ZEPOS & YANNOPOULOS

Last Update: October 2023

Doing Business in Greece

LexMundi

who we are

We are a leading Greek law firm known for its long heritage, legal acumen and integrity.

2023 is a seminal point for our firm, as we are celebrating our 130-year anniversary. Marking 130 years of excellence and innovation, we are committed to continuing to challenge expectations and go on shaping our sector. We believe in growing by supporting our clients' progress, aiming to lead change. Looking ahead at an ever-shifting legal industry, our goal remains to create sustainable value for our clients and our community, amplifying our environmental, social and governance footprint. Our long history guides us and provides us with a very specific compass. One that permeates our structure, our way of doing business and our view of the world, including our clients.

As a full-service business law firm, we take pride in our distinctive mindset and offering. This shows not only in our responsiveness, but also in our ability to field versatile, approachable, easy-to-work teams of practitioners characterised by their tireless spirit, attention to clients' needs and commitment to excellence.

Our strong international orientation is echoed in our structure, standards and approach, and ultimately attested in the profile of our client base, our rankings and the network of our affiliations and best-friend law firms around the world. Established in 1893, we have proven our ability to adapt, to the fast-paced and ever-challenging legal and economic environment, whilst simultaneously shaping it, by implementing untested legislation, structuring innovative solutions and putting our bold legal argumentation to the service of our clients.

In addition to offering quality legal, tax and accounting advice, Zepos & Yannopoulos has developed particular expertise in keeping their clients regularly updated on the specificities of the Greek business and legal environment. Their legal advice is customer-friendly and tailored to the needs of each client.

Zepos & Yannopoulos' services cover a wide array of practice areas and industries:

Practice Areas

- Antitrust & Competition
- Business Crimes & Investigations
- Commercial & Consumer Law
- Corporate Law & Compliance
- Customs & Trade
- Data Protection & Cybersecurity
- Dispute Resolution
- Employment & Labour
- Finance & Capital Markets
- M&A and Project Development
- Private Clients
- Public Procurement & Concessions
- Real Estate
- Restructuring & Insolvency
- Tax & Accounting

Industries

- Automotive
- Energy
- Healthcare, Pharma & Life Sciences
- Insurance
- Non-Profit & Education
- Retail, Luxury & Consumer
- Tech, Media & Telecom
- Tourism & Leisure
- Transport, Logistics & Aviation

Litigation and Arbitration constitute an inherent and important part of all practice areas and industries on which our Firm focuses.

our team

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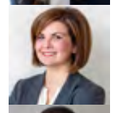

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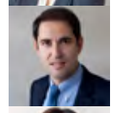

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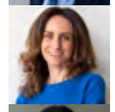

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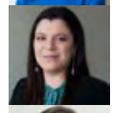

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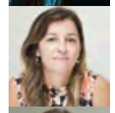

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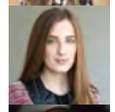

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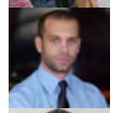

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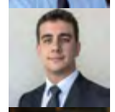

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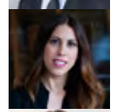

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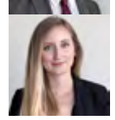

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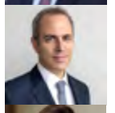

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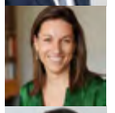

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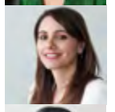

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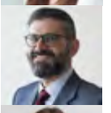

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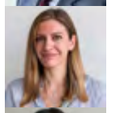

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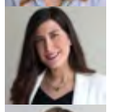

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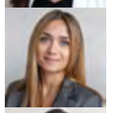

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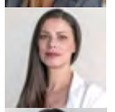

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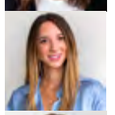

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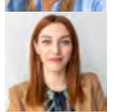

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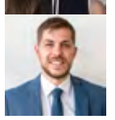

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I. Greece at a Glance

A. What languages are spoken?

The official language is Greek. English is widely spoken and often used in business. French, German and Italian are also spoken.

B. What is the currency of Greece? What is the exchange rate with the US dollar?

The official currency of Greece is the Euro. The Euro/US dollar exchange rate is equaled at one point zero six (1.06) as of 11 October 2023..

C. Describe Greece's geography, proximity to other countries and climate.

Greece is located in South-Eastern Europe, between Italy and Turkey. Land border countries are: Albania, North Macedonia, Bulgaria and Turkey. The climate is temperate with mild, wet winters and hot, dry summers.

D. Are there cultural influences or prohibitions on the way business is conducted?

No.

E. Are there religious influences or prohibitions on the way business is conducted?

No.

F. Explain Greece's infrastructure. Be sure to explain which cities have airports, railroad systems, ports, and public transportation.

Highways connect all parts of continental Greece. The major motorways are:

- A1/E75 (Patras to Evzoni, via Athens and Thessaloniki)
- A2/E90 (Egnatia Odos, connecting Igoumenitsa with Kipoi-Evros, border crossing with Turkey)
- A3/E65 (Central Greece Motorway, connecting Lamia, Karditsa and Trikala –under construction)
- A5/E55 (Ionia Odos, connecting Ioannina to Kalamata)
- A6/E94 (Attiki Odos, serving the metropolitan region of Attica) and
- A7/E65 (Moreas Motorway, serving the Peloponnese region)
- A8/E94 (Olympia Odos, connecting Elefsina, at the interchange with Attiki Odos, with Patras)

Transport of goods and passengers is often carried out by sea. The sailing distance between Adriatic ports and the port of Piraeus is shortened by three hundred Twenty-Five (325) kilometers thanks to the 6km-long Corinth Canal which connects the Gulf of Corinth with the Saronic Gulf.

There are ports and marinas in virtually all islands and in several cities in continental Greece. Main commercial harbours include Piraeus (Athens), Thessaloniki, Alexandroupoli, Elefsina, Heraklion (Crete), Kavala, Corfu, Chalkida, Igoumenitsa, Lavrio, Patras, Volos.

There are 40 civil aviation airports servicing all major cities, including many islands. The largest airports per number of passengers are Athens International Airport "Eleftherios Venizelos" [approximately twenty-two million seven hundred thirty thousand (22,730,000) passengers] and Thessaloniki International Airport "Macedonia" [approximately five million nine hundred twenty-three thousand one hundred and seventy-five (5,923,175) passengers in 2022]. It is noted that passenger traffic at Athens International Airport "Eleftherios Venizelos" in 2022 exceeded the respective 2021 levels by 84.1% and the 2019 levels by 11.1%.

Public transport services include buses, trolleys, trams, trains and a metro system, and operate within—and between—cities, towns, villages and communities. Most major Greek cities are also connected by railroad, the major network operating between Athens and Thessaloniki.

G. Explain the communication system.

Since the late 1980s, the Greek telecommunications sector has been subject to gradual privatisation. Furthermore, from January 2001 onwards, the pace of the relevant legislative initiatives has increased. The telecommunications regulator is the Hellenic Telecommunications and Post Commission ("EETT").

