

<p>Policy action to be taken</p>	<p>Troika latest offer as published in the Commission web site (26th June)</p> <p><u>Nota bene</u>: the so called latest version is virtually identical to the leaked previous one made by the troika the 24th. The only difference spotted which have budgetary consequences is that in the latest version <u>hotels are subject to a VAT rate of 13% whereas in the previous version hotels fell in the 23% rate.</u></p>	<p>Greek authorities offer of 24th June</p>	<p>Differences with the Greek proposals of 9 July 2015</p> <p><u>Nota bene</u>: no information provided means, no substantive difference with previous versions</p>
<p>budgetary targets for the period 2015-2019</p>	<p>a primary surplus target of 1, 2, 3, and 3.5 percent of GDP in 2015, 2016, 2017 and 2018</p>	<p>A primary surplus target of 1, 2, 3, and 3.5 percent of GDP in 2015, 2016, 2017 and 2018.</p>	<p>Idem (although targets from 2015-17 are in brackets so as to be discussed with institutions so as to take into account recent developments)</p>
<p>VAT reform</p>	<p>Increases in VAT expected to yield 1% of GDP on an annual basis. The new VAT system will: (i) unify the rates at a standard 23 percent rate, which will include restaurants and catering, and a reduced 13 percent rate for basic food, energy, hotels, and water (excluding sewage), and a super-reduced rate of 6 percent for pharmaceuticals, books, and theatre; (ii) streamline exemptions to broaden the base and raise the tax on insurance; and (iii) eliminate discounts, including on islands.</p> <p>Revision of adopted measures foreseen</p>	<p>Increases in VAT expected to yield 0.93%. The new VAT system will: (i) unify the rates at a standard 23 percent rate, which will include restaurants and catering, and a reduced 13 percent rate for basic food, energy, hotels, and water (excluding sewage), and a super-reduced rate of 6 percent for pharmaceuticals, books, and theater; (ii) streamline exemptions to broaden the base and raise the tax on insurance; and (iii) maintain discounts on islands.</p> <p>Revision of adopted measures foreseen by</p>	<p>Increases in VAT expected to yield 1% (same as the number requested by the troika and 0.07% of GDP higher than previous Greek proposal. VAT on hotels to start in October 2015</p> <p>The discount on Islands is phased-out and completed by end 2016. Starting in October 2015 with islands with higher incomes and most popular tourist destinations, except the most remote ones.</p>

	by end of 2016	end of 2016	
<i>Fiscal structural measures</i>	<ul style="list-style-type: none"> • close possibilities for income tax avoidance • abolish subsidies for excise on diesel oil for farmers and better target eligibility to halve heating oil subsidies expenditure in the budget 2016; • revision of property tax to safeguard revenues at 2.65bn EUR • adopt reform of the codes on income tax • adopt legislation to upgrade the organic budget law • increase tonnage tax and <u>phase out special tax treatments of the shipping industry</u> 	<ul style="list-style-type: none"> • close possibilities for income tax avoidance • abolish subsidies for excise on diesel oil for farmers and better target eligibility to halve heating oil subsidies expenditure in the budget 2016; • revision of property tax to safeguard revenues at 2.65bn EUR • adopt reform of the codes on income tax • adopt legislation to upgrade the organic budget law • increase tonnage tax and <u>implement effective taxation of commercial shipping</u> 	

