

2019

# GREEK LAW DIGEST

The Official Guide to Greek Law

[www.greeklawdigest.gr](http://www.greeklawdigest.gr)

**Michailopoulos & Associates**

INVESTMENTS & DEVELOPMENT:  
THE LEGAL INSTITUTIONAL FRAMEWORK

O  
F  
F  
I  
C  
I  
A  
L

**3rd EDITION**



NOMIKI BIBLIOTHIKI

**Editor-in-chief:**

Geena Papantonopoulou (geenap@nb.org)

**Business development managers:**

Georgia Siakandari (georgias@nb.org)

Juliana Berberi (juliber@nb.org)

**Art Director:**

Theodoros Mastrogiannis (mastroth@nb.org)

**Creative Director:**

Andreas Menounos (andream@nb.org)

**Desktop Publishing - Films:**

Yannis Dedousis (yannisd@nb.org)

GREEK LAW DIGEST

ISSN 2241-133X

www.greeklawdigest.gr

NOMIKI BIBLIOTHIKI SA, © 2019

**Greek Law Digest (GLD)**

GREEK LAW DIGEST is the most systematic and comprehensive guide on the Greek legal and institutional framework, written entirely in English. Its objective is to provide its readers with pragmatic and comprehensive overview of the Greek legal system. The Guide provides concise and comprehensible content organized through short questions and answers, covering a wide range of issues that citizens of other countries might raise with respect to the law applicable in Greece. Such content is constantly enriched by updating and adding new articles. The Greek Law Digest is available in hard copy, whereas the website [www.greeklawdigest.gr](http://www.greeklawdigest.gr) is freely accessible to visits from 190 countries around the world. The Guide is offered to foreign diplomatic authorities in the country, Greek diplomatic authorities abroad, various financial and investment organizations and associations, international authorities and institutions, foreign partners during their official visits to the country, the official trade missions of Enterprise Greece, the official Greek trade missions of the Ministry of Economy & Development. It is acknowledged by foreign and Greek professionals, foreign diplomatic representatives and foreign officials, state authorities and business associations, as the most trustworthy and thorough legal guide ever existed for Greek legal and regulatory issues and receives generous tributes. GREEK LAW DIGEST is published on the initiative of NOMIKI BIBLIOTHIKI under the auspices of the Ministry of Economy & Development, Enterprise Greece and Hellenic Republic Asset Development Fund. GREEK LAW DIGEST is principally financed by NOMIKI BIBLIOTHIKI Publishing Group and its contributors. It does not receive any advertisement proceeds or financial aid from any other private or public authority or organization. To become a Contributing Editor and find out more about the benefits send email to [GreekLawDigest@nb.org](mailto:GreekLawDigest@nb.org) or call (+30)2103678920



**NOMIKI BIBLIOTHIKI**

23, Mavromichali Str., 106 80 Athens Greece  
Tel.: +30 210 3678 800 • Fax: +30 210 3678 857  
e-mail: [info@nb.org](mailto:info@nb.org) <http://www.nb.org>



Greece General Information .....	22
Useful Insights of the Greek Economic Environment .....	25
Visa & Residence Permits .....	43
Judicial System.....	49
Arbitration & ADR.....	119
Aspects of Greek Civil Law .....	149
Citizens & The State .....	171
Corporate & Commercial.....	183
Finance & Investment.....	217
Banking.....	269
Capital Markets .....	281
Mergers & Acquisitions .....	299
Financial Contracts.....	319
Competition & Antitrust .....	333
Industrial & Intellectual Property Rights.....	367
Shipping .....	401
Transportation.....	409
Insurance .....	417
Insolvency - Bankruptcy .....	431
Tourism .....	441
Technology - Media - Electronic Communications - Internet .....	459
Energy - Minerals .....	487
Physical & Cultural Environment .....	515
Real Estate.....	537
Food & Beverage .....	573
Life Sciences.....	583
Data Protection.....	591
Sports.....	617
Employment.....	627
Tax.....	655
Related Information .....	713

Published under the Auspices of



**GREEK LAW DIGEST**

# **FINANCE & INVESTMENT**



**NOMIKI BIBLIOTHIKI**

# INVESTMENTS & DEVELOPMENT: THE LEGAL INSTITUTIONAL FRAMEWORK

**Gregorios Michailopoulos**

Partner at **Michailopoulos & Associates**

## I. INVESTMENT OPPORTUNITIES AND CHALLENGES IN GREECE

In the aftermath of the financial assistance programmes, Greece adopted a series of key reforms in crucial sectors. The financial environment has become more business-friendly and attractive for foreign investments. A new economy with less barriers to entry and state-interventionism, while offering an abundance of opportunities, is in the making. The main investment opportunities and the incumbent legal-institutional framework can be structured as following:

At the first place, a wide variety of financing alternatives from public sources, is available to investors. Greece, as a member of the European Union, benefits from the **European Structural and Investment Funds**; according to European Union's budget allocation for the period 2014 -2020 € 26 billion are expected to be channeled into the Greek economy. Furthermore, the success of the so-called "Juncker Plan" in mobilising investment across the EU led to the extension of its duration. Thus, the new **European Fund for Strategic Investment (EFSI 2.0)** plans to generate an estimated € 500 billion worth of investments into the European economy, from which a significant part is expected to be directed into the Greek economy. Notwithstanding these funds, Greece, due to its recent distressful economic situation, is also entitled to a significant influx of funds through **International Financial Institutions (IFIs)**, as the European Investment Bank (EIB).