The main telecommunications providers include former state monopoly Hellenic Telecommunications Organisation S.A. ("OTE"), NOVA (which was merged with WIND in 2023) and Vodafone Greece. In general, the telephone networks are modern with fiber-optic cables and provide service across the country. The mobile and international telephone services are also excellent. Fast internet access (both WiFi and broadband 5G) is widely available—and this includes private homes, businesses and public places.

There are well over 1,000 radio stations as well as hundreds of TV stations in Greece, broadcasting locally and nationally. Regarding TV broadcasting, it should be noted that most stations have switched their signal from analog to digital. Satellite broadcasting stations are also popular in the country.

H. Describe the public services, i.e., water, electricity, gas. Are they publicly or privately owned?

Utilities (water, gas, electricity) have been partly privatised over the past several years, but the Greek State retains a controlling interest in all of them.

In February 2001, the electricity sector was liberalised, under Law 2773/1999, which implemented Directive 96/92/EC. The former public electricity utility ("Public Power Corporation - PPC"), which has taken the form of a corporation, still has major share of the Greek electricity market, while new private entities also hold a big share in the retail electricity market.

Similarly, the gas sector has been liberalised by virtue of Law 3428/2005.

Law 4001/2011 (Energy Law), as amended by Law 4986/2022 and currently in force, amended the aforementioned Laws 2773/1999 and 3428/2005, for the purposes of progressive privatisation of certain publicly owned services, in accordance with the respective European regulatory framework.

II. General Considerations

A. Investment policies

Does Greece generally welcome investment? Are there governmental or private agencies devoted to the promotion of investment?

The Greek Government encourages private foreign investment as a matter of policy. Following the financial crisis between years 2010 and 2018, Greece took advantage of its geo-strategic position and developed investment opportunities that have arisen from the financial crisis itself and the continuing modernisation of the public sector and the economy. The liberalisation of the electricity, gas and telecommunications markets through the previous years offer considerable investment opportunities which did not exist previously, as those markets were closed to foreign and domestic investments. The Hellenic Corporation of Assets and Participations (HCAP), which was established by virtue of Law 4389 in May 2016 (www.hcap.gr), is intended to operate as a "superfund" entrusted with the exploitation and optimisation of the value of all assets and/or participations by the State in order to contribute to the economic development of the country through investment and the country's financial obligations impairment. Meanwhile, the Hellenic Republic Asset Development Fund (HRADF), now a subsidiary of HCAP, continues to run a privatisation scheme that, among others, includes the following projects: Participation in Hellenic Petroleum S.A. and Depa S.A. Public Gas Company Infrastructure SA, Egnatia Odos, the sale of 30% of Athens International Airport "Eleftherios Venizelos", the concession of Attica Motorway, the operation of several ports (such as the ports of Igoumenitsa, Kavala, Alexandroupoli, Volos) and Marinas (such as Corfu Mega-yacht Marina, Marina of Argostoli, Marina of Pylos, Marina of Itea), to name but a few.

Greece's membership in the Economic and Monetary Union offers currency stability. Both foreign and domestic investments are screened according to the same criteria, with respect to government subsidies and tax incentives.

The main body devoted to the promotion of investment is the agency "Enterprise Greece" (www.enterprisegreece.gov.gr). This is the national official investment agency, under the auspices of the Ministry of Foreign Affairs, responsible for seeking, promoting and supporting foreign investment into Greece and aiming to operate as a one-stop investment shop, where investors may get information, guidance and support on investment opportunities in Greece. Information and guidance on investment can also be found through the Ministry of Development and Investment (www.mindev.gov.gr) and the Ministry of Economy and Finance (www.minfin.gr).

Greece has not introduced an investment screening mechanism/regime to date. Although the EU Foreign Direct Investment Screening Regulation (*i.e.* Regulation 2019/452/EU) applies from 11 October 2020 onwards, each Member State is free to decide whether or not to screen a particular foreign direct investment within the framework of this Regulation. The laws in Greece generally encourage and facilitate FDI, with limited restrictions on foreign control

or ownership and no sector-specific restrictions. Greece does, however, limit foreign ownership of real estate located in certain regions designated as border areas. In general, foreign investors may freely engage in any (direct or indirect) transaction in Greece, with the exception of transactions involving in rem or contractual rights concerning real estate properties located in the areas that have been designated as "border areas" of Greece under applicable Greek legislation. According to art. 24 of Law 1892/1990, as currently in force, the following areas have been characterised as border areas: Prefectures of Dodecanese, Evros, Thesprotia, Kastoria, Kilkis, Lesvos, Xanthi, Preveza, Rodopi, Samos, Florina and Chios, the islands of Thira and Skyros, the former provinces of Nevrokopi of the former Prefecture of Drama, Pogoniou and Konitsa of the former Prefecture of Ioannina, Almopia and Edessa of the former Prefecture of Pella and Sintiki of the former Prefecture of Serres, as well as the former communities of Othoni, Mathraki and Ereikoussa. More specifically, investors (individuals and/or legal entities) coming from the European Union and/or from EFTA countries are fully exempt from any restriction, government scrutiny or prior authorisation whereas non-EU/EFTA investors are subject to prior permission by the competent Decentralised Administration. The same also applies in the case of indirect real estate transactions (*i.e.* transfer of companies' shares or parts which own real estate assets in border areas). According to Article 28 of Law 1892/1990, as regards, the acquisition of in rem (*e.g.* purchase) or contractual rights (*e.g.* lease) over private islands or real estate properties located on private islands regardless of the islands' geographical location, such is subject to the issuance of a special permit issued by the Minister of Defence following the consent of the General Staffs (Army, Marine and Air Force).

What is the rate of inflation?

According to the Hellenic Statistical Authority (ELSTAT), the inflation rate in August 2023 was 2.7%. The consequences of the Russian invasion in Ukraine, which was launched on 24.02.2022, have caused a surge in consumer prices within the Eurozone according to Eurostat, with Greece reaching an inflation rate at 12.1% in last October 2022; henceforth it is steadily decreasing.

Explain any sector exceptions, incentives or restrictions on foreign investment.

Under Greek law, the provision of investment incentives is mainly effected through the enactment of special legislation or other regulatory instruments. To qualify for a subsidy or other investment granted by virtue of such a scheme, investors must comply in all respects with the provisions of the applicable instrument. The main laws currently governing investment incentives are Codified Law 5039/2023 (the "Development Law") and Law 4864/2021 (the "Strategic investments and improvement of the investment environment through the acceleration of procedures in private and strategic investments, creation of a framework for the 'Spin Off' companies and other urgent provisions for development"), amending Law 4608/2019. For an overview of such laws as well as other investment incentive schemes, see below under Chapter III, Section C.

Non-EU investors investing in certain sectors, such as banking, may not

benefit from EU rules introducing a common legal framework governing investment plan made by domestic or EU investors. In particular, certain sectors were opened to EU citizens due to EU rules.

