51 "Notes payable", 52 **"**Bank loans", 53 "Other liabilities", and 56 "Accruals and advances received" of Group 5 "Liabilities" shall be recorded at the lowest level of analysis. All other accounts of group 5 "Liabilities" shall be recorded at the lowest or required level.

CHART OF ACCOUNTS

SYNOPSIS

Group 1: Tangible and intangible non-current (fixed) assets

Group 2: Inventory

Group 3: Financial and other assets

Group 4: Equity

Group 5: Liabilities

Group 6: Expenses and losses

Group 7: Revenue and gains

Group 8: Self-constructed assets, branches, and net income (loss)

LIST OF ACCOUNTS

(1) FIXED ASSETS

10	**Land**
10.01	Gross amount (cost or revaluation) of land
10.02	Accumulated impairment
11	**Depreciable land improvements**
11.01	Gross amount (cost or revaluation) of depreciable land improvements
11.02	Accumulated depreciation
11.03	Accumulated impairment
12	**Buildings and physical infrastructure**
12.01	Gross amount (cost or revaluation)
12.02	Accumulated depreciation
12.03	Accumulated impairment
13	**Machinery**
13.01	Acquisition cost
13.02	Accumulated depreciation
13.03	Accumulated impairment
14	**Transportation equipment**
14.01	Acquisition cost
14.02	Accumulated depreciation
14.03	Accumulated impairment
15	**Other equipment**
15.01	Acquisition cost
15.02	Accumulated depreciation
15.03	Accumulated impairment
16	**Investment property**
16.01	Gross amount (cost or revaluation)
16.02	Accumulated depreciation
16.03	Accumulated impairment
17	**Biological fixed assets**
17.01	Living animals
17.01.01	Gross amount (cost or revaluation)
17.01.02	Accumulated depreciation
17.01.03	Accumulated impairment
17.02	Trees and plants
17.02.01	Gross amount (cost or revaluation)
17.02.02	Accumulated depreciation
17.02.03	Accumulated impairment
18	**Intangibles**
18.01	Development expenditure
18.01.01	Acquisition cost of development expenditure
18.01.02	Accumulated depreciation of development expenditure
18.01.03	Accumulated impairment of development expenditure
18.02	Goodwill
18.02.01	Acquisition cost of goodwill
18.02.02	Accumulated depreciation of goodwill
18.02.03	Accumulated impairment of goodwill
18.03	Other intangibles
18.03.01	Acquisition cost of other intangibles
18.03.02	Accumulated depreciation of other intangibles
18.03.03	Accumulated impairment of other intangibles

Note on tangible and intangible non-current assets

Fixed assets under construction are recorded in a sub-account of the relevant fixed asset account.

(2) INVENTORY

20	**Merchandise**
20.01	Merchandise – opening balance
20.02	Purchases of merchandise
20.03	Discounts and allowances of merchandise
20.04	Returns of merchandise
20.05	Write-downs of merchandise
20.06	Merchandise – closing balance
21	**Finished products**
21.01	Finished products – opening balance
21.02	Production of goods
21.03	Write-downs of goods
21.04	Finished products – closing balance
22	**Biological current assets**
22.01	Living Animals
22.01.01	Living Animals – opening balance
22.01.02	Purchases of living animals
22.01.03	Discounts and allowances on living animals
22.01.04	Returns of living animals
22.01.05	Write-downs of living animals
22.01.06	Fair value differences – living animals
22.01.07	Living Animals – closing balance
22.02	Trees and plants
22.02.01	Trees and plants – opening balance
22.02.02	Purchases of trees and plants
22.02.03	Discounts and allowances on trees and plants
22.02.04	Returns of trees and plants
22.02.05	Write-downs of trees and plants
22.02.06	Fair value differences of trees and plants
22.02.07	Trees and plants – closing balance
23	**Work in progress**
23.01	Opening balance of work in progress
23.02	Closing balance of work in progress
24	**Materials**
24.01	Materials –opening balance of materials
24.02	Purchases of materials
24.03	Discounts and allowances of materials
24.04	Returns of materials
24.05	Write-downs of materials
24.06	Materials – closing balance
25	**Packing materials**
25.01	Packing materials– opening balance
25.02	Purchases of packing materials
25.03	Discounts and allowances of packing materials
25.04	Returns of packing materials
25.05	Write-downs of packing materials
25.06	Packing materials – closing balance

26	**Spare parts**
26.01	Spare parts – opening balance
26.02	Purchases of spare parts
26.03	Discounts and allowances of spare parts
26.04	Returns of spare parts
26.05	Write-downs of spare parts
26.06	Spare parts – closing balance
27	**Other inventory**
27.01	Other inventory – opening balance
27.02	Purchases of other inventory
27.03	Discounts and allowances of other inventory
27.04	Returns of other inventory
27.05	Write-downs of other inventory
27.06	Other inventory – closing balance

Notes

1) The accounts 25 «Packing materials» and 26 «Spare parts» may be part of account Materials, when the relevant amounts are not material

2) The entity may create account codes in group 2 for the cost of materials used and the cost of goods sold.

