



Greek American Chamber of Commerce

Greek American Business News

February, 2008 Volume 3, Issue 1

PO Box 1147, Kearney, NJ 07032
201-716-4188
info@greekamericanchamber.com

PO Box 58217, Philadelphia, Pa. 19102
215-498-9333
www.greekamericanchamber.com

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CENTRAL NJ GACC MEETING
February 21, 2008 (see page 6)

Chamber Forms Real Estate and Small Business Committees

Two new exciting committees were established by the GACC. The Real Estate Committee will promote chamber-wide networking of real estate professionals. Its first event is in Princeton, with the Central NJ Region of the Chamber. The Committee will also create a "Discussion Board" on the GACC website, where members can exchange ideas or ask questions on the subject. The committee is chaired by Ted Golfinopoulos.

The Small Business committee will initially develop a mentoring program for members who need assistance in starting or managing a business. The committee will be chaired by Nicholas Chingas. If you want to serve as mentor, you may contact Nicholas at millenniummortgageinc@verizon.net.

New Greek American Business Services Directory Online

The online Directory is here! You can go to the home page of the GACC website and you will find a box for the "Greek American Business Services Directory." It will give you the members who paid their 2008 dues and have elected to be included in the directory. The members are listed based on categories of businesses. The Chamber can add as many categories as it deems necessary. So, if your business category is not shown on the directory, just sign up and let us know what new category you would like to be listed. If not already covered by existing categories, we will add it. To be included in the directory, you must pay the 2008 dues either for a small business or a corporate membership. Your business will then be added to the online directory.

Individual membership will not be shown in the Business Directory. Individual members will be included in the membership directory appearing in the Members Only section of the website.

CHRISTMAS PARTIES

New Jersey Christmas Party at Knickerbocker Country Club

On December 14, 2007 the New Jersey Regions of the Chamber (Northern and Central New Jersey held a Christmas party at the Knickerbocker Country Club in Tenafly. GACC President Zenon Christodoulou and North Jersey Regional President Jordan Yuelys, along with many members and guests, attended the event. The event was co-sponsored with the Hellenic American Bar Association of New Jersey and was a great success.



CHRISTMAS PARTIES

Philadelphia Christmas Party at the Union League

The Greater Philadelphia Region of the Chamber held its annual Christmas party together with the Hellenic University Club on December 7, 2007. The event was held at the Union League and was attended by a great number of people. The event chair was Georgia Chletcos who did an outstanding job. Also in attendance were GACC Board Chairman Tassos Efstratiades and Philadelphia Regional president Stavros Antonakakis.

The evening included a festive performance by the Philadelphia Mummers and a comedy show by Greek American comedienne Ellen Karis. The event was attended by the head of the Greek Trade Office in New York, Dr. Nicholas Belios, and the Deputy Director of the office, Mr. Vassilis Sitaras, along with their wives. Finally, the guests were given gift bags with gifts from the event's sponsors. The sponsors were: Kuzina by Sofia (a new Greek restaurant in Cherry Hill), the Obermayer law firm, Commerce Bank, the World Trade Center of Greater Philadelphia, New York Life Insurance and Odyssey Magazine.



Just Joined the Chamber...

- **Paul Adams**, New York, NY (Individual Membership)
- **Demetrios M. Katos, Ditmars Consultants**, Astoria, NY (Business Membership) (Real Estate Sales)
- **Tassos Papadopoulos, Keller Williams Realty**, Stroudsburg, Pa. (Business Membership) (Real Estate Sales)
- **Constantine (Dean) Papas, Legend Properties**, Mount Laurel, NJ (Business Membership) (Real Estate Sales)
- **Gus Vanikiotis, Olympic Payroll Services**, Fairfield, NJ (Business Membership) (Payroll Services)

News of Members.....

- **Assad Khoury**, and his wife Sofia, opened a new restaurant in Cherry Hill, NJ, specializing in modern and traditional Greek and Mediterranean cuisine. "Kuzina by Sofia" is located in Sawmill Village Shopping Center, 404 Route 70 West, Cherry Hill.
- **Steve Economou**, Managing Director of Curtis Financial Group, LLC presented a workshop session on Fairness Opinions at the 13th Annual Business Lawyers' Institute in Philadelphia. Mr. Economou is an expert in valuation and fairness opinions related to mergers and acquisitions, divestitures, financings, and recapitalizations.
- GACC member **Georgia Chletcos**, of New York Life Insurance, was elected to the board of directors of the Hellenic University Club of Philadelphia.
- **Savvas Tsivicos**, one of the Chamber's founding members, and his wife Maria opened "Synaxis at the Shore", a restaurant specializing in Greek cuisine, located at 660 Cookman Ave., Asbury Park, New Jersey.