Restrictions on foreign investment also exist with regard to land purchases in border regions and certain islands, on national security grounds. In particular, non-EU or EFTA nationals or legal entities may not proceed, absent a prior approval is granted by the competent decentralised administration office, with any transaction by virtue of which an in rem or contractual right (*e.g.* lease) is established in their favour or by which they acquire shares of companies of whatever form which own real estate property, if the real estate in question is located in border areas of Greece.

Describe *de facto* restrictions on investment, if any, such as bureaucratic discretion.

Bureaucracy often results in a lack of flexibility and delays. However, in recent years, there have been significant efforts to reduce the red-tape and simplify proceedings. It's worth noting that the Covid-19 pandemic has helped to trigger the modernisation and digitation of many processes in both public and private sectors which, in the past, had caused unreasonable delays and bureaucratic obstacles to any intended investment. In particular, the development and operation of the new web portal, "Gov.gr" (www.gov.gr), provides easy access to digital public services, including ministries, organisations, authorities and country's regions.

What are the sizes of various markets? What types of business are conducted in the country?

Exports of goods and services are the largest and fastest growing sector of the Greek economy, accounting for 48.74% of GDP in 2022. The most significant sectors have traditionally been tourism presenting 18% of GDP and shipping which accounts approximately to 7% of GDP. Other large service sectors include trade and financial services, real estate activities, health sciences and pharmaceuticals, education, logistics and transportation and communication. Agriculture contributes roughly 4% of GDP. Despite significant support from the EU in the form of structural funds and subsidies, Greek agriculture is still characterised by small farms and low capital investment.

The industrial sector accounts for approximately 16.8% of GDP in 2022 with construction and energy being some of the largest subsectors.

B. Diplomatic Relations

Explain Greece's established diplomatic relations.

Greece has long established diplomatic relationships with almost all recognised states and participates in many international and regional organisations (including, among others, IMF, NATO, OECD, and the UN). Also, as a member of the EU, Greece collaborates closely in various levels with all other 26 countries of the Union.

War in Ukraine: Greek - Russian relations

In the aftermath and during the war in Ukraine which was launched on 24.02.2022, the diplomatic relationship between the two countries has been largely affected. The Greek Government participated in the international effort to provide supplies to Ukraine and has aligned with the context of sanctions imposed by the EU against individuals, businesses and officials from Russia.

Give addresses and contact information for the embassies and consulates in Greece.

Almost all recognised states have embassies or consulates in Greece. Below are some examples:

Argentina	59 Vas. Sofias Ave., Athens	+30 210 7224710
Australia	5 Chatzigianni Mexi Str., Athens	+30 210 8704000
Austria	4 Vas. Sofias Ave., Athens	+30 210 7257270
Belgium	3 Sekeri Str., Athens	+30 210 3617886
Brazil	23 Vas. Sofias Ave., Athens	+30 210 7213039
Bulgaria	33A Kallari Str., Psihiko, Attica	+30 210 6748105
Canada	48 Ethnikis Antistaseos Ave., Chalandri, Attica	+30 210 7273400
China	10-12 Dimokratias Str., Paleo Psihiko, Attica	+30 210 6723282
Croatia	4 Tzavella Str., Neo Psihiko, Attica	+30 210 6777033
Cyprus	2A Xenofontos Str., Athens	+30 210 3734800
Denmark	10 Mourouzi Str., Athens	+30 210 7256440
France	7 Vas. Sofias Ave., Athens	+30 210 3391000
Germany	3 Karaoli & Dimitriou Str., Athens	+30 210 7285111
India	3 Kleanthous Str., Athens	+30 210 7216227
Israel	1 Marathonodromon Str., Paleo Psihiko, Attica	+30 210 6705500
Italy	2 Sekeri Str., Athens	+30 210 3617260
Japan	46 Ethnikis Antistaseos Str., Chalandri, Attica	+30 210 6709900
Malta	96 Vas. Sofias Ave., Athens	+30 210 7785138
Netherlands	5-7 Vas. Konstantinou Ave., Athens	+30 210 7254900
Russia	28 Nikiforou Lytra Str., Paleo Psihiko, Attica	+30 210 6725235
Saudi Arabia	71 Marathonodromon Str., Paleo Psihiko, Attica	+30 210 6716911
Serbia	106 Vas. Sofias Ave., Athens	+30 210 7774344

South Africa	60 Kifissias Ave, Maroussi, Attica	+30 210 6178020
Spain	21 Dionisiou Areopagitou Str., Athens	+30 210 9213123
Switzerland	2 Iassiou Str., Athens	+30 210 7230364
UAE	73 Marathonodromon Str., Paleo Psihiko, Attica	+30 210 6770220
UK	1 Ploutarhou & Ipsilantou Str., Athens	+30 210 7272600
USA	91 Vas. Sofias Ave., Athens	210 7212951

Are there prohibitions or restrictions on certain business dealings with Greece?

There are no specific prohibitions or restrictions on business dealings, save for illegal transactions, such as child pornography, illegal gambling and violation of intellectual property rights.

Explain any travel restrictions to or within Greece.

Citizens of EEA-member states are legally entitled to enter and reside in all EEA-member countries. EEA citizens may therefore travel to Greece without further restrictions (*e.g.* need to obtain visas/passports).

A visa or other travel requirements may apply to non-EEA citizens who wish to enter Greece. However, it should be noted that since Greece is a member of the Schengen Agreement, a visa granted for any Schengen member country is also valid in Greece. There are no other restrictions whatsoever with respect to travelling within the country.

C. Government

Explain Greece's election system and schedule. Is there an anticipated change in the present government?

Greece is a parliamentary republic and has a majority electoral system, aimed at enabling the formation of single-party governments. By constitutional default, elections are normally held every four years, unless special circumstances justify that they are held prematurely. The practice of the last decade reveals that these grounds have often been invoked and that elections have been held on average once every two years.

The most recent national elections were held on 21.05.2023 while a reiterate round was held on 25.06.2023.

Is the present government stable? Briefly explain Greece's political history in the last decade.

The present government has been formed by the centre-right party "Nea Dimokratia" and has a total of one hundred fifty-eight (158) MPs (out of a total of 300) in the Greek government. The opposition consists of seven (7) more parties. Nea Dimokratia was re-elected for a new 4-year mandate while the main opposing party (SYRIZA) saw its percentage largely decrease. There was an uprise of smaller parties of mainly right-wing orientation, but the majority in the Parliament remains unchanged and the current political situation is considered stable.

The last decade has seen frequent changes in governance among the centre-right Nea Dimokratia party and the socialist PASOK party as well as the rise

of the left SYRIZA party. Greece was governed by PASOK from 1993 until 2004. Nea Dimokratia won the spring elections of 2004 and was the governing party until October 2009, when PASOK was re-elected. From November 2011 until the 2012 national elections, Greece was governed by an "interim" government of national unity led by the Greek economist Lucas Papademos, in order to effectively deal with the major political turmoil caused by the financial recession. While Nea Dimokratia won the 2012 national elections, it failed to secure a majority of seats in the Greek parliament. As a result, it entered into a coalition with PASOK and DIMAR (a party representing the democratic left, which subsequently left the coalition).