3) At the end of the period, the cost of goods sold, when an account is created in group 2, is transferred to account code 82.01 «Accumulation of all revenue, expenses, gains and losses». When an account for the cost of goods sold is not created, the relevant amount (cost of goods sold) is transferred from the inventory accounts to the account code 82.01 «Accumulation of all revenue, expenses, gains and losses».

(3) FINANCIAL AND OTHER ASSETS

30	Accounts receivable
30.01	Accounts receivables from non-related entities
30.01.01	Accounts receivables from non-related entities – nominal amount
30.01.02	Interest not accrued on receivables from non-related entities
30.01.03	Advances from customers – non-related entities
30.01.04	Impairmentof receivables from non-related entities
30.02	Accounts receivables from related entities
30.02.01	Accounts receivables from related entities – nominal amount
30.02.02	Interest not-accrued on receivables from related entities
30.02.03	Advances from customers – related entities
30.02.04	Impairment of receivables from related entities
31	**Notes receivables**
31.01	Notes receivables from non-related entities
31.01.01	Notes receivables from non-related entities – nominal amount
31.01.02	Interest not-accrued on receivables from non-related entities
31.01.03	Impairment of receivables from non-related entities
31.02	Notes receivables from related entities
31.02.01	Notes receivables from related entities – nominal amount
31.02.02	Interest not-accrued on receivables from related entities
31.02.03	Impairment of receivables from related entities
32	**Loans given**
32.01	Loans given to related parties
32.02	Loans given to personnel and management
32.03	Other loans given
32.04	Impairment of loans given

33	**Other receivables**
33.01	Revenue from equity investments receivable
33.01.01	Revenue from equity investments receivable – nominal amount
33.01.02	Impairment of revenue from equity investments receivable
33.02	Other receivables from related entities
33.02.01	Other receivables from related entities– nominal amount
33.02.02	Impairment of other receivables from related entities
33.03	Other receivablesfrom non-related entities
33.03.01	Other receivables from non-related entities, nominal amount
33.03.02	Impairment of other receivables fromnon-related entities
33.04	Guarantees
34	**Financial instruments (investments)**
34.01	Financial instruments held to maturity investments
34.01.01	Financial instruments held to maturity – nominal amount
34.01.02	Financial instruments held to maturity – other amounts (discounts, premiums, etc)
34.01.03	Impairment of held to maturity financial instruments
34.02	Financial instruments available for sale
34.02.01	Financial instruments available for sale
34.02.02	Impairment of financial instruments available for sale
34.03	Financial instruments - trading portfolio
35	**Financial instruments held for hedging**
35.01	Financial instruments held for fair value hedging
35.02	Financial instruments held for cash flow hedging
36	**Investments (equity)**
36.01	Investment in subsidiaries
36.01.01	Investment in subsidiaries
36.01.02	Impairment of investment in subidiaries
36.02	Investment in associates
36.02.01	Investment in associates
36.02.02	Impairment of investment in associates
36.03	Investment in joint ventures
36.03.01	Investment in joint ventures
36.03.02	Impairment of investment in joint ventures
37	**Prepaid expenses and accrued revenue**
37.01	Prepaid expenses
37.01.01	Prepaid expenses to non-related entities
37.01.02	Prepaid expenses to related entities
37.02	Accrued revenue
37.02.01	Accrued revenue from non-related entities
37.02.02	Accrued revenue from related entities
38	**Cash and cash equivalents**
38.01	Cash in hand
38.02	Sight deposits
38.03	Time deposits
38.04	Other cash equivalents
39	**Deferred tax asset**

Note:
When financial assets are measured at cost, the account code 34 is analyzed in the following categories:

34.01 Debt instruments
34.02 Other equity instruments
34.03 Other financial assets

(4) EQUITY

40	**Capital (paid-in)**
41	**Share premium**
42	**Owners' deposits**
43	**Treasury titles**
43.01	Acquisition cost of treasury titles
43.02	Gain/Loss from the sale of treasury titles
44	**Fair value reserves**
44.01	Fair value reserves - tangible assets
44.02	Fair value reserves - available for sale
44.03	Fair value reserves - cash flow hedges
45	**Exchange differences**
46	**Legal reserves**
47	**Tax reserves**
48	**Articles of association and other reserves**
48.01	Articles of association reserves
48.02	Optional reserves formed by a decision of the owners' general assembly
49	**Retained earnings**