Secondly, a **major privatisation programme** is currently underway, offering remarkable opportunities for direct or indirect investment, mainly, in the fields of infrastructure, energy and real estate. In this respect, a new privatisation fund of funds, under the name "**Hellenic Corporation of Assets and Participations S.A.**" (H.C.A.P.), has been established in 2016, with the objective to manage a great number of valuable assets belonging to the Greek State.

Last but not least, Greece has recently introduced a series of economic and institutional reforms to foster growth and development, in sectors with traditional competitive advantages, such as tourism, agriculture, services, manufacturing and construction. Furthermore, specific measures, such as the adoption of a "**fast-track mechanism**" for strategic investments and the establishment of the institution of "**Ombudsman**", were introduced to unblock the implementation of investment projects, by facilitating and enhancing the licensing procedures.

However, due to the lack of consolidation and codification of the incumbent legislation, investors are exposed to a legislative "labyrinth", where a myriad of legal acts impose con-

siderable difficulties in identifying and interpreting the optimum path. The arduous task of fully grasping the Greek legal environment becomes even more complicated, due to the recurring, for the implementation of a certain investment, involvement of various stakeholders, sometimes with overlapping roles and competences.

This brief legal guide purports to depict, in a comprehensive and structured way, the legal and institutional framework related to investments and development. Its goal is to provide clear legal guidance for quickly and reliably identifying the relevant legislation for each case of interest for investors and for tracing the optimal investment plan. The first part focuses on the **incentives and possibilities of financing investment projects**, the second part outlines the legal acts that regulate **major sectors of business activities** and the third part depicts the legal acts that **support and facilitate the implementation of investments**.

## II. OVERVIEW AND STRUCTURE OF THE LEGAL-INSTITUTIONAL FRAMEWORK

### A. Financing

The atmosphere of risk aversion created by the economic crisis has notably affected the supply of financial resources and, consequently, investment-financing issues are of vital importance. This part is systematically divided into the following sub-parts: Investments co-financed by Public Funds, Opportunities via Public Contracts and Self-financed Investments.

#### 1. Investment co-financed by Public Funds

Field: **Partnership Agreement for the Development Framework (PA) 2014 - 2020**

Legal act: Law 4314/2014 relating to the "Management, control and implementation of development interventions for the programming period 2014-2020" (OJ 265/A/23.12.2014).

Ministerial Decision No 110427 for the "National expenditure eligibility rules for NSRF period 2014 – 2020" (OJ 3521/B'/01.11.2016).

Main idea: NSRF structure is based on **Sectoral Operational Programmes (OP)**, (namely the OP Competitiveness, Entrepreneurship and Innovation; the OP Transport Infrastructure, Environment and Sustainable Development; the OP Human Resources Development, Education and Lifelong Learning; the OP Public Sector Reform; the OP Technical Assistance, Rural Development Programme and the OP Fisheries and Maritime) and **Regional Operational Programmes**, covering all principal sectors of economy and development in all thirteen regions of Greece. There are also various other special operational programmes, sectoral, such as the Rural Development Programme, or territorial, such as the Interregional Cooperation Programmes, which are based on the same principles and rules.

The PA 2014-2020 constitutes the most important instrument to tackle the main development challenges for Greece, within the Europe 2020 Strategy for smart, sustainable and inclusive growth. According to European Union's budget allocation for the period 2014 -2020 approximately € 26 billion are expected to be channeled into the Greek economy. The main sectors that will benefit from EU funding are transports, constructions, tourism, energy, environment, information and communications technology (ITC), the health industry and the agricultural/food industry.

The PA 2014-2020 constitutes the most important instrument to tackle the main development challenges for Greece, within the Europe 2020 Strategy for smart, sustainable and inclusive growth. According to European Union's budget allocation for the period 2014 -2020 approximately € 26 billion are expected to be channeled into the Greek economy. The main sectors that will benefit from EU funding are transports, constructions, tourism, energy, environment, information and communications technology (ITC), the health industry and the agricultural/food industry.

**Key-remarks:** Law 4314/2014 defines stakeholders, procedures and control mechanisms for the management and allocation of European Structural funds to beneficiaries, according to EU cohesion policy's approved thematic targets.

The Framework can accommodate small to very large-scale projects and is considered as the principal funding mechanism for implementing both infrastructure projects and value-added services till 2023. For the time being, the Programme is practically expected to gain momentum.

The NSRF ecosystem is characterized by bureaucracy with a multitude of government agencies involved in the investments' lifecycle. Strong emphasis is given on formal compliance with the incumbent legislation, as the legality and regularity of all expenses is thoroughly reviewed. It should be stressed that the granting of payment is conditional upon the fulfillment of obligations relating to taxes and social security contributions.

**Field:** **Financial Engineering Instruments (FEIs)**

**Legal act:** Law 3912/2011 regarding the establishment of the "Hellenic Fund for Entrepreneurship and Development" (HFED) (OJ 17/A'/17.02.2011), as it has been amended.

Joint Ministerial Decision No 7428/1829/16 regarding the establishment of "EquiFund" (OJ 1697/B'/27.10.2010).

Joint Ministerial Decision No 6269/1895 A1 regarding the establishment of "Infrastructure Fund of Funds" ("InfraFoF") (OJ 4159/B'/29.11.2017).