NEW REAL ESTATE TAX DEVELOPMENTS IN GREECE

BY: Alexandros Laios, Member of the Athens Bar laios.a@laios.gr

Property tax barriers are being addressed by the government

The legal and tax framework in Greece have for many years kept the Greek property market from developing to its full potential. A heavy tax system combined with a plethora of legal bureaucracy "turned off" many investors as the infrastructure hid various substantial taxes, costs and significant delays. As a result the property market has suffered for decades.

Luckily, the problem has finally been addressed by the government. In recent years a series of decisions have been taken towards what seems to be the right direction. The first major change was the re-establishment of capital gains tax for transfers involving properties acquired on or after January 1st 2006. This was the first positive step as it balanced the burden of tax from the buyer (which could go as high as 11% of the property's valuation price for Attica properties) to a mere 1% while also attaching a progressive 0 to 20% tax to the seller's capital gains (who was not taxed at all during a sale). Another tax reform that has had an indirect yet significant effect to the property market is the gradual reduction in corporate tax from 35% in 2004 to 25% in 2007.

Valuation Price

The past as well as the current changes are of course based on the objective or valuation price of the property. Greece has a complicated system for the valuation of property but has been the only standard for the government to be able to control the amount of tax to be levied. Traditionally, valuation prices have varied from the actual purchase or market price by as much as 100%. This of course is the reason that transfer taxes were so high since the actual selling price of property could not be monitored. Through the establishment of a gradual rising of these values (varied by area) the objective values have closed the gap from the market values thereby increasing control and making a change to the tax regime an absolutely necessary next step.

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NEW REAL ESTATE TAX DEVELOPMENTS IN GREECE

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The new tax changes

In mid-December the government proceeded to yet another series of changes that promise to help in gradually rejuvenating the sector. This streamlining process is aimed to yield market growth via legal and tax simplification. These include the following two major changes that are likely to affect the largest part of the population involved in the property market:

1. Inheritance and parental grant tax reductions down to 1%

A major thorn not only for Greeks in Greece but also for Greeks living abroad has been the inheritance and parental grant tax system. These varied from 5 to 30% depending on various factors including the number of children or siblings involved in the transaction. The complex calculation method and heavy tax has been reduced to a mere 1% flat tax based on the property value tax system for the portion of the value above 95,000 EUR for relatives of the first-degree and 20,000 for relatives of the second degree. For example, in an inheritance from parent to child for a property valued at 100,000 EUR, the inheritor is only liable for the tax exceeding 95,000 EUR. Therefore he/she will be taxed 50 EUR (1% of 5,000 EUR).

2. Changes in tax for the acquisition of a first home

The new changes have also favored an already positive tax option for individuals acquiring property as their first home. The previous system allowed for the levying of tax only for the portion of values above 85,000 EUR of the property's valuation price. The new tax takes this a step further to allowing the free-tax bracket to be based on square footage rather than value. Therefore, any individual that purchases a property less than 200 sq. meters (approximately 2000 sq. feet) as a first home does not have to pay any tax on that property. This change is significant as few homes in Greece, especially those purchased by first-time buyers, are larger than 200 sq. meters. However it will produce some odds results in certain unique cases.

For example, an individual may purchase a first home for 1,000,000 EUR but pay no tax so long as the property is smaller than 200 sq. meters in surface area. However, an individual that purchases a 300 sq. meter home for 100,000 EUR will pay tax, but only on the portion of the surface area that exceeds the 200 sq. meter point.

Impact of the new regime

Greece currently holds one of the highest rates of ownership in Europe (approximately 80%). Greeks have always viewed property as a favorable vehicle for investment albeit conservative by many standards, the market has at least proven itself to be stable. With the new tax regime the government is certainly aiding liquidity in the market which will no doubt also help maintain what is considered to be a high mortgage level growth.