Following the failure of the Greek parliament to elect a new President of the Hellenic Republic in December 2014, elections were held in January 2015. The elections were won by SYRIZA. Again, the winning party failed to secure a majority of seats in the Greek parliament – thus forming a coalition government with right-wing ANEL party.

On 05.07.2015, the government proclaimed a referendum as to whether Greece should accept the bailout conditions in the country's government-debt crisis proposed jointly by the European institutions (namely, the Commission, the International Monetary Fund and the European Central Bank). Shortly thereafter, national elections were proclaimed anew in September 2015 with the SYRIZA-ANEL coalition winning the popular vote.

In the summer of 2019, three sets of elections were effected, *i.e.* municipal/district, Greek parliament, and EU parliament, and were all won by the centre-right Nea Dimokratia party. This

marked a shift in the previously volatile parliamentary scene and created a more stable political environment.

A very significant event in Greek political history was the Greek Parliament's election and appointment to the office of the President of the Hellenic Republic of the first ever woman, Ms Aikaterini Sakellaropoulou, the former Head of the Supreme Administrative Court, *i.e.* the Council of State ("Symvoulio tis Epikrateias").

Just as important was the landmark decision reached by the Greek First Instance Criminal Courts which ruled the extreme right party "Golden Dawn" as a criminal organisation and ordered the imprisonment of its leader and high rank members. This event—unique in Greek and European judicial history—took place in October 2020.

Explain Greece's judicial system.

Judicial power lies with the courts of law, which uniformly apply Greek laws. Apart from stricto sensu decisions, courts also review the constitutionality of laws and the constitutionality and legality of all other statutory instruments. Unlawful and unconstitutional administrative acts and statutory instruments, other than acts of parliament, may be declared null and void by the administrative courts, while unconstitutional acts of parliament may be denied application by any court.

It is a fundamental constitutional principle that no one may be deprived of judicial protection against his will (access to the court). Also, other dispute resolutions mechanisms (*i.e.* mediation and arbitration) are well recognised under Greek law, and their use has increased in recent years. Other than the above, there are no other comparative means of legal protection *e.g.* political methods of resolving disputes.

The law defines the scope of powers as well as the jurisdiction of the different courts. There are both administrative and civil courts of law (the latter hearing both civil and criminal cases). These courts have general jurisdiction, as most courts of special jurisdiction have been abolished under the Greek legal system. The supreme administrative court is the Council of State ("Symvoulio tis Epikrateias") established after the model of the French Conseil d' État. It has an advisory function with regard to the constitutionality of secondary legislation and it is the administrative court of first and last instance for applications for review of administrative acts for breach of law or abuse of discretionary power. It is also the court ruling on final appeals against judgments of the lower (first and second instance) administrative courts. When the law provides for a full judicial review of an administrative dispute on grounds both of law and merit, this dispute is brought before the administrative courts of first and, as an exception, of second instance, which also hear appeals against judgments of the first instance administrative courts.

The civil courts hear all "private disputes" (disputes between individuals or entities), as well as cases of non-contentious proceedings. Final appeals on points of law, both in civil and criminal cases, are decided by the supreme civil court ("*Areios Pagos*").

Court proceedings are, as a rule, public, but the judges deliberate in private. Court decisions must contain a statement of their reasons, may include dissenting opinions, and must be pronounced at a public hearing. They are known by the name of the court which rendered them, a serial number and the year.

The judicial system is regarded as impartial and the judges are deemed to be independent and not subject to political influence. The main defect of the judicial system is the time required for the final resolution of disputes. Sometimes, a final decision (*i.e.* a decision that has exhausted all available remedies) on a dispute may take more than ten (10) years to be issued. For this reason, it is common for foreign investors to include clauses in their commercial contracts, which either provide for the jurisdiction of foreign courts or choose arbitration for dispute resolution. By virtue of Law 4335/2015 which was recently enacted and entered into force as of 01.01.2016, shorter and stricter deadlines for the resolution of disputes before the civil courts have been set. It remains to be seen whether such recent legislative initiative will result in faster resolution of disputes.

Under a well-established principle based on Article 25 of the Greek Civil Code and supported by case law, the parties to an agreement are in principle free to validly agree to submit disputes arising out of a contract before foreign courts (especially if sufficient connections exist with the selected forum). Thus, an explicit choice of foreign courts as a forum for potential disputes arising out of an agreement and the implicit exclusion of the competence of the Greek courts is valid and enforceable, unless it runs counter to the application of the Greek rules of public order.

Court judgments issued in EU countries are recognised and enforced in Greece by virtue of the new Brussels Regulation 1215/2012 that replaced Regulation 44/2001 on "Jurisdiction and the recognition and enforcement of judgments in civil and commercial matters". Other foreign judgments are recognised and enforced locally by virtue of mutual agreements entered into between Greece and other countries for this reason. In the absence of such agreements, the foreign judgments may be recognised by virtue of Articles 323 and 904 of Greek Civil Procedure Code, provided that:

a. The decision constitutes *res judicata* (or conforms to an analogous doctrine) according with the laws of the state where the decision was issued;

b. The case was subject to the courts of the state where the decision was issued, according to Greek conflict of laws principles;

c. The party against which enforcement is sought has not been deprived of its right for a fair trial in the course of the trial;

d. The decision is not conflicting with a court decision issued by a Greek court for the same case between the same parties and

e. The decision does not violate the Greek public order.

Similarly, Greece is a signatory party of the New York Convention for the recognition and enforcement of foreign arbitral awards. Under the Convention and Article 903 of the Greek Civil Procedure Code, any arbitral award is regarded as valid and enforceable in Greece provided that:

a. The award has been based on a valid arbitration clause;

b. The object of the arbitration is arbitrable according to Greek law;

c. It is not subject to any further judicial recourse or subject to an on-

going procedure of appeal or any equivalent action;

d. The party against which enforcement is sought has not been deprived of its right for a fair trial in the course of the arbitration;

e. The award is not conflicting with a court decision issued by a Greek court for the same case between the same parties and

f. The award does not violate the Greek public order.

Explain Greece's legislative system. Under the Constitution, the legislative power lies with the Parliament and the President of the Republic.

The Parliament, which currently consists of three hundred (300) MPs, has no constraints regarding what and how to legislate, within the limits set by the Constitution. The Parliament retains competence to legislate in certain areas designated by the Constitution such as the imposition of taxes but also many sensitive areas, including the exercise and protection of individual rights. Parliament may also delegate legislative power to other organs of the executive, *e.g.* ministers, though only with regard to matters of a specialised, local, technical or detailed nature.

The powers of the President are mainly confined to promulgating and publishing the acts of Parliament. Although Presidents have the right of referring a bill back to Parliament, in which case the bill must receive the favourable vote of a majority of the total number of MPs to be adopted, in practice, use of this right is rarely made. In addition, the President can also adopt Presidential Decrees containing legal rules on the basis of a specific statutory delegation, which must state the subject, aim and limits of such delegation. In urgent cases, the President is allowed to issue 'legislative acts' without statutory delegation. These acts must be submitted to the Parliament's approval within forty (40) days from their adoption or the Parliament's convocation. However, only their future force, not their past application, depends on this approval, even in case they were not submitted at all to the Parliament.