**Main idea:** Being the first pillar of the "Investment Plan for Europe" (IPE), known as the "Juncker Plan", the new **European Fund for Strategic Investment (EFSI 2.0)** is implemented by the EIB Group (the European Investment Bank and the European Investment Fund), provides for guarantees to higher-risk projects. It is noteworthy that in 2017 the EIB Group achieved record financing for Greece, with new lending agreements totaling € 2.49 billion.

The role of FEIs gained further significance, due to the fact that the new programming period 2014-2020 is more focused on the use of financial instruments, primordially under the form of low interest loans, aiming at growth leverage with the assistance of revolving instruments.

FEIs already available in Greece, are the following: the “**Hellenic Fund for Entrepreneurship and Development**”(HFED), that aims at the competitive development of venture capital funds and supports the creation of new businesses or expansion of existing ones. Under the aegis of HFED, companies across Greece with an innovative and outward-looking business plan may benefit, inter alia, from a € 400 million fund known as “Entrepreneurship Fund II”.

Furthermore, the “**Equifund**”, launched on 22 December 2016, aims to boost entrepreneurship and create a lasting impact on local businesses, by attracting private funding to all investment stages of the local equity market, ranging from the early stage start-ups up to mature expansion companies. “Equifund” is going to support small and medium-sized enterprises (SMEs), with a new € 300 million programme, through equity and venture capital (loans are excluded).

Finally, the new “**Infrastructure Fund of Funds**” (InfraFoF), managed by EIB, is going to make repayable investments, amounting to total € 450 million, for the implementation of small and medium-sized enterprises projects, with an emphasis on energy and sustainable urban development. These investments may take the form of equity, loans and/or guarantees.

Greece is also entitled to a significant influx of funds through other International Financial Institutions (IFIs), such as the “European Bank of Reconstruction and Development” (EBRD), the “International Finance Corporation” (IFC), member of the “World Bank Group” and the “Black Sea Trade and Development Bank” (BSTDB).

Key-remarks: Eligible Economic entities have to be established in Greece under national law.

FEIs derived from the budget of the European Union are, in general, based on the same principles and rules that apply to NSRF period 2014–2020; the experience, during the Programming Period 2007-2013, has shown that the relevant Regulatory Framework proved to be very rigid in its application to FEIs and, therefore, for the new period 2014-2020, it is reworked in order to be deployed more efficiently.

It should be noted that financing from International Financial Institutions (IFIs) is based on a rigorous evaluation of the financial sustainability of both the project and the operator.

Field: **State Aid schemes**

Legal act: General Block Exemption Regulation (EU) no. 651/2014 (GBER), as it has been amended.

De minimis Regulation (EU) no. 1407/2013.

Ad hoc schemes.

- Main idea:** Within the frame of the exemptions outlined in the Treaty, the Commission has issued the GBER, declaring certain categories of aids compatible with the internal market. Although, these grants mainly refer to medium-scale projects and concern small and medium-sized enterprises (SMEs), following the revision of the Regulation in June 2017, aids to regional airports, to maritime ports and to multifunctional recreational infrastructure fall also within the exceptions provided by the GBER. On the other hand, 'De minimis' Regulation provides that aids to a single operator not exceeding € 200.000 in three years, should be considered as compatible with the internal market, regardless of the nature of the business activities concerned.
- Key-remarks:** Eligible Economic entities have to be established in Greece under national law. Considering the specific characteristics of the Greek economy, these schemes are usually addressed to economic entities active in the sectors of tourism, energy, manufacturing, ICT and transport. According to the state aid schemes that apply for a certain period of time and under certain conditions eligible expenses are usually related to construction, equipment and services. Given that these schemes are tailored-made, in order to address a certain policy priority in conformity with EU State-aid rules, the relevant legal framework is structured *ad hoc* and is usually in the form of ministerial decisions. Hence, the applicable rules are not predetermined, and, therefore, interested parties have to be vigilant. Apart from the financing opportunities offered through several schemes, the "Manpower Employment Organization" (OAED) provides considerable incentives for job creation or job maintenance via labour cost subsidies.
- Field:** **Incentives Law**
- Legal act:** Law 4399/2016 relating to "Institutional framework for the establishment of private investment aid schemes for regional and local economic development" (OJ 117/A/22.06.2016), as it has been amended.
- Main idea:** The law mainly foresees the provision of grants, leasing subsidies, tax exemptions, new employment cost subsidies, stabilization of income tax rates and financing of business risk via equity funds, as requested by the applicant. Provided by the Regional Aid Map, the ceilings of the permitted percentage of aid depends on the size of the economic entity, the location of the project and the aid scheme under which the investment would be placed. As a general rule, the minimum eligible amount of the investment depends on the size of the economy entity, as following: for large companies to € 500,000; for medium-sized enterprises to € 250,000; for small businesses to € 150,000; for micro-enterprises to € 100,000. The sum of a subsidy may amount up to € 5 million, whereas under the "large Investments aid scheme", it may reach € 10 million.



**Key-remarks:** Eligible economic entities should be established or having a branch in Greece at the time set for the start of the operations. Economic entities under establishment may be eligible if the relevant procedures have been completed before the above-mentioned point in time.

Despite that investment plans may be subject to other state aid schemes and financial programmes, twenty-five percent (25%) of the total investment costs should be borne by the economic operator.

It should be mentioned that receiving state aid under the form of granting and leasing subsidy requires that the economic operator has shown profits at least for one fiscal year during the last seven (7) years prior to the fiscal year of the application.