(5) LIABILITIES

50	**Accounts payable**
50.01	Accounts payable – non-related entities
50.02	Accounts payable – related entities
50.03	Advances to suppliers – non-related entities
50.03.01	Advances for non-current assets, non-related entities
50.03.02	Advances for inventory, non-related entities
50.03.03	Other advances to suppliers, non-related entities
50.04	Advances to suppliers – related entities
50.04.01	Advances for non-current assets, related entities
50.04.02	Advances for inventory, related entities
50.04.03	Other advances to suppliers, related entities
51	**Notes payable**
51.01	Notes payable to non-related entities
51.02	Notes payable to related entities
52	**Bank loans**
52.01	Bank loans from non-related entities
52.02	Bank loans from related entities
53	**Other liabilities**
53.01	Loans received from non-related parties
53.02	Loans received from related parties
53.03	Employee compensation payable
53.04	Liabilities to owners and management
53.05	Dividends and amounts of a similar nature payable
53.06	Other liabilities to non-related entities
53.07	Other liabilities to related entities

54	**Taxes and levies payable**
54.01	Income tax payable
54.01.01	Income tax due as per annual tax return
54.01.02	Income tax withheld (contra account)
54.01.03	Advance payment of income tax (contra account)
54.02	Value Added Tax
54.02.01	Value added tax on sales revenue
54.02.02	Value added tax on purchases
54.02.03	Value added tax paid
54.03	Income tax of third parties withheld
54.03.01	Income tax of salaries and pensions
54.03.02	Income tax of business income
54.03.03	Income tax on dividends
54.03.04	Other income tax
54.04	Fiscal stamp due
54.05	Other taxes, levies and contributions
55	**Social security contributions**
55.01	Primary social security
55.02	Supplementary social security
56	**Accruals and advances received**
56.01	Accrued expenses
56.01.01	Accrued expenses – non-related entities
56.01.02	Accrued expenses – related entities
56.02	Unearned revenue
56.02.01	Unearned revenue – non-related entities
56.02.02	Unearned revenue – related entities
57	**Provisions**
57.01	Provisions for employee benefits
57.02	Other provisions
57.02.01	Provisions for judicial expenses
57.02.02	Provisions for guarantees granted
57.02.03	Provisions for environmental restoration
57.02.04	Provisions for tax audit surcharges
57.02.05	Other provisions
57.03	Provisions for related entities
58	**Government grants**
59	**Deferred tax liability**

Notes

1. The accounts 54.01.02 Income tax due as per annual tax return (contra account) και 54.01.03 Advance payment of income tax (contra account), may appear as sub-accounts under 33 Other receivables.

2. For the accounts 54.02.01 and 54.02.02 the following or other appropriate analysis is provided to cover the requirements of tax legislation:

   a) Per each of the following accounts: “Tangible and intangible fixed assets”, “Inventory”, “Expenses” and “Revenue”, the value from which the value added tax arises.

   b) The analysis under (a) above shall be made separately for each geographical region as follows: “Transactions within the country”, “Transactions with countries of the European Union”, “Transactions with non-EU member countries”.

   c) The analysis under (a) and (b) above shall be made separately for each Value Added Tax rate applicable.

   Analysis as per points (a) to (c) above is also provided for purchases, expenses and revenue.

(6) EXPENSES AND LOSSES

60	**Employee compensation**
60.01	Gross employee remuneration
60.02	Employer's social security contributions
60.03	Other compensation
60.04	Provision for post-employment benefits
60.05	Employee compensation – related entities
61	**Losses from measurement of assets**
61.01	Impairment - tangible fixed assets (other than biological)
61.02	Impairment – biological assets
61.03	Impairment – intangible assets
61.04	Impairment – inventory
61.05	Impairment – financial assets
61.05.01	Impairment of accounts receivable
61.05.02	Impairment of notes receivable
61.05.03	Impairment of held to maturity financial instruments
61.05.04	Impairment of investments in subsidiaries
61.05.05	Impairment of investments in associates
61.05.06	Impairment of investments in joint ventures
61.06	Impairment of other assets
61.07	Losses from fair value measurement
61.07.01	Fair value losses – tangible assets
61.07.02	Fair value losses – biological assets
61.07.03	Fair value losses – financial assets
62	**Foreign exchange differences – expense**
62.01	Foreign exchange differences on settlement of accounts
62.01.01	Foreign exchange differences on settlement of trade receivables and payables
62.01.02	Foreign exchange differences on settlement of loans
62.01.03	Foreign exchange differences on settlement of other balance sheet items
62.02	Foreign exchange differences from measurement
62.02.01	Foreign exchange differences from measurement of trade receivables and payables
62.02.02	Foreign exchange differences measurement of loans
62.02.03	Foreign exchange differences measurement of other balance sheet items
63	**Losses on disposal or retirement of non-current assets**
63.01	Losses from the disposal or retirement of tangible assets
63.02	Losses from the disposal or retirement of intangible assets
63.03	Losses from the disposal or retirement of financial assets
63.04	Losses from the disposal or retirement of assets to related entities
64	**Other operating expenses**
64.01	Fees for services
64.01.01	Fees for services to non-related entities.
64.01.02	Fees for services to related entities
64.02	Energy
64.03	Water
64.04	Telecomunications
64.05	Rents
64.05.01	Rents to non-related entities
64.05.02	Rents to related entities
64.06	Insurance
64.07	Transportation
64.08	Consumables
64.09	Repairs and maintenance
64.10	Advertising
64.11	Taxes and levies (other than income tax)
64.12	Other expenses
64.13	Variousexpenses – related entities