D. Environmental Considerations

What is the public/government attitude toward environmental regulation?

The government aligns its position towards environmental protection with the positions and provisions decided by European Union.

Explain any environmental regulations.

Article 24 of the Greek Constitution establishes the fundamental principle that environmental protection is a duty of the Greek State and provides specifically for the protection of forests and for sustainable urban and regional planning. There are also numerous provisions on environmental protection contained in laws, presidential decrees, ministerial and joint ministerial decisions, some of them adopted to implement International Conventions or EC Directives. Such legislation covers most aspects of environmental protection: natural environment, forests, urban planning, waste, waters, industry, as well as noise and air pollution. Law 1650/1986, so-called "Framework Environmental Law", is the most important environmental law. It was enacted to implement the aforementioned Article 24 of the Constitution, as well as EC Directive 85/337 concerning the assessment of the effects of certain public and private projects on the environment. Law 1650/1986 determines the fundamental terms of environmental protection and sets out the main principles governing the protection of the particular environmental elements, such as water, air, ecosystems and so on. Another important piece of legislation is Law 998/1979 on the protection of forests and forest areas.

It is worth noting that in 2011 Law 4014/2011 was enacted, containing provisions which regulate, among others, the assessment of the environmental impact of projects and activities and the clearance of the latter by the competent authorities. Law 4014/2011 aims at the simplification and rationalisation of the environmental clearance procedure in order to ensure protection of the environment, while facilitating investment. Particularly, following enactment of Law 4685/2020 transposing Directives 2018/844/EU and 2019/692/EU and also introducing significant amendments to Law 4014/2011 with respect to the time required for the issuance of the Decision Approving the Environmental Terms, the environmental licensing process has greatly accelerated. More specifically, Law 4014/2011 divides projects and activities into two categories depending on their impact on the environment (prior to the enactment of Law 4014/2011, projects and activities were divided into two categories). The first category is further divided into two subcategories (A1 and A2) and includes projects and activities which are likely to have a significant impact on the environment. The implementation of such projects is subject to the submission of an Environmental Impact Study (which is subject to a consultation process with the public and the administration) and the subsequent issuance of a Decision Approving the Environmental Terms of the project. The environmental clearance procedure for projects and activities in the second (B) category is much lighter, since it does not require the submission of an Environmental Impact Study and, in general, follows a simpler procedure where industry-specific environmental commitments (the so-called Standardised Environmental Commitments) are adhered to.

On another note, it is mentioned that Law 4685/2020 ensures additional environmental protection. The 1st Chapter of the law intends to cut unnecessary red-tape and ensure faster, more efficient environmental licensing procedures, while the key pillar of said law is the replacement of the production licence with the so-called "Producer's Certificate" in the field of energy law concerning the development of Renewable Energy Sources ("***RES***") stations. The law touches, *inter alia*, upon a number of other issues with environmental significance, such as the reform of the management scheme of environmentally protected areas, notably through the abolition of the management bodies thereof and the creation of a new structure for this purpose, the setting forth of specific rules in relation to the uses applicable in areas characterised as Natura 2000, waste management etc.

Specific legal provisions regulate waste management (indicatively these include Law 4819/2021 transposing in the Greek legal order Directive 2018/851/EU and secondary legislation in the form of Ministerial Decisions governing the treatment of waste, both, hazardous and non-hazardous), the protection of cultural heritage (Laws 3028/2002 and 4858/2021), the protection and management of water (Law 3199/2003) etc. Finally, it is noted that Greece has ratified the Cartagena Protocol on Biosafety to the Convention of Biodiversity (Law 3233/2004), as well as the "Åarhus Convention" (Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters) adopted on 25 June 1998 at the Fourth Ministerial Conference in the "Environment for Europe" process (Law 3422/2005).

Presidential Decree 148/2009 transposes into the Greek legal order Directive 2004/35/EC, as amended by Directive 2006/21/EC on environmental liability with regard to the prevention and restoration of environmental damage. The operator of certain activities listed in Annex III of the presidential decree is liable to pay the costs of preventive and remedial measures in response to a threat of environmental damage or the occurrence of such damage, as the case may be. For the establishment of environmental liability, the operator must be identified by the competent authorities through inspections or after a complaint by a citizen/NGO is submitted, the damage needs to be specific and there must be a causal link between the operator's activity and the threatened or occurred environmental damage. Operator's liability is strict (without fault or negligence). Under the presidential decree, strict environmental liability is also established for all activities that harm/threaten to harm protected species and habitats, as described in the Annexes of Directives 79/409 and 92/43, as amended, and to those species and habitats that receive special protection under national law.

E. Intellectual Property

1. Copyright law

The main statute on copyright is Law 2121/1993, the so-called Copyright Law. This law bears many similarities to the civil law approach of German and French copyright laws, but differs from the common law outlook of the U.K. and U.S. copyright laws. This law is very protective of the author. It distinguishes two types of rights, namely economic and moral rights. Economic rights include the rights to copy, reproduce, translate, modify and distribute the work, while moral rights entitle the author, indicatively, to decide when and in which form his/her work will be communicated to the public, to demand to have his/her name attached to the work and to prevent any modification of the work which would be prejudicial to him/her or to the work, to have access to the work and to withdraw from transfer and licence agreements under conditions. The author can transfer his economic rights or licence the use of all or some of his/her economic rights. Such licences may be exclusive, in the sense that only the licencee and no other party, has the right to exercise the powers granted by the licensor. Unlike economic rights, moral rights cannot be assigned to third parties and only after the author's death are they descended to the author's heirs. However, the author may consent to resign from certain moral rights to facilitate their use and exploitation from the assignee/licencee. Greek law provides only general guidelines for the majority of contractual agreements regarding intellectual property rights. However, it sets out compulsory rules for certain contractual types most frequently seen in practice, such as contracts for publication, for translation or for the exploitation of photographs, in order to provide additional safeguards to the author, especially in regard to royalties and moral right to the work.

Protection under copyright law (Law 2121/1993) is granted automatically from the time the work is created, without the need of compliance with any formalities, and expires seventy (70) years after the death of the author, starting on 1 January of the year following the death.

Copyright law also confers limited economic and moral neighbouring rights, to performers, producers of audiovisual works, phonograms, broadcasting organisations and editors. Duration of such neighbouring rights is either fifty (50) or seventy (70) years after performance or incorporation of the work as the case may be.