Economic entities that receive aid have to comply with the obligations laid down in the *“Incentive Law”*, for a period of 5 years further to the conclusion of the investment. Hence, special attention should be paid when acquiring or anyhow becoming successor in interest of a Greek company that has benefited from the *“Incentive Law”*.

## **2. Opportunities via Public Contracts**

**Field:** **Public Private Partnerships (PPP's)**

**Legal act:** Law 3389/2005 relating to *“Public-Private Partnerships”* (OJ232/A/22.09.2005), as it has been amended.

**Main idea:** Promote large-scale projects via Private Sector involvement especially in the fields of environment, waste-management, energy, urban development, transport and digital-convergence.

The awarding procedure is carried out by the *“PPP's Special Secretariat of the Ministry for Development and Competitiveness”*, a well-established centralised authority –that has recently earned worldwide recognition– entrusted to coordinate and to safeguard the interests of all parties by providing clarity, continuity and security at all stages of a PPP project lifecycle. The approval of inclusion of a PPP project is subject to a decision issued by an Interministerial Committee.

The private entities assume the risks associated with the financing, the availability and the construction of the necessary infrastructure or the provision of the services, against a consideration paid in lump sum or in installments, by the Public Entities (availability payments) or the end users of the services (tolls).

The use of a Special Purpose Entity (SPV), vested in the form of a public limited company, is required under Law 3389/2005. Any collateral provided by the SPV for its financing is excluded from the insolvency assets of the SPV and cannot be used for the satisfaction of any other creditor.

**Key-remarks:** Due to the lack of public funds and the State aversion to fund the construction and performance of public assets, PPP's appear to be nowadays an appealing vehicle for large-scale projects.

Law 3389/2005 offers a solid legal and regulatory framework, which has been well "tested" during its application, providing legal certainty for the proper implementation of long-term projects. The fully and comprehensively defined PPP's award procedure is suited for the implementation of large-scale projects.

In fact, during the past few years a series of important PPP contracts have been awarded, including a total value € 110 million contract for the construction of new school buildings in Attica, assigned in 2014 and fully executed till 2017, as well as a total value € 49 million contract for the first integrated waste management project in Western Macedonia, assigned in 2015. Following an initiative by the PPP Special Secretariat, the financing of the contracts derived from the blending of European Structural and Investment Funds with private funding.

For the time being, projects of great value have been approved to be implemented through PPPs, such as the construction of the Northern Road Axis of Crete, with an estimated value of € 290 million.

**Field:** **Concession contracts**

**Legal act:** Law 4413/2016 relating to "Award and performance of concession contracts- transposition of Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014" (OJ 148/A/08.08.2016), as it has been amended.

**Main idea:** Concession contracts may extend to a wide array of sectors from rail transportation, port and airport services, operation and maintenance of public roads, waste management, utility services to leisure facilities and car parks. The main feature of a concession contract is the right to exploit the works or services, that always implies the transfer to the concessionaire of an operating risk of economic nature.

Law 4413/2016 allows the contracting authority to define and organise the procedure leading to the choice of concessionaire; Thus, the awarding procedure may be conducted in one stage, through an open or restricted procedure, or to successive stages, including negotiations.

The establishment of a Special Purpose Entity (SPV) for the implementation of the concession, is not mandatory under the new legal framework.

**Key-remarks:** The introduction of Law 4413/2016 represents a major step to plug the legislative gap on the award and the execution of concession contracts. Law 4413/2016 provides an adequate, balanced and flexible legal framework for the award of concessions contracts for both works and services. In this respect, despite that concessions were traditionally used as a vehicle for large-scale projects, the new legal framework appears to be appropriate even for medium-scale projects.

### 3. Self-financed investments

- Field:** HRDAF / Privatization Programme / New Fund
- Legal act:** Law 3986/2011 relating to “Urgent Measures for the application of Mid Term Fiscal Strategy Plan 2012-2015” (OJ 152/A/01.07.2011), as it has been amended.  
Law 4389/2016 relating to “Urgent provisions for implementing the agreement on budgetary objectives and structural reforms and other provisions” (OJ 94/A/27.05.2016), as it has been amended.
- Main idea:** The Hellenic Republic Asset Development Fund (HRADF) was established in 2011 (Law 3986/2011) aiming to restrict governmental intervention in the privatisation process and further develop it within a fully professional and private-driven context.  
In addition to, by virtue of Law 4389/2016, a new Fund of Funds under the name “Hellenic Corporation of Assets and Participations S.A.” (H.C.A.P.) has been established in 2016, with the mandate to own and manage a great number of assets belonging to the Greek State.  
H.C.A.P. operates as the holding company of four subsidiaries, namely: a) the Hellenic Financial Stability Fund, entrusted with the stabilisation of the Greek banking sector, b) the Hellenic Republic Asset Development Fund, the entity that has so long managed the privatization programme, c) the Public Properties Company, which owns and manages all real estate assets of the Greek State and d) the Public Participations Company, which holds the participations of the Greek State in a number of public companies.  
H.C.A.P. will exploit and optimize the value of all assets owned by its subsidiaries, operating under private economy and, thus, overcoming bureaucracy obstacles, inherent to the operation of public or quasi-public entities.
- Key-remarks:** Currently, the main most important privatization processes are carried out by HRDAF according to its legal regime.  
The Programme sets a challenging privatisation package, the implementation of which could create a ‘flood’ of investment opportunities. It involves major projects, including energy (Public Power Corporation S.A., Hellenic Gas Transmission System Operator S.A., Public Gas Corporation S.A.); roads (Egnatia motorway in northern Greece); railways (Trainose); airports (Athens International Airport); regional ports and marinas; and real estate (Hellenikon).
- Field:** Venture Capitals
- Legal act:** Law 4099/2012 relating to “Undertakings for collective investment in transferable securities and mutual fund management companies, Directive 2009/65/EC as it has been amended” (OJ 250/A/20.12.2012).  
Law 4209/2013 relating to the “Adaptation of Greek legislation to Directive 2011/61/EU on Alternative Investment Fund Managers” (OJ 253/A/21.11.2013), as it has been amended.