65	**Financial expenses**
65.01	Interest expense – bank loans
65.02	Interest expense –loans from related parties
65.03	Interest expense – other loans
65.04	Interest expense – liabilities and provisions
65.05	Other financial expenses
66	**Depreciation**
66.01	Depreciation of depreciable land improvements
66.02	Depreciation of buildings and physical infrastructure
66.03	Depreciation of machinery
66.04	Depreciation of transportation equipment
66.05	Depreciation of other equipment
66.06	Depreciation of investment property
66.07	Depreciation of biological fixed assets
66.08	Amortization
67	**Extraordinary expenses, losses and fines**
67.01	Losses from physical disasters
67.02	Losses from other disasters
67.03	Other extraordinary expenses and losses
67.04	Fines and penalties
67.05	Extraordinary expenses and losses – related entities
68	**Provisions**
68.01	Provision-expense for judicial expenses
68.02	Provision-expense for guarantees granted
68.03	Provision-expense for environmental restoration
68.04	Provision-expense for tax audit surcharges, other than income tax
68.05	Other provisions
68.06	Provisions for related entities
69	**Income tax expense**
69.01	Current period tax expense
69.02	Deferred tax expense
69.03	Provisions for income tax audit surcharges

Notes

1) The accounts of Group 6 are used to record the full amount of the various expenses by nature before any transfer to cost centers, products or services.

2) The reversal of provisions for post-employment benefits is dealt as a reduction of the relevant expense in the period incurred.

(7) REVENUES AND GAINS

70	**Sale of goods and services**
70.01	Sales of merchandise (net) – non-related entities
70.01.01	Gross sales – non-related entities
70.01.02	Returns – non-related entities
70.01.03	Discounts and allowances – non-related entities
70.02	Sales of merchandise (net) – related entities
70.02.01	Gross sales – related entities
70.02.02	Returns – related entities
70.02.03	Discounts and allowances – related entities
70.03	Sales of finished goods and work in progress (net) – non-related entities
70.03.01	Sales of finished goods and work in progress – non-related entities
70.03.02	Returns – non-related entities
70.03.03	Discounts and allowances – non-related entities
70.04	Sales of finished goods and work in progress (net) –related entities
70.04.01	Sales of finished goods and work in progress –related entities
70.04.02	Returns –related entities
70.04.03	Discounts and allowances –related entities
70.05	Sales of other inventory (net) – non-related entities
70.05.01	Gross sales – non-related entities
70.05.02	Returns – non-related entities
70.05.03	Discounts and allowances – non-related entities
70.06	Sales of other inventory (net) – related entities
70.06.01	Gross sales – related entities
70.06.02	Returns – related entities
70.06.03	Discounts and allowances – related entities
70.07	Sales of services (net) – non-related entities
70.07.01	Gross sales – non-related entities
70.07.02	Returns – non-related entities
70.07.03	Discounts and allowances – non-related entities
70.08	Sales of services (net) – related entities
70.08.01	Gross sales – related entities
70.08.02	Returns – related entities
70.08.03	Discounts and allowances – related entities
71	**Other ordinary revenue**
71.01	Amortization of government grants for fixed assets
71.02	Government grants for interest expenses
71.03	Government grants for other expenses
71.04	Other revenue
71.05	Other revenue from related entities
72	**Interest revenue**
72.01	Interest revenue on sales
72.02	Interest revenue from loans and other receivables
72.03	Interest revenue from related entities
72.04	Interest revenue from other investments
73	**Foreign exchange differences –gains**
73.01	Foreign exchange differences on settlement of accounts
73.01.01	Foreign exchange differences on settlement of trade receivables and payables
73.01.02	Foreign exchange differences on settlement of loans
73.01.03	Foreign exchange differences on settlement of other balance sheet items
73.02	Foreign exchange differences from measurement
73.02.01	Foreign exchange differences from measurement of trade receivables and payables
73.02.02	Foreign exchange differences measurement of loans
73.02.03	Foreign exchange differences measurement of other balance sheet items