The Greek law on intellectual property has incorporated the Berne Convention, the Universal Copyright Treaty and various conventions on specific issues such as the Rome Convention, the Geneva Convention, the Brussels Convention, TRIPS Agreement, the WIPO Copyright Treaty and the WIPO Performance and Phonograms Treaty and it is in line with the main European Directives on Intellectual Property Law, such as Directives 91/250/EEC (on legal protection of computer programs) which has been repealed and codified by Directive 2009/24/EC, 92/100/EEC, as replaced and codified by Directive 2006/115/EC (on rental right, lending right and certain rights related to copyright), 93/83/EEC (on coordination of rules concerning copyright applicable to satellite broadcasting and cable retransmission), 93/98/EEC as replaced and codified by Directive 2006/116/EC (on term of protection of economic right and certain related rights as amended by Directive 2011/77/EU), 96/9/EC (on legal protection of database), 2001/29/EC (on harmonisation of certain aspects and related rights in the information society, 2001/84/EC (on resale right for the benefit of the author of an original work of art), 2004/48/EC (on enforcement of intellectual property rights) and Directive 2012/28/EU (on certain permitted uses of orphan works). It is also worth noting that pursuant to Regulation 608/2013/EC on customs

enforcement of intellectual property rights, a unified procedure has been established among the EU countries in relation to the prohibition of the entry, release for free circulation, exit and export of counterfeit and pirated goods, Directive 2011/77/EU (Law 4212/2013) of the European Parliament and of the Council of 27 September 2011 amending Directive 2006/116/EC on the term of protection of copyright and certain related rights and Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works. The latest amendment of the Copyright Law has been effected with Law 4481/2017, which introduces significant changes to the enforcement of copyrights and neighbouring rights on the internet (notice and takedown procedure and waving of privacy), as well as the imposition of a copyright levy on computers.

In late 2022 and 2023, the Copyright law underwent significant changes. In particular, the following points summarise the most significant amendments entered into force:

1. Under Law 4961/2022, 3D printed works were added in the definition of works protected the Copyright Law.
2. Law 4996/2022, which transposed into the Greek legal order Directives (EU) 2019/790 on copyright in the digital single market and 2019/789 on copyright in online television and radio programs, introduced several new provisions, mainly relating to: (i) the application of the country of origin principle to ancillary online services of broadcasting organisations aiming at facilitating the clearance of rights, (ii) the right to reasonable remuneration of authors in cases of reproduction for private use when such is carried out with technical means, such as by computers, smartphones and tablets, (iii) the introduction of a negotiation mechanism concerning access to and availability of audiovisual works on video – on – demand platforms, (iv) authors' appropriate remuneration right in the case of retransmission of television and radio programs, (v) the right of authors of works which have been incorporated into a press publication to receive a percentage of the annual revenues received by press publishers from information society service providers.
3. Public lending right was initially introduced under Law 4996/2022 which was subject to payment of reasonable remuneration of the author. By virtue of Law 5043/2023, said right was amended enabling public lending of lawfully published works to open to the public lawful owners of their material carriers, in particular libraries, disk and film libraries, with the exception of sound and image carriers which incorporate audiovisual works and radio and television broadcasts. Under new Article 5A, the corresponding remuneration may only be collected by CMOs.

2. Trademark law

In 2020, Law 4679/2020 (the "Trademark Law") was passed in the Greek Parliament, transposing the provisions of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 "to approximate the laws of the Member States relating to trade marks" as well Directive 2004/48/EC of the European Parliament and of the Council of

29 April 2004 on the enforcement of intellectual property rights. The new Trademark Law repeals and replaces the former trademark Law 4072/2012, except for the chapter on "Greek Products and Services Trademarks". The new Trademark Law strives to bridge the gap between national provisions pertinent to Trademark Law protection and their equivalent European provisions by abolishing, *inter alia*, certain national provisions which were obsolete and in contradiction with trademarks' commercial function. In particular, the most significant provisions introduced by the Trademark Law are:

- Registrability of "non-traditional" forms of trademarks (*e.g.* three dimensional, holographic, etc.), is introduced, on condition that said do not lack of distinctive character. Moreover, the new Trademark Law reinforces the requirement for trademarks to clearly define the designated products and/or services for which protection is sought. One of the most notable amendments brought by the new Trademark law relates to the restriction of the ex officio power of examination for the refusal of a trademark application, since the Examiner of the Greek Trademarks Directorate may only impede the registration of trademarks applications on the basis of absolute grounds for refusal (lack of distinctive character, generic signs etc.). Relative grounds do not fall anymore within its remit for examination and may only be invoked by third parties claiming to have a legitimate right (*i.e.* prior right) to prevent the registration of the trademark at stake. Trademark protection lasts for ten (10) years starting on the day following that of the application and its protection can be perpetually renewed each time for another decade upon application of the holder of the trademark. With regard to the renewal of trademarks' protection, said can take place either six (6) months preceding the expiry of its registration or six (6) months following the date of lapse of its registration (the so called "grace period"), provided that the renewal fees together with the additional fees due for late renewal, are duly paid. However, in the latter case, the new Trademark law stipulates that any third-party rights acquired within the grace period may not be overturned. Any dispute regarding the extension of protection of a trademark is resolved by the Trademarks Administrative Committee at the request of the interested party.
- With regard to judicial protection conferred to trademark holders, the new Trademark law provides that an invalidity or revocation action can be filed either before the Greek Trademarks Directorate, following the administrative procedure before the Trademarks Administrative Committee, or during civil court trademark infringement proceedings, through the filing of counter lawsuit by the alleged infringer against the prior right holder. It is worth mentioning that the new Trademark law has particularly focused on preventing contradictory decisions emanating from the concurrent competence of both Civil Courts and the Trademark Administrative Committee to rule on the status of national trademarks. To this end, the Trademark Law clearly stipulates that, should invalidity or revocation proceedings have been initiated before the Civil Courts, then, the same parties are pre-

cluded from resorting to the Trademark Administrative Committee as well for the same trademark(s), and vice versa. In the event of invalidity, the registered trademark shall be deemed not to have had, as from the outset, the effects specified in the Trademark law while, in case of revocation, the effects trace back to the time of filing of the revocation application or revocation counter lawsuit. Moreover, the non-use defence and the respective request for proof of use in opposition or invalidity proceedings may now be raised by objection in the context of civil court invalidity procedures.

- Voluntary mediation in administrative proceedings before the Trademarks Administrative Committee is introduced, in order to allow for the possibility of a friendly settlement between the opposing party and the applicant. Lastly, administrative fees (for filing a trademark application, renewal etc.) are amended as of the entry into force of the new Trademark Law.

Trademark protection is not granted automatically, as in the case of protection of copyright, but the sign needs to be registered with the competent authorities, under the first-come, first-served principle. The application for registration is submitted to the Greek Trademarks Directorate of the General Secretariat of Commerce, Ministry of Development and Investment. Both hard copy and online filing are possible. The Examiner performs an examination of the trademark application for absolute grounds of refusal (for example, whether the trademark consists of certain categories of signs, more notably the Greek flag, national emblems and religious symbols) and if no such issues arise, the candidate trademark is accepted and proceeds to publication in GSC's website. Following publication, there is a three (3)-month deadline for the filing of opposition by third parties before the Committee begins; when this deadline lapses the trademark is registered.

As Greece is a member state of the European Union, Community Trademarks are valid and produce full effect in Greek territory according to the provisions of EC Regulation on Trademarks 207/2009 (which is expected to be replaced by the new EU Regulation on European Trademarks). In case the holder of or the applicant for a Community Trademark wishes to convert either the trademark or the application to national, s/he must submit certain documents, specified by the law.