Law 2992/2002 relating to *“Measures for fostering of Capital Markets and the development of entrepreneurship”* (OJ 54/A/20.03.2002), as it has been amended.

Law 3371/2005 relating to *“Capital Market Issues and other provisions”* (OJ 178/A/14.07.2005), as it has been amended.

Law 4416/2016 relating to the *“Amendment of Law 4099/2012 (transposition of Directive 2014/91/ EU into national law) and other provisions”* (OJ 160/A/06.09.2016).

**Main idea:** Provided by Law 4099/2012, Undertakings for Collective Investment in Transferable Securities (UCITS) are structured as open-ended collective investment schemes, which may take the form either of a Venture Capital Mutual Fund (VCMF), a pool of assets consisting of transferrable securities and cash, divided into units, or a Variable Capital Investment Company (VCIC). On the other hand, Alternative Investment Funds (AIFs) are generally ruled by the provisions of Law 4209/2013, as it has been amended. The Greek legislation foresees the setting-up of certain types of Alternative Investment Funds (AIFs) as following: Closed-Ended Venture Capitals, regulated under Law No. 2992/2002; Portfolio Investment Companies, a form of a limited company having portfolio management as an exclusive scope, regulated under Law No. 3371/2005.

Law 4416/2016 offers an adequate, general and flexible legal framework for the performance of crowdfunding platforms in Greece to meet the needs of local companies to finding shareholders. Nowadays, crowdfunding emerged as a promising source of funds for startups and other companies' commercial ventures.

**Key-remarks:** For the establishment of UCITS and Portfolio Investment Companies a prior authorization of the Hellenic Capital Market Commission (HCMC) must be obtained. The manager of the Closed-Ended Venture Capitals falls within the same obligation.

The establishment of UCITS or Portfolio Investment Companies is generally exempted from any tax, duty and charges. Any income and capital gains obtained by unitholders from their participation in UCITS is, in principle, free of all taxes, duties and charges. Unitholders of a Portfolio Investment Company are taxed as co-owners of the assets that belong to the company for any income obtained thereby. Revenues of Closed-Ended Venture Capitals are taxed with the applicable income tax rate.

## B. Major business sectors

This part provides brief explanatory remarks with regard to the business sectors of Tourism, Energy, Real Estate and Medical Tourism and a reference to the investments-development laws pertained to the sectors of R&D, Business Parks, Logistics and NPL's.

Field:	<b>Tourism</b>
Legal act:	<p>Law 2160/1993 relating to “Tourism arrangements and other provisions” (OJ 118/A/1993), as it has been amended.</p> <p>Law 4002/2011 relating to “Issues falling within the competence of the Ministry of Finance, the Ministry of Tourism and the Ministry of Labour and Social Security” (OJ 180/A/22.08.2011), as it has been amended.</p> <p>Law 4276/2014 relating to the “Simplification procedures for operating tourism businesses and tourism infrastructure, special interest tourism and other provisions” (OJ 155/A/30.07.2014), as it has been amended.</p> <p>Law 4442/2016 relating to “New institutional framework for the exercise of economic activity and other provisions” (OJ 230/A/07.12.2016).</p> <p>Joint Ministerial Decision No 8592 regarding the “Simplification of the start-up process of tourist accommodation” (OJ 1750/B/19.05.2017).</p>
Main idea:	<p>These legal acts have introduced three different grades of touristic establishments, as follows: main touristic accommodations, including hotels and complex tourist resorts; secondary touristic accommodations, including self-catered accommodations – touristic furnished mansions and residences; and special touristic infrastructures, including touristic ports, ski resorts, conference centers and golf courses. Moreover, Law 4276/2014 sets the framework for Agrotourism and Enotourism.</p> <p>The notion of “Complex Tourist Resorts” has been introduced by Law 4002/2011, to allow for more than one hotel to be land planned, irrespectively of the number of owners. Such areas are receptors for integrated tourism resorts that include hotels, summer resorts -available for sale or long lease- and special tourism facilities such as golf courses, spas, conference centers etc. These ventures should be established on a plot of at least 150,000 square meters.</p> <p>Law 4002/2011 has introduced the Special Authority for Promoting and Licensing Tourist Investments, as an one-stop shop service for the issuance of all licenses, such as building permits, approval of architectural and environmental studies and operating licenses.</p> <p>Furthermore, launching the operation of new tourism accommodation establishments, health-regulated establishments and swimming pools, is achieved exclusively via an electronic notification system (notifybusiness.gov.gr). This has led to a significant reduction of bureaucracy as well as to the acceleration of the licensing process.</p>
Key-remarks:	<p>These legal acts introduce new promising investment opportunities in the field of Tourism that, in any case, is considered to be the most attractive business sector in Greece.</p>

Field: **Energy**

Legal act: Law 4001/2011 relating to “The operation of Electricity and Gas Energy Markets, for Exploration, Production and transmission networks of Hydrocarbons and other provisions” (OJ 179/A/22.08.2011), as it has been amended. Law 3851/2010 relating to “Accelerating the development of Renewable Energy to address climate change and other provisions on jurisdiction of the Ministry of Environment, Energy and Climate Change” (OJ 85/A/04.06.2010), as it has been amended. Law 4414/2016 relating to “New Support Scheme for Renewable Energy Power Plants and High Efficiency Combined Heat and Power Plants” (OJ 149/A/09.08.2016).