74	**Dividends and similar revenue**
74.01	Dividends from associates
74.02	Dividends from subsidiaries
74.03	Dividends from joint ventures
74.04	Dividends from other participating interests
75	**Gains from the disposal of non-current assets**
75.01	Gains from the disposal of tangible fixed assets
75.02	Gains from the disposal of intangible fixed assets
75.03	Gains from the disposal of financial fixed assets
75.04	Gains from the disposal of financial fixed assets to related entities
76	**Gains from reversal of provisions and impairment**
76.01	Gains from reversal of provisions for judicial expenses
76.02	Gains from reversal of provisions for guarantees given
76.03	Gains from reversal of provisions for environmental restoration
76.04	Gains from reversal of provisions for tax audit surcharges, other than income tax
76.05	Gains from reversal of provisions for other expenses and risks
76.06	Gains from reversal of impairment - tangible assets other than biological
76.07	Gains from reversal of impairment – biological assets
76.08	Gains from reversal of impairment – intangible assets
76.09	Gains from reversal of impairment – inventory
76.10	Gains from reversal of impairment – financial assets
76.10.01	Gains from reversal of impairment – accounts receivable
76.10.02	Gains from reversal of impairment – notes receivable
76.10.03	Gains from reversal of impairment – held to maturity investments
76.10.04	Gains from reversal of impairment – investtments in subsidiaries
76.10.05	Gains from reversal of impairment – investments in associates
76.10.06	Gains from reversal of impairment – investments in joint ventures
76.11	Gains from reversal of impairment – other assets
77	**Gains from fair value measurement**
77.01	Gains from fair value measurement – tangible assets
77.02	Gains from fair value measurement – biological assets
77.03	Gains from fair value measurement – financial assets
78	**Income tax revenue**
78.01	Current period tax revenue
78.02	Deferred tax revenue
78.03	Gains from the reversal of provisions for income tax audit surgarges
79	**Extraordinary revenue and gains**
79.01	Extraordinary revenue and gains from non-related entities
79.02	Extraordinary revenue and gains from related entities
79.03	Gain from bargain purchase of a business

Note

1) Sales may be further analyzed into wholesale and retail, and exports and local sales, in order to cover the information needs of management and the tax or other public authorities.

(8) SELF-CONSTRUCTED ASSETS, BRANCHEΣ, AND NET INCOME (LOSS)

80	**Expenses charged to self-constructed assets**
80.01	Employee compensation
80.02	Depreciation
80.03	Other operating expenses
80.04	Financial expenses
80.05	Provisions
81	**Liaison accounts with branches**
81.01	Debit liaison accounts with branches
81.02	Credit liaison accounts with branches
82	**Net income (loss) for the period**
82.01	Accumulation of all revenue, expenses, gains and losses
82.02	Net income after tax for the period
82.03	Net loss after tax for the period

Notes

1) Expenses charged to self-constructed assets is a deemed revenue account, to reduce the amount of expenses of group 6.

APPENDIX D:

LINKS BETWEEN MODEL FINANCIAL STATEMENTS AND THE CHART OF ACCOUNTS

LINKS BETWEEN MODEL FINANCIAL STATEMENTS AND THE CHART OF ACCOUNTS

The following tables provide guidance on the linkage between the accounts of the chart of accounts and the items in the model financial statements.

Table D1: Linking the chart of accounts with the statement of financial position (model B.1.1, financial items at cost)

Item in the statement of financial position	Account of chart of accounts
Non-current assets	
Tangible fixed assets	
Property	10 Land 11 Depreciable land improvements 12 Buildings and physical infrastructure
Machinery	13 Machinery
Fixture & fittings / other equipment	14 Transportation equipment 15 Other equipment
Investmentproperty	16 Investment property
Biologicalassets	17 Biological fixed assets
Other intangibles	(as appropriate)
Intangible fixed assets	
Development expenditure	18.01 Development expenditure
Goodwill	18.02 Goodwill
Other intangible	18.03 Other intangibles
Advances - non-current assets under development	50.02.01Advances for non-current assets 18.01 Development expenditure (only amounts in process)
Financial assets	
Loansandreceivables	30.01 Accounts receivablesother than from related entities, excluding 30.01.03 Advances from customers 30.02 Accounts receivables from related entities, excluding 30.02.03 Advances from customers 31 Notes receivables 32 Loans 33 Other receivables Note: only the long-term portion
Debt instruments	34.01 Debt instruments
Investments in subsidiaries, associates and joint ventures	36.01 Investment in subidiaries 36.02 Investment in associates 33.03 Investment in joint ventures
Other equity instruments	34.02 Other equity instruments
Other	34.03 Other financial assets 35 Financial instruments held for hedging
Deferred tax asset	39 Deferred tax asset 59 Deferred tax liability

Current assets	
Inventories	
Finished products and work in progress	21.04 Finished products – closing balance 22.03 Closing balance of work in progress
Merchandise	20.06 Merchandise – closing balance
Rawmaterials	24.06 Materials – closing balance 25.06 Packing materials – closing balance 26.06 Spare parts – closing balance
Biologicalassets	22 Biological current assets
Advances for inventory	50.02.02 Advances for inventory
Otherinventory	27 Other inventory
Financialassetsandprepayments	
Trade receivables	30.01Accounts receivables other than from related entities, excluding 30.01.03 Advances from customers 30.02 Accounts receivables from related entities, excluding 30.02.03 Advances from customers 31 Notes receivables Note: only the short-term portion
Accrued revenue	37.02 Accrued revenue
Other receivables	32 Loans 33 Other receivables 50.02.03 Other advances to customers Notes: a) only the short-term portion appears in this item b) the account 50.02.03 may, depending on its content, be included in item “Prepaid expenses”
Other financial assets	34.01 Debt instruments 34.02 Other equity instruments 34.03 Other financial assets
Prepaid expenses	37.01 Prepaid expenses 50.02.03 Other advances to suppliers Note. The accounti 50.02.03 may, depending on its content, be included in item “Other receivable”
Cash and cash equivalents	38 Cash and cash equivalents
Equity	
Capital paid-up	
Share capital	40 Capital (paid-in)
Share premium	41 Share premium
Owners’ deposits	42 Owners' deposits
Treasury shares	43 Treasury titles
Differences in fair value	
Differences arising from tangible fixed assets	44.01 Fair value reserves - tangible assets
Differences arising from available for sale	44.02 Fair value reserves - available for sale
Differences arising from cash flow hedging items	44.03 Fair value reserves - cash flow hedges
Reserves and retained earnings	
Statutory reserves	46 Legal reserves 48 Articles of association and other reserves
Non-taxed reserves	47 Tax reserves
Retained earnings	49 Retained earnings
Exchange differences	45 Exchange differences