These changes however are not without a blemish. As mentioned above the government has also made significant increases to the valuation prices, in some areas higher than 35% of the current values. Obviously this will affect the final tax paid by all investors; however, the negative effects of the rise in objective values is still remarkably less than the benefits to be derived from the new tax drops.

Alexandros Laios is a practicing lawyer in Greece. He is a member of the bar in the U.S. as well as in Greece. You can contact him by email at laios.a@dsa.gr

Join the Greek American Chamber of Commerce

See page 7 for application form

UPCOMING CHAMBER EVENTS

Central New Jersey Region

“Real Estate Market Update”

Panel : Dean Pappas, Legend Properties and Dean Vlevides, Buckingham Place

Thursday, February 21, 2008

7:00 pm – Networking and Buffet Dinner

8 p.m. – Presentation

Buckingham Place

155 Raymond Road, Princeton, NJ 08540

Free for members (including new members who pay their dues that evening)

\$20 per person for non-members

For more information contact:

Panos Stavriianidis (732) 873-3351 or e-mail: panos007@aol.com

Or Tassos Efstratiades (609) 922-5364 or email: tassos@obermayer.com

We thank our member *Buckingham Place Assisted Living and Adult Day Care* for sponsoring this event

Greater Philadelphia Region

Third Thursday Networking

Thursday, March 20, 2008 at 7 p.m.
Philadelphia Water Works Restaurant

640 Water Works Dr., Philadelphia

Phone: 215-236-9000

Hors d'oeuvres - Cash Bar

\$15 per person

For more information contact:

Stavros Antonakakis 609-929-6000 or stavros@usa.net

Georgia Chletcos 610-547-0072 or greekdiva1@hotmail.com



Greek American Chamber of Commerce

MEMBERSHIP APPLICATION

I want to join the following regional GACC:

North Jersey __; Central Jersey __; Greater Philadelphia __; New York Metro __

Check the applicable membership

1. Small Business Member (under 20 employees) (one representative) (check) \$150 ____
 ____ additional representative listings (up to 4 additional) at \$50 per listing \$ ____
 Total \$ ____

2. Corporate Member (over 20 employees) (up to 5 representatives) (check) \$350 ____
 ____ additional representative listings (up to 2 additional) at \$50 per listing \$ ____
 Total \$ ____

Company Name: _____

Company Representative: _____

Address: _____

Additional Representatives to be listed in directory:

1. _____
2. _____ (attach list for more)

Phone: _____ **Fax:** _____

Email: _____

3. Individual Member \$100 ____

Name: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Individual Members MUST check the applicable categories and sign below in order to be listed in the Members Only Section directory. Individual Members will not be listed in the Greek American Services Directory.

__ Address; __ Phone; __ Email.

If you check none of the above categories, only your name will be listed.

Sign: _____

Send completed application with payment to either of the addresses below:

Greek American Chamber of Commerce P.O. Box 1147 Kearny, NJ 07032	Greek American Chamber of Commerce P.O. Box 58217 Philadelphia, Pa. 19102-8217
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Greek American Chamber of Commerce

2006-2007 OFFICERS AND DIRECTORS

Chairman of the Board

Tassos Efstratiades, Esquire

President

Zenon Christodoulou

Executive Vice President

Dean Vlecidis

Treasurer

Ted Golfinopoulos

Secretary

Gerry Kotsiopoulos

President Northern NJ Region

Jordan Yuelys, Esq.

President Central NJ Region

Panos Stavrianides

President Greater Philadelphia Region

Stavros Antonakakis

Board of Directors Members

Mario Afram

Stavros Antonakakis

Simeon Bogiages

Nicholas Chingas

Georgia Chletcos,

Andy Kamaris

Assad Khoury

Tom Komninos

Lou Kotsinis

John Marmaras, Esquire

George Papaioannou

Joanna Savvides

Panos Stavrianides

Michael Symeonides

Peter Thermos

Jordan Yuelys, Esquire

Membership Benefits...

- Networking with *Greek American* business persons
- Speakers on timely business topics
- Small Business Mentorship Program
- Your Business on our website directory
- Website Discussion boards
- ...and more

For More Information on the Chamber contact:

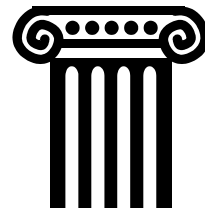
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