Main idea: The independent “National Regulatory Authority” (RAE) is entrusted with material power and extensive competencies with respect to the operation of all energy market sectors, namely Electricity, Natural Gas, Oil Products, Renewable Energy Sources, Cogeneration of Electricity and Heat etc. RAE grants licenses for the development of both, conventional and RES energy production projects. Certain categories of small – scale projects, are exempted from the obligation to obtain a production license; however, this does not release them from the obligation to acquire other licenses and permits provided by law (e.g. environmental). Law 4414/2016 brought some radical changes in the RES support scheme in Greece, introducing the tendering procedure organized by RAE. The new RES support scheme is based on feed-in premiums (FIP) contracts, contrary to the previous feed-in-Tarif (FIT) contracts, which are still applicable only to small scale RES projects (e.g. <3 MW wind, <500 kW other RES). Under the new FIP and FIT contracts, the RES project support will be provided for a long-term period of 20 years for all renewable energy projects and 25 years for solar thermal power plants term.

Key-remarks: Special attention should be paid at the regulatory obligations and administrative formalities that apply when transferring a RES project.

Field: **Real Estate**

Legal act: Law 2778/99 relating to “Real Estate Funds - Real Estate Investment Companies and other provisions” (OJ 295/A/30.12.1999), as it has been amended by Law 4141/2013 (OJ 81/A/05.04.2013) and Law 4209/2013 (OJ 253/A/21.11.2013). Article 111 of Law 4446/2016 (OJ 240/A/22.12.2016), which includes specific arrangements for short term lease of property, as it has been amended.

**Main idea:** Law 4141/2013 provides the legal framework for “Real Estate Investment Companies” (REICs). REICs are closed-ended funds investing in real estate, namely in residential property and tourist property, property under construction and in land. In addition to, REICs may participate in joint ventures, long-term concession schemes as well as public property sale and leaseback programs. REICs have to be formed as a special purpose Greek “Société Anonyme” with registered shares that have to get listed to the Athens Stock Exchange Market in Greece within two years after establishment. The initial minimum share capital required is of € 25 million. REIC is an attractive investment vehicle in large scale real estate investment, operating under a favorable tax framework and providing significant incentives for the investors, both medium and long-term.

Law 4446/2016 regulates the short-term lease of property and the operation of relevant online platforms, which handle the booking process and the payment of the fee, such as the Airbnb. Short term lease of property requires the registration, via electronic means, of the property manager in the “Short Term Residence Property Registry” of the “Independent Authority for Public Revenue”. Any income obtained by a short-term leasing agreement is free of VAT and is imposed on the basis of the tax bands for rents, unless the host provides for services other than bed linens.

**Key-remarks:** As Greece comes out of recession, the significant fall in real estate values, as well as other incentives granted to foreign investors, such as residence permits, illustrates that real estate market remains an interesting niche market of the Greek economy.

The so called “golden visa” programme, introduced by the new Immigration and Social Integration Code (Law 4251/2014, OJ 80/A/01.04.2014), is considered to be one of the most attractive programmes among other EU Member States. Allowing for third-country nationals, purchasing real estate property in Greece of value exceeding € 250,000, as well as for the members of their families, to obtain residence permit for five years, subject to renewal, the “golden visa” programme has raised significant interest on medium-value residential properties.

At the time of printing law 4251/2014 was under revision. The amendment aims at the extension of the scope of the “golden visa” programme to investments in shares, bonds or deposits with Greek credit institutions.

**Field:** **Medical Tourism**

**Legal act:** Law 4179/2013 relating to “Simplifying procedures for strengthening entrepreneurship in tourism, restructuring of the Greek Tourism Organisation and other provisions” (OJ 175/A/08.08.2013), as it has been amended. Joint Ministerial Decision no 27217 relating to “Terms and conditions for operating in the field of Medical Tourism” (OJ 3077/B/03.12.2013), as it has been amended.

- Main idea:** Law 4179/2013 introduces simplification of required procedures in order to promote entrepreneurship in Tourism and facilitate organised and complex investments in the sector, with specific mention of Medical Tourism. Common Ministerial Decree 27217/2013 sets the basic framework for service providers and defines the procedures required to obtain license from National Tourism Organization.
- Key-remarks:** Key stakeholder is ELITOUR, an NGO whose mission is to promote health tourism in Greece and cooperate with respective international organizations on global issues related to medical tourism.