	<ul style="list-style-type: none"> • simplify the personal income tax credit schedule • specific measures regarding costs of medicines • Launch the Social Welfare Review • Reduce expenditure ceiling for military spending by <u>400 million</u> • Introduce reform of income tax code to cover inter alia capital taxation • Raise corporate tax from 26% to 28% • Introduce tax on television advertisement • Tendering of television licences • Increase taxes on luxury goods 	<ul style="list-style-type: none"> • simplify the personal income tax credit schedule • specific measures regarding costs of medicines • Launch the Social Welfare Review • Reduce expenditure ceiling for military spending by <u>200 million</u> • Introduce reform of income tax code to cover inter alia capital taxation • Raise corporate tax from 26% to 28% • <u>Introduce a one off tax corporate tax of 12% of corporate profits over 0.5 Bn EUR</u> • Introduce tax on television advertisement • Tendering of television licences • Introduce tax on television 	<p><u>Cut military expending by 100 million in 2015, 200 in 2016</u></p> <p><u>Withdrawal of proposal on one-off tax, but in case of fiscal shortfalls, compensating measures of 330 million (higher taxes on rents, 1pp extra corporate income tax)</u></p>
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	<p>and games</p> <ul style="list-style-type: none"> • Launch tender for 4G and 5G 	<p>advertisement</p> <ul style="list-style-type: none"> • Tendering of television licences • Increase taxes on luxury goods and games • Launch tender for 4G and 5G 	
Pensions	<p>Effective from July 1, 2015 the authorities will phase-in reforms that would deliver estimated permanent savings of ¼-½ percent of GDP in 2015 and 1 percent of GDP on a full year basis in 2016 by adopting legislation to:</p> <ul style="list-style-type: none"> • create strong disincentives to early retirement, including the adjustment of early retirement penalties, and through a gradual elimination of grandfathering to statutory retirement age and early retirement pathways progressively adapting to the limit of statutory retirement age of 67 years, or 62 and 40 years of contributions by 2022, applicable for all those retiring (except arduous professions, and mothers with children with 	<p>Effective from July 1, 2015 the authorities will phase-in reforms that would deliver estimated permanent savings of ¼-½ percent of GDP in 2015 and 1 percent of GDP on a full year basis in 2016 by adopting legislation to:</p> <ul style="list-style-type: none"> • create strong disincentives to early retirement, including the adjustment of early retirement penalties, and through a gradual elimination of grandfathering to statutory retirement age and early retirement pathways progressively adapting to the limit of statutory retirement age of 67 years, or 62 and 40 years of contributions by 2022, applicable for all those retiring (except arduous professions, and mothers with children with disability) after 30 	

	<p>disability) <u>with immediate application;</u></p> <ul style="list-style-type: none"> • adopt legislation so that withdrawals from the Social Insurance Fund will incur an annual penalty, • integrate into ETEA all supplementary pension funds and ensure that, starting January 1, 2015, all supplementary pension funds are only financed by own contributions; • better target social pensions by increasing OGA uninsured pension; • Gradually <u>phase out</u> the solidarity grant (EKAS) for all pensioners by end-December 2019. <u>This shall start immediately as regards the top 20% of beneficiaries with the modalities of the phase out to be</u> 	<p><u>October 2015</u></p> <ul style="list-style-type: none"> • adopt legislation so that withdrawals from the Social Insurance Fund will incur an annual penalty, • integrate into ETEA all supplementary pension funds • better target social pensions by increasing OGA uninsured pension; • Gradually <u>replace</u> the solidarity grant (EKAS) for all pensioners by end-December 2019 ; 	<p><u>Immediate application of such measures</u></p> <p><u>Same text as in the latest troika proposal</u></p> <p><u>Identical proposal as in the troika: immediate application for top 20% beneficiaries</u></p>
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	<p><u>agreed with the institutions;</u></p> <ul style="list-style-type: none"> • <u>freeze monthly guaranteed contributory pension limits in nominal terms until 2021;</u> • <u>provide to people retiring after 30 June 2015 the basic, guaranteed contributory, and means tested pensions only at the attainment of the statutory normal retirement age of currently 67 years;</u> • increase the health contributions for pensioners <u>from 4% to 6%</u> on average and extend it to supplementary pensions; • phase out all state-financed exemptions and harmonize contribution rules for all pension funds with the structure of contributions to IKA <u>from 1 July 2015;</u> 	<ul style="list-style-type: none"> • increase the health contributions for pensioners from <u>4% to 5%</u> on average and extend it to supplementary pensions; • phase out all state-financed exemptions and harmonize contribution rules for all pension funds with the structure of contributions to IKA <u>from 1 January 2016;</u> 	<p><u>Same proposal as the troika: increase from 4% to 6%</u></p> <p><u>Same as the troika: starting from July 2015</u></p>
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	<ul style="list-style-type: none"> Broad set of further legislative measures to be adopted by 31 October 2015 for restoring sustainability of pensions including legislation to offset fiscal effects of Court rulings on the 2012 reforms 	<ul style="list-style-type: none"> <u>restore employer contribution for main pensions to 2014 levels (3.9% IKA)</u> <u>increase contributions for supplementary pensions from 3 to 3.5%</u> Broad set of further legislative measures to be adopted by 31 October 2015 for restoring sustainability of pensions including legislation to offset fiscal effects of Court rulings on the 2012 reforms 	<p><u>Phase out all state-financed exemptions from July 2015.</u></p> <p><u>Deletion of increase of contributions</u></p>
Public Administration, Justice and Anti-Corruption	<ul style="list-style-type: none"> Broad set of legislative reforms with a view of improving governance of public administration and justice 	<ul style="list-style-type: none"> Broad set of legislative reforms with a view of improving governance of public administration and justice 	
Tax administration	<ul style="list-style-type: none"> Broad set of legislative reforms with a view of improving tax 	<ul style="list-style-type: none"> Broad set of legislative reforms with a view of improving tax 	<u>Idem plus 'wealth registry', fiscal amnesty initiative with EU member</u>