Provisions	
Provisions for employee benefits	57.01 Provisions for employee benefits 57.03 Provisions for related entities
Other provisions	57.02 Other provisions 57.03 Provisions for related entities
Long-term liabilities	
Loans	52 Bank loans Note: only the long-term portion
Other long-term liabilities	50.01 Accounts payable 51 Notes payable 53 Other liabilities Note: only the long-term portion
Government Grants	58 Government grants
Deferred taxes	39 Deferred tax asset 59 Deferred tax liability
Short-term liabilities	
Bank loans	52 Bank loans Note: only short-term loans
Short-term part of long-term debts	52 Bank loans Note: only the short-term portion of long-term loans
Trade payables	50.01 Accounts payable 51 Notes payable Note: only the short-term portion
Income taxes	54.01 Income tax
Other taxes and levies	54.02 Value Added Tax 54.03 Income tax of third parties withheld 54.04 Fiscal stamp due 54.05 Other taxes, levies and contributions
Social security organizations	55 Social security contributions
Other liabilities	53 Other liabilities 30.01.03 Advances from customers 30.02.03 Advances from customers (related entities) Notes a) only the short-term portion appears in this item b) the accounts 30.01.03 and 30.02.03 may, depending on its content, be included in item “Deferred income”
Accrued expenses	56.01Accrued expenses
Deferred income	56.02 Unearned revenue 30.01.03 Advances from customers 30.02.03 Advances from customers (related entities) Note. The account 30.03 may, depending on its content, be included in item “Other liabilities”

Note

The amount of provisions that refer to the short-term, are transferred to an appropriate line item in short-term liabilities.

Table D2: Linking the chart of accounts with the statement of financial position (model B.1.2, Financial items at fair value)

Item in the statement of financial position	Account of chart of accounts
Non-current assets	
Tangible fixed assets	
Property	10 Land 11 Depreciable land improvements 12 Buildings and physical infrastructure
Machinery	13 Machinery
Fixture & fittings / other equipment	14 Transportation equipment 15 Other equipment
Investmentproperty	16 Investment property
Biologicalassets	17 Biological fixed assets
Other intangibles	(as appropriate)
Intangible fixed assets	
Development expenditure	18.01 Development expenditure
Goodwill	18.02 Goodwill
Other intangible	18.03 Other intangibles
Advances - non-current assets under development	50.02.01Advances for non-current assets 18.01 Development expenditure (only amounts in process)
Financialassets	
Loansandreceivables	30.01 Accounts receivablesother than from related entities, excluding 30.01.03 Advances from customers 30.02 Accounts receivables from related entities, excluding 30.02.03 Advances from customers 31 Notes receivables 32 Loans 33 Other receivables Note: only the long-term portion
Investments held to maturity	34 Financial instruments held to maturity
Investments in subsidiaries, associates and joint ventures	36.01 Investment in subidiaries 36.02 Investment in associates 33.03 Investment in joint ventures
Available for sale	34.02 Financial instruments available for sale
Assets held for hedging	35 Financial instruments held for hedging
Deferred tax asset	39 Deferred tax asset 59 Deferred tax liability