### **Various fields**

- Field:** **R&D**
- Legal act:** Law 4310/2014 “Research, Technological Development and Innovation” (OJ 258/A/08.12.2014), as it has been amended.  
Law 4110/2013 relating to “Provisions on the Taxation of Income, Regulations on Issues pertaining to the competence of the Ministry of Finance and other regulations” (OJ 17/A/23.01.2013), which provides a number of favourable tax and other benefits for R&D activities.
- Field:** **Business Parks**
- Legal act:** Law 3982/2011 relating to the “Simplification of the licensing of professional technical and manufacturing activities and business parks and other provisions” (OJ 143/A/17.062011), as it has been amended.
- Field:** **Logistics**
- Legal act:** Law 4302/2014 relating to the “Logistics issues and other provisions” (OJ 225/A/08.10.2014), as it has been amended.  
Law 4442/2016 relating to the “New institutional framework for the exercise of economic activity and other provisions” (OJ 230/A/07.12.2016).  
Law 4512/2018 relating to “Arrangements for the implementation of the structural reforms of the Economic Adjustment Program and other provisions” (5/A/17.01.2018).
- Field:** **NPL’s (non-performing business loans)**
- Legal act:** Law 4354/2015 relating to the “Management of non-performing loans (OJ 176/A/16.12.2015), as it has been amended.

## **C. Implementation of investments**

This part depicts the legislation that has introduced the role of “Enterprise Greece” and “Ombudsman”, the mechanism of “Fast Track”, the licensing route and the exceptional operation of offices of foreign entities in Greece.



- Field:** **Enterprise Greece and “Investor Ombudsman”**
- Legal act:** Law 3894/2010 relating to the “Acceleration and Transparency of Implementation of Strategic Investments” (OJ 204/A/02.12.2010), as it has been amended.  
Law 4072/2012 relating to “Improving the Business Environment” (OJ 86/A/11.04.2012), as it has been amended.  
Law 4146/2013 relating to “The creation of a Development Friendly Environment for Strategic and Private Investments” (OJ 90/A/18.04.2013), as it has been amended.
- Main idea:** “Enterprise Greece S.A.” is the official agency of the Greek State, functioning under the supervision of the Ministry of Economy and Development, in order to attract investment in Greece, promote exports and render Greece more attractive as an international business partner. It assists foreign investors and enterprises in doing business with Greece and provides key investment and business information.
- Key-remarks:** Enterprise Greece offers the service of the “Investor Ombudsman”, designed to unblock and facilitate the implementation of investment projects. The Investor Ombudsman is available for investment projects exceeding the value of € 2 million. It mediates on behalf of the investor during the licensing procedure, aiming at resolving bureaucratic obstacles, delays, disputes or other difficulties related to State services or actors. It should be noted that it enjoys a strong political support and, therefore, has proven to be a very effective institution.

- Field:** **Fast Track**
- Legal act:** Law 3894/2010 relating to the “Acceleration and Transparency of Implementation of Strategic Investments” (OJ 204/A/02.12.2010), as it has been amended.
- Main idea:** The main objective of “Fast Track” is to accelerate the licensing of procedures for investments deemed strategic to the Greek economy. In order for an investment to be classified as strategic it has to fulfill specific quantitative and qualitative features (e.g. investment over € 100 million; investment over € 5 million in the industry sector in currently operating industrial zones; investment over € 40 million that creates 120 working positions; investment from which at least 150 new employment positions are created or at least 600 are retained; investment over € 5 million for the development of Business Parks).
- The inclusion of an investment in the “fast track” Procedure depends on several factors, such as the viability of the investment and the creditworthiness of the investor, the transfer of knowledge and expertise, the adoption of innovation and high-end technology, the impact of the project to national economy, the environmental protection and energy conservation.

The component authority for the evaluation of the investment dossier is the "Enterprise Greece SA", which submits an opinion to the Interministerial Committee for Strategic Investments (I.C.S.I.), concerning the inclusion of investment proposals. I.C.S.I. bears the responsibility of investment approval and has the overall supervision of the Fast Track procedure. The licensing procedures are carried out by the General Secretariat of Strategic and Private Investments through the newly established General Directorate of Strategic Investments.

**Key-remarks:** Fast Track accelerates the licensing procedure by a) creating a legally-binding timeframe for the issuance of licenses with significantly reduced deadlines, b) immediately activating the investment process, and c) enhancing the speed and efficiency of public bodies' relevant actions. There is a fifteen-day (15) deadline for the evaluation of the investment proposal by the "Enterprise Greece SA". The relevant administrative procedure shall be completed and the necessary opinions, permits and licenses shall be issued, in principal within an exclusive period of forty-five (45) calendar days. It should be mentioned that every application shall be subject to a Management Fee, estimated to 0.2% of the total cost of the investment, with a minimum limit of € 100,000 and a maximum limit of € 300,000 from which 10% is paid upon the submission of the proposal, and 90% is paid following the approval of the proposal.

**Field:** **Licensing legislation**

**Legal act:** Law 4014/2011 relating to "Environmental licensing of works and activities, regulation of illegal constructions in connection with environmental stability and other provisions falling under the competence of the Ministry of Environment" (OJ 209/A'/21.09.2011), as it has been amended.

**Main idea:** Under the provisions of Law 4014/2011 all projects and activities with potential environmental impacts, are classified in two categories, on the basis of predefined parameters.

The first category includes projects and activities likely to cause significant effects on the environment. These projects and activities are assessed through Environmental Impact Studies (EIS), which have to include: information for the allowed land uses in the area; a clear description of the project; the alternative options that were examined; data on the natural and manmade environment; a description of the potential significant impacts as to natural resources, emissions and waste disposals; a detailed description of the proposed measures; a draft of an environmental management and of a monitoring system. In order for new projects or activities of this category to be carried out or for the existing ones to be extended, a Decision Approving the Environmental Conditions (DAEC) is required.