	administration	administration	<u>states to cooperate in providing data</u>
Financial sector	<ul style="list-style-type: none"> Broad set of legislative reforms for insolvency framework for individuals and undertakings Adoption of action plan for returning banks to private ownership 	<ul style="list-style-type: none"> Broad set of legislative reforms for insolvency framework for individuals and undertakings Adoption of action plan for returning banks to private ownership 	
Labour market	<ul style="list-style-type: none"> Launch a consultation process similar to that foreseen for the determination of the level of the minimum wage (Art. 103 of Law 4172/2013) to review the existing frameworks <u>of collective dismissals, industrial action</u>, and collective bargaining, taking into account best practices elsewhere in Europe. Further input to the review described above will be provided by international organisations, including the ILO. <u>The organization</u> 	<ul style="list-style-type: none"> Launch a consultation process similar to that foreseen for the determination of the level of the minimum wage (Art. 103 of Law 4172/2013) to review the existing frameworks of collective bargaining, taking into account best practices elsewhere in Europe. Further input to the review described above will be provided by international organisations, including the ILO. 	Identical to latest Greek proposal but with commitment <u>Legislation to be ready by Q4 2015.</u>

	<p><u>and timelines shall be drawn up in consultation with the institutions. No changes to the current collective bargaining framework will be made prior to the conclusion of the review and in any case not before end-2015. Any proposed changes to the legislative frameworks will only be adopted in agreement with the EC/ECB/IMF.</u></p> <p>The authorities will take actions to fight undeclared work in order to strengthen the competitiveness of legal companies and protect workers as well as tax and social security revenues.</p>	<p>The authorities will take actions to fight undeclared work in order to strengthen the competitiveness of legal companies and protect workers as well as tax and social security revenues.</p>	
Product market	<ul style="list-style-type: none"> • Adopt legislation to: implemented OECD recommendations; open restricted professions; eliminate non-reciprocal 	<ul style="list-style-type: none"> • Adopt legislation to: implemented OECD recommendations; open restricted professions; eliminate non-reciprocal 	

	<p>nuisance charges; reduce red tape; reform gas and electricity market; <u>privatize the electricity transmission company, ADMIE.</u></p>	<p>nuisance charges; reduce red tape; reform gas and electricity market;</p>	
<i>Privatization</i>	<ul style="list-style-type: none"> • Approve an overall privatization action plan; facilitate completion of tenders; binding bid dates for privatization of ports no latter tan October 2015; irreversible steps for the sale of regional airports 	<ul style="list-style-type: none"> • Approve an overall privatization action plan; facilitate completion of tenders; binding bid dates for privatization of ports no latter tan October 2015; irreversible steps for the sale of regional airports 	