Current assets	
Inventories	
Finished products and work in progress	21.04 Finished products – closing balance 22.03 Closing balance of work in progress
Merchandise	20.06 Merchandise – closing balance
Rawmaterials	24.06 Materials – closing balance 25.06 Packing materials – closing balance 26.06 Spare parts – closing balance
Biologicalassets	22 Biological current assets
Advances for inventory	50.02.02 Advances for inventory
Otherinventory	27 Other inventory
Financialassetsandprepayments	
Trade receivables	30.01Accounts receivables other than from related entities, excluding 30.01.03 Advances from customers 30.02 Accounts receivables from related entities, excluding 30.02.03 Advances from customers 31 Notes receivables Note: only the short-term portion
Accrued revenue	37.02 Accrued revenue
Other receivables	32 Loans 33 Other receivables 50.02.03 Other advances to customers Notes: c) only the short-term portion appears in this item d) the account 50.02.03 may, depending on its content, be included in item “Prepaid expenses”
Trading portfolio	34.03 Trading portfolio
Prepaid expenses	37.01 Prepaid expenses 50.02.03 Other advances to suppliers Note. The accounti 50.02.03 may, depending on its content, be included in item “Other receivable”
Cash and cash equivalents	38 Cash and cash equivalents
Equity	
Capital paid-up	
Share capital	40 Capital (paid-in)
Share premium	41 Share premium
Owners’ deposits	42 Owners' deposits
Treasury shares	43 Treasury titles
Differences in fair value	
Differences arising from tangible fixed assets	44.01 Fair value reserves - tangible assets
Differences arising from available for sale	44.02 Fair value reserves - available for sale
Differences arising from cash flow hedging items	44.03 Fair value reserves - cash flow hedges
Reserves and retained earnings	
Statutory reserves	46 Legal reserves 48 Articles of association and other reserves
Non-taxed reserves	47 Tax reserves
Retained earnings	49 Retained earnings
Exchange differences	45 Exchange differences

Provisions	
Provisions for employee benefits	57.01 Provisions for employee benefits 57.03 Provisions for related entities
Other provisions	57.02 Other provisions 57.03 Provisions for related entities
Long-term liabilities	
Loans	52 Bank loans Note: only the long-term portion
Other long-term liabilities	50.01 Accounts payable 51 Notes payable 53 Other liabilities Note: only the long-term portion
Government Grants	58 Government grants
Deferred taxes	39 Deferred tax asset 59 Deferred tax liability
Short-term liabilities	
Bank loans	52 Bank loans Note: only short-term loans
Short-term part of long-term debts	52 Bank loans Note: only the short-term portion of long-term loans
Trade payables	50.01 Accounts payable 51 Notes payable Note: only the short-term portion
Income taxes	54.01 Income tax
Other taxes and levies	54.02 Value Added Tax 54.03 Income tax of third parties withheld 54.04 Fiscal stamp due 54.05 Other taxes, levies and contributions
Social security organizations	55 Social security contributions
Other liabilities	53 Other liabilities 30.01.03 Advances from customers 30.02.03 Advances from customers (related entities) Notes c) only the short-term portion appears in this item d) the accounts 30.01.03 and 30.02.03 may, depending on its content, be included in item “Deferred income”
Accrued expenses	56.01Accrued expenses
Deferred income	56.02 Unearned revenue 30.01.03 Advances from customers 30.02.03 Advances from customers (related entities) Note. The account 30.03 may, depending on its content, be included in item “Other liabilities”

Note

The amount of provisions that refer to the short-term, are transferred to an appropriate line item in short-term liabilities.

Table D.3: Linking the chart of accounts with the income statement by function (model B.2.1)

Income statement item	Account of chart of accounts
Net utrnover	70 Sale of goods and services
Cost of sales	Cost of sales includes inventory consumed and appropriate amounts of the following account items: 60 Employee compensation 61.04 Impairment - inventory 64 Other operating expenses 65 Financial expenses 66 Depreciation 68.02 Provision-expense for guarantees granted 685.03 Provision-expense for environmental restoration 68.05Other provisions 76.02 Gains from reversal of provisions for guarantees given 76.03 Gains from reversal of provisions for environmental restoration 76.05 Gains from reversal of provisions for other expenses and risks 76.07 Gains from reversal of impairment – inventory 80.01 Employee compensation 80.02 Depreciation 80.03 Other operating expenses 80.04 Financial expenses 80.05 Provisions
Other ordinary revenue	71 Other ordinary revenue
Administration expenses	Administration expenses includes an appropriate part of the amounts of the following account items: 60 Employee compensation 64 Other operating expenses 66 Depreciation 68.04 Provision-expense for tax audit surcharges, other than income tax 68.06 Provisions for related entities 76.05 Gains from reversal of provisions for other expenses and risks
Selling and distribution expenses	Selling and distribution expenses (may be on or off the chart of accounts) includes an appropriate part of the amounts of the following account items: 60 Employee compensation 66 Depreciation 64 Other operating expenses