The second category includes projects and activities entailing local and non-significant effects on the environment. For these projects an Environmental Impact Studies (EIS) is not required, given the fact that they fall within the scope of Standard Environmental Commitments (SEC).

**Key-remarks:** Law 4014/2011 has codified the environmental legislation, which was fragmented into several legal acts and has also simplified the licensing process of all projects having environmental impacts.

**Field:** **E - Government**

**Legal act:** Law 4441/2016 regarding the "Simplification of business establishment procedures, removal of regulatory barriers to competition and other provisions" (OJ 227/A/06.12.2016).

Ministerial Decision No 48123/6983/18 regarding the "Specification of procedures, conditions, technical details and other issues related to the operation of one-stop services for the establishment of companies" (OJ 3136/B/31.07.2018).

Ministerial Decision No 63577/18 regarding the "Procedures for electronic submission, control and issuance of administrative acts under Article 29 of Law 4491/2017 and definition of electronic services in accordance with the provisions of article 33 of Law 4491/2017" (OJ 2380/B/21.06.2018).

**Main idea:** Under the provisions of Law 4441/2016, an electronic one-stop shop service platform has been introduced to simplify and accelerate the processes for the establishment of the vast majority of companies' types, provided by the national legal framework.

Furthermore, Ministerial Decision No 63577/2018 provides for the electronic submission of the dossier required for the issuance of construction works, pursuant to Article 28 of Law 4495/2017, such as building permits, small-scale approvals, work permits etc.

**Key-remarks:** During the past few years Greece has taken important steps in the field of e-Government policy in order to make the public administration system more efficient.

**Field:** Establishment of a seat for foreign entities

**Legal act:** Law 89/1967 relating to the "Establishment of a seat for foreign entities (OJ 132/A/01.08.1967), as it has been amended.

**Main idea:** Foreign entities may establish an office in Greece under the provisions of Law 89/1967; their activities are exclusively limited to providing to their head offices or to their foreign affiliates established abroad or to any other undertakings not established in Greece mainly advisory services, accounting support, marketing and data processing services.

The Directorate of Foreign Capital of the Ministry of Economy and Finance operates as an one-stop shop service for the establishment of the office. The office's annual operating expenses must amount to at least € 100,000.00 covered by direct foreign funding; at least four (4) people have to be employed.

The gross revenues from the office's services, which shall be collected only by bank transfers, are estimated upon a costplus method.

Foreign entities under Law 89/1967 enjoy a scheme of favourable tax and other benefits; they are not required to maintain double-entry accounting books but only receipts and expenses book, they are not subject to any statutory audit requirements and they are not obliged to publish any financial information. Tax benefits apply to their employees as well.

**Key-remarks:** Law 89/1967 sets an exceptional framework for the establishment of an office –circumventing the obligation of setting up a company under Greek law– that can carry out the management of foreign entities’ operations in Greece. It should be noted that most shipping companies operate in Greece under law 89/1967.

### III. CONCLUSIONS

The overview of the legal–institutional framework relevant to investments and development confirms that, despite the economic crisis and the regulatory deficiencies, Greece is a country that offers considerable investment opportunities and presents significant development perspectives in the near future.

## MICHAILOPOULOS & ASSOCIATES LAW FIRM

**7, PINDAROU STREET  
10671 ATHENS**

**Tel.:** +30 211 770 0 670

**Fax:** +30 211 770 0 671

**E-mail:** info@gmlaw.gr

**Url:** www.gmlaw.gr

**Languages**

English, German, French

### AREAS OF PRACTICE

**Public Procurement**

**State Aid**

**Public Finance**

**Tax**

**Commercial and Corporate**

**Banking & Finance**

**EU and International Affairs**

**Dispute Resolution**

### BUSINESS SECTORS

**Project Finance / Infrastructure  
& Services**

**Property & Real Estate**

**Major Private Investments**

**Energy**

**Co-financed projects**

**Tourism**

**(NSRF, EU Funds and  
Institutions)**



# GREEK LAW DIGEST

## The Official Guide to Greek Law

[www.greeklawdigest.gr](http://www.greeklawdigest.gr)

### COPYRIGHT

The content of this Guide is copyright of NOMIKI BIBLIOTHIKI S.A. Copying of part or all of the content of the Guide in any form is prohibited other than that in accordance with the following permission: a) you may copy pages from the Guide for your personal use only, b) you may recopy extracts from the Guide to individual third parties for their personal information, but only if there is acknowledgment to NOMIKI BIBLIOTHIKI S.A. as the copyright owner of the Guide.

### DISCLAIMER

The content of this Guide is intended for information purposes only and should not be treated as legal advice. The publication is necessarily of a general nature; NOMIKI BIBLIOTHIKI S.A. makes no claim as to the comprehensiveness or accuracy of the Information provided; Information is not offered for the purpose of providing individualized legal advice. Professional advice should therefore be sought before any action is undertaken based on this publication. Use of this Guide does not create an attorney-client or any other relationship between the user and NOMIKI BIBLIOTHIKI S.A. or the legal professionals contributing to this publication.

- ✓ **For more information** about Greek Law Digest, or to **order a copy** of the publication, please visit [www.greeklawdigest.gr](http://www.greeklawdigest.gr)
- ✓ **To purchase books** from NOMIKI BIBLIOTHIKI, please visit [www.nb.org](http://www.nb.org)