Other expenses and losses	62 Foreign exchange differences – expense 67 Extraordinary expenses and losses 68.01 Provision-expense for judicial expenses The item also includes the following accounts to the extend that their amounts are not charged to the cost of production – cost of goods sold, or to other income statement items: 64.11 Taxes and levies (other than income tax) 68.03 Provision-expense for environmental restoration 68.05 Other provisions Note: this item shows the part of account 64.11 Taxes and levies (other than income tax) that is not related to operations
Impairment of assets' (net amount)	61.01 Impairment – tangible fixed assets (other than biological) 61.02 Impairment – biological assets 61.03 Impairment – intangible assets 61.05 Impairment – financial assets 61.06 Impairment of other assets 76.06 Gains from reversal of impairment – tangible assets other than biological 76.07 Gains from reversal of impairment – biological assets 76.08 Gains from reversal of impairment – intangible assets 76.10 Gains from reversal of impairment – financial assets 76.11 Gains from reversal of impairment – other assets
Gains/Losses on disposal of non-current assets	75 Gains from the disposal of non-current assets 63 Losses on disposal or retirement of non-current assets
Gains/Losses from measurement at fair value	77 Gains from fair value measurement 61.07 Losses from fair value measurement
Revenue from investment	72.04 Interest revenue from other investments 74 Dividends and similar revenue
Gain from bargain purchase of a business	79.03 Gain from bargain purchase of a business
Other revenue and gains	73 Foreign exchange differences – gains 76.01 Gains from reversal of provisions for judicial expenses 79.01 Extraordinary revenue and gains from non-related entities 79.02 Extraordinary revenue and gains from related entities The item also includes the following accounts to the extent that their amounts are not charged to the cost of production – cost of goods sold: 76.03 Gains from reversal of provisions for environmental restoration 76.05 Gains from reversal of provisions for other expenses and risks

Interest revenue	72.01 Interest revenue on sales 72.02 Interest revenue from loans and other receivables 72.03 Interest revenue from related entities
Interest expense	65 Financial expenses 80.04 Financial expenses (in self-constructed assets)
Income tax	78 Income tax (revenue) 76.04 Gains from reversal of provisions for tax audit surcharges 69 Income tax expense 68.04 Provision-expense for tax audit surcharges Note: The accounts 76.04 and 68.04 are included in the item “Income tax” to the extent that they relate to income tax. In all other cases, they are included in the items to which the underlying tax or levy relates.

Note:

1. The provisions of expenses, and the reversal thereof, are presented under the items of the functions to which they relate.

Table D.4: Linking the chart of accounts with the income statement by nature (model B.2.2)

Income statement item	Account of chart of accounts
Net turnover	70 Sale of goods and services
Changes in inventories (merchandise, products & work in progress)	As per the difference of inventory on the balance sheet (ending inventory less opening inventory)
Other ordinary revenue	71 Other revenue
Work performed by the entity and capitalized	80 Expenses charged to self-constructed assets
Purchases of merchandise and materials	20.02 Purchases of inventory 20.03 Discounts and allowances of inventory 20.04 Returns of inventory 24.02 Purchases of materials 24.03 Discounts and allowances of materials 24.04 Returns of materials 25.02 Purchases of packing materials 25.03 Discounts and allowances of packing materials 25.04 Returns of packing materials 26.02 Purchases of spare parts 26.03 Discounts and allowances of spare parts 26.04 Returns of spare parts 27.02 Purchases of other inventory 27.03 Discounts and allowances of other inventory 27.04 Returns of other inventory
Employeebenefits	60 Employee compensation
Depreciation/amortization of tangible and intangible assets	66 Depreciation
Other expenses and losses	62 Foreign exchange differences – expense 64 Other operating expenses 67 Extraordinary expenses and losses 68.01 Provision-expense for judicial expenses The item also includes the following accounts to the extend that their amounts are not charged to the cost of production – cost of goods sold: 68.03 Provision-expense for environmental restoration 68.05 Other provisions
Impairment of assets (net amount)	61.01 Impairment – tangible fixed assets (other than biological) 61.02 Impairment – biological assets 61.03 Provision – expense for guarantees granted 61.05 Provision – expense for tax audit surcharges 61.06 Impairment of other assets 76.06 Gains from reversal of impairment – tangible assets (other than biological) 76.07 Gains from reversal of impairment – biological assets 76.08 Gains from reversal of impairment – intangible assets 76.10 Gains from reversal of impairment – financial assets 76.11 Gains from reversal of impairment – other assets
Losses on disposal of non-current assets	75 Gains from the disposal of non-current assets 63 Losses on disposal or retirement of non-current assets
Losses from measurement at fair value	61.07 Losses from fair value measurement 77 Gains from fair value measurement
Revenue from investments	72.04 Interest revenue from other investments 74 Dividends and similar revenue
Gain from bargain purchase of a business	79.03 Gain from bargain purchase of a business

Other revenue and gains	73 Foreign exchange differences – gains 76.01 Gains from reversal of provisions for judicial expenses 79 Extraordinary revenue and gains The item also includes the following accounts to the extendtthat their amounts are not charged to the cost of production – cost of goods sold: 76.03 Gains from reversal of provisions for environmental restoration 76.05 Gains from reversal of provisions for other expenses and risks
Interest revenue	72.01 Interest revenue on sales 72.02 Interest revenue from loans and other receivables 72.03 Interest revenue from related entities
Interest expense	65 Financial expenses 80.04 Financial expenses
Income tax	78 Income tax revenue 76.04 Gains from reversal of provisions for tax audit surcharges 69 Income tax expense 68.04 Provision-expense for tax audit surcharges Note: The accounts 76.04 and 68.04 are included in the item "Income tax" to the extent that they relate to income tax. In all other cases, their amounts are included in the items to which the underlying tax or levy relates.