In 2021, Law 4796/2021 entered into force, amending, *inter alia*, the Trademark Law. More specifically, under Chapter C of the aforementioned Law, the Industrial Property Organisation ("OBI", as per its Greek acronym) (www.obi.gr) becomes the competent regulatory and supervising authority and undertakes all responsibilities related to trademarks (except for the Greek Products and Services Trademarks, which remain with the Greek Trademarks Directorate of the General Secretariat of Commerce). The foregoing amendment aims to simplify all administrative procedures and further promote innovation and entrepreneurship. By virtue of article 48 of said Law, Joint Ministerial Decision 4879/16.05.2023 was issued, providing for the transfer of all responsibilities related to trademarks to OBI.

Greece is also a member of various international conventions, more importantly the Paris Convention, the Madrid

Protocol, the Nice Convention and, as already mentioned above, the TRIPS Agreement..

3. Patent law

Patent protection in Greece is governed by Law 1733/1987, which was passed in order to bring Greece fully in line with the European Patent Convention (previously ratified by Law 1506/1986), to which Greece and most European countries, including all members of the EC, are signatories. Also, Greece has ratified by virtue of Law 3396/2005 the revised text of the European Patent Convention, which was signed in Munich on 29.11.2000 and came into force on 13.12.2007. European patents are mainly regulated in Greece by Law 1607/1986, which ratified the European Patent Convention and Presidential Decree 77/1988 on the implementation provisions of the European Patent Convention. In brief, once granted, a European patent becomes equivalent to a bundle of nationally-enforceable, nationally-revocable patents, subject to a time-limited, unified, post-grant opposition procedure.

Greece signed the Agreement on a Unified Patent Court on 19.02.2013, but the ratification by Parliament is still pending.

At European Community level, Greece has adopted Presidential Decree 321/2001 on protection of biotechnological inventions in line with Directive 98/44/EC. Law 1733/1987 provides that a national patent may be granted, if the invention is new, includes an inventive step and is capable of industrial application. However, even when these requirements are satisfied, a patent may not be granted in certain cases, more importantly when the invention raises moral issues, runs against the public order, or relates to varieties of plants or species of animals or to the biological methods for their production, under conditions. Discoveries and scientific theories do not constitute invention and, thus, cannot be protected by a patent. The holder of the right is entitled to proceed to any act relating to its commercial exploitation, notably the right to reproduce and sell the invention, to conclude contracts for the transfer of the right and licence its use; such licences may be exclusive, in the sense that only the licencee and no other party has the right to exercise the powers granted by the licensor. In cases of strong public interest and for reasons of national security, the law imposes on the inventor the obligation to conclude an "obligatory licence", when certain requirements apply. Apart from the above economic rights, the inventor is granted the moral right of paternity, in the sense that s/he is entitled to have her/his name attached to the invention. The moral right of the inventor can only be transferred, if this is expressly stated in the contract and does not run contrary to the right of personality of the inventor. On 2011 Greece adopted Law 3966/2011, which is a belated transposition of EU Directive 2004/48/EC (on enforcement of intellectual property rights) in patent law and provides several procedural rights to patent holders.

The procedural requirement for acquiring a national patent is the filing of an application to the Greek Patent Office, namely to OBI. Following a formalities check, OBI performs an examination regarding the invention's novelty and inventive step, which is, however, only for the purposes of informing the applicant. The results of such examination may not constitute a ground for refusal of the patent application and the patent

is granted once the examination procedure is completed. Protection lasts for twenty (20) years starting on the day following that of the application. With regard to European patents, the application may be submitted before OBI; this application must be filed with OBI in case the applicant is a Greek citizen and provided that no priority is claimed based on a previous application filed in Greece.

By virtue of Law 4605/2019, Law 1733/1987 was amended. In this regard, the following newly introduced provisions are worth mentioning:

a. Article 12A, providing for the public offering of exploitation licences. *Grosso modo*, a patent holder may publicly offer contractual non-exclusive licences of his patent, with or without compensation, by submitting a written statement to OBI as to his/her intention to authorise the use of his/her registered patent, by any party interested in the capacity of the licencee.

b. Article 13 with regard to non-contractual licences. Under said article, OBI may grant to third parties, without the patent holder's consent, a non-contractual licence for the exploitation of a patent, provided that the following conditions are cumulatively met:

    - a period of three (3) years as of the date that the patent was granted or four (4) years as of the date that the patent application was filed, has lapsed;
    - the invention at stake has not been subject to exploitation in Greece, or as the case may be, such exploitation is not sufficient to meet domestic demand;

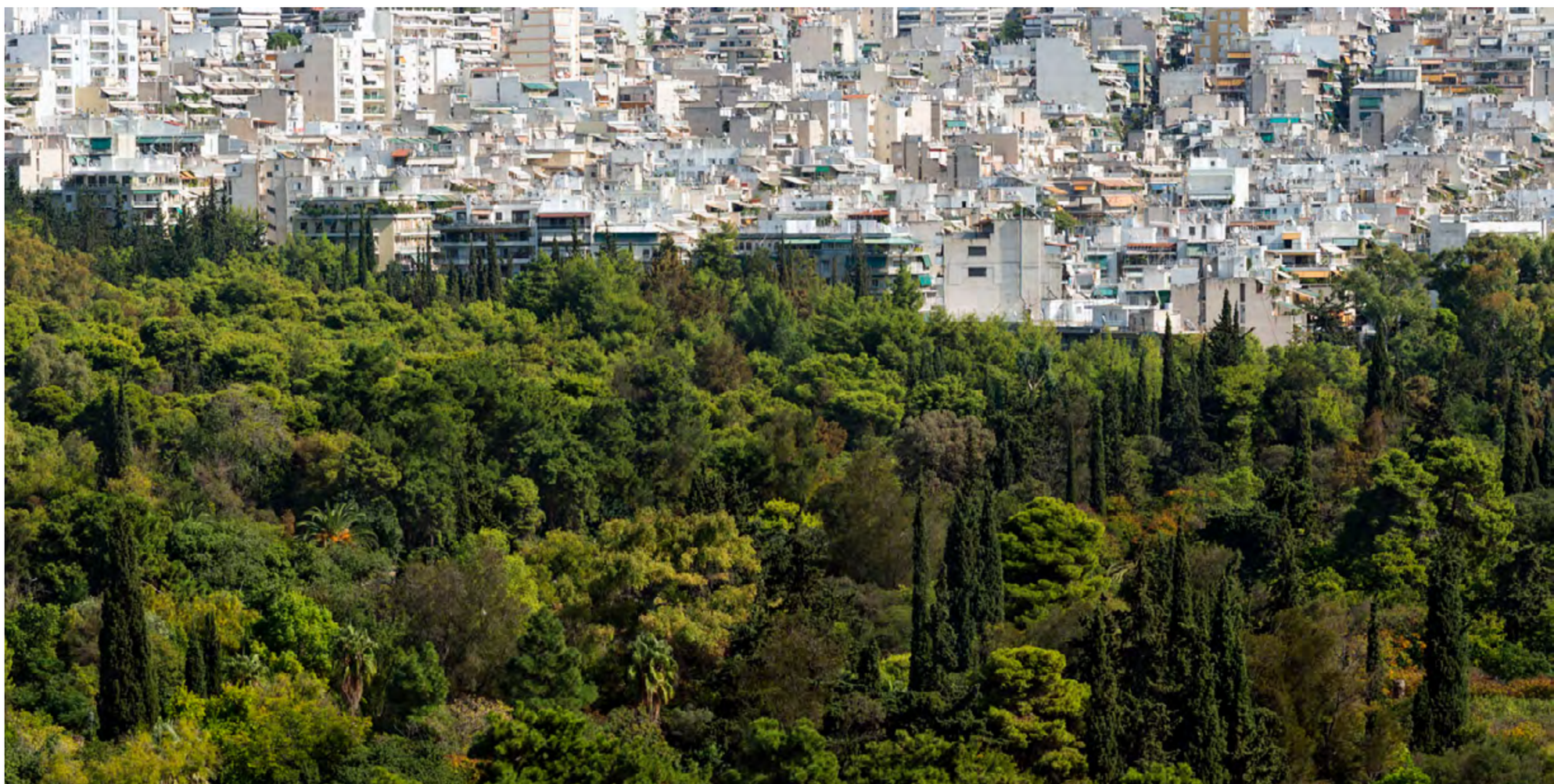
c. Article 14 on compulsory licensing in the event that public interest reasons occur. Grounds of public interest occur when:

    - the products or methods of production protected by the patent at stake are made available to the public in insufficient quantity, quality, or at unusually high prices in relation to the prices of similar products in similar markets;
    - the exploitation of said patent is required for reasons of public health;
    - the exploitation of the patent constitutes an act of unfair competition;
    - the exploitation of the patent is required for the compliance with a standard the serves the public interest;
    - the lack of exploitation of the patent at hand affects the economic and technological development of the country.

d. Article 14A, transposing the provisions of Regulation (EC) No 816/2006 on compulsory licensing, on condition that the requirements stipulated in articles 6-10 of the Regulation are met.

Lastly, article 2 of Law 4605/2019, introduces the National Industrial Property Council, a coordinating body, competent, *inter alia*, for mapping the strategy with regard to industrial property in Greece, as well as the coordination of any actions and initiatives undertaken by the competent Ministries and bodies in accordance with the above strategy.

Lastly, in 2021 Law 1733/1987 has undergone a number of amendments of mainly procedural content. The most noteworthy amendments have been enacted by article 236 of Law 4782/2021 related to patent applications, including the obligation of patent applicants to rectify any deficiencies, submit any missing designs and supporting documentation within four (4) months from filing of their applications, as well as the right of applicants to restate the claims of their applications within three (3) months following notification of OBI's search report or within two (2) months following notification



of OBI's final search report.

Greece is a signatory party to the Paris Convention, the Patent Co-Operation Treaty and the Budapest Treaty and the Strasbourg Agreement concerning the International Patent Classification.

4. Trade secrets

Trade or industrial secret is a piece of information of commercial or industrial nature that is known to a small number of persons and has a financial value for the business. Until 2019, trade secrets in Greece were regulated under Law 146/1914 on unfair competition. However, in 2019, Law 4605/2019 was enacted, introducing *inter alia* specific provisions for the protection of trade secrets, transposing Directive (EU) 2016/943 "on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure". More specifically, the new provisions for the protection of trade secrets were added to chapter four of Law 1733/1987 on "Technology transfer, inventions, and technological innovation".

The provisions introduced establish the legislative framework with regard to appropriate measures, procedures and remedies against the illegal acquisition, use and disclosure of trade secrets without, however, restricting the freedom of establishment, the free movement of workers or the mobility of workers ensuring at the same time the protection of public interest and the respect for fundamental rights and freedoms, indicatively the freedom of expression and information, the freedom to choose an occupation and right to engage in work, the freedom to conduct a business.

In order for information to qualify for trade secrets, the following conditions must be met cumulatively: information shall (a) be secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; (b) have commercial value because it is secret; (c) have been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret. The innovation introduced by the new provisions relates to the enhanced judicial protection in case there is a breach of confidentiality requirements even though all aforementioned reasonable steps for maintaining information secret have been taken. In terms of interim measures, the trade secret holder may resort to the Court of First Instance requesting for the temporary cessation or, as the case may be, the prohibition of the use or disclosure of the trade secret on a provisional basis. In addition, the trade secret holder may, in relation to the goods allegedly created on the basis of the unlawful or contra to contractual obligations use of the know-how at stake, request for the prohibition of the production, offering, placing on the market or use of infringing goods, or the importation, export or storage of infringing goods for those purposes or the seizure or delivery up of the suspected infringing goods.

In terms of final court decision, the competent court may order for the prohibition of the production, offering, placing on the market or use of the infringing goods for these purposes, the cessation or prohibition of use or disclosure of trade secret – know-how in question or other corrective measures (*e.g.* recall or destruction of the infringing goods or, where appropriate, their withdrawal from the market). In addition, the trade secret holder may claim compensation for the actual damage suffered as a result of the unlawful acquisition, use or disclosure of the subject matter know-how and trade secrets. Lastly, it is noteworthy that the new provisions provide for increased court secrecy of the pertinent initiated proceedings.

5. Transfer agreements and licences

Transfer agreements and licences for the commercial exploitation of rights protected by Copyright Law, trademarks and patents must be made in writing. Moreover, while transfer and licence agreements on trademarks and patents must be filed with the competent authorities to produce effect against third parties, there is no relevant obligation regarding copyright transfer or licence agreements.

The general rules on contracts, found in the Greek Civil Code, also apply to licensing contracts and royalties under them. Article 179 of the Civil Code provides that contracts that tie a party excessively are invalid, as they are deemed to violate bonos mores. Furthermore, Article 388 provides that, if, for exceptional reasons that could not have been predicted, the obligations of one party in a contract become excessive in view of the counter obligations of the other party, taking into account the principle of good faith and relevant transactions practices (if any), then that party may ask the competent Court to readjust the excessive obligation or terminate the contract, if this is possible.

For the licences that relate to copyright rights, trademarks and patents, the local antitrust laws apply. The use of a registered mark or the exploitation of a patent, although rightful, does not exclude the application of the rules concerning free and unfair competition and there is case law stating that their rightful use and exploitation must be exercised within certain limits.

III. Investment Incentives

A. Explain any export incentives or guarantees.

There are no tax incentives for exports today as regards income taxation.

Greece, as a member of the EU, cannot finance either directly or through tax or duty exemptions exports to other member states, unless after obtaining a permission from the Commission to finance certain activities as a State Aid for specific reasons of social or regional policy. Regarding export to third countries, the applicable customs legislation provides specifically that companies that import raw materials and fuel in order to process goods which are subsequently exported, may either be exempt from taxes and custom duties on the imported raw materials and fuel used for the processing of the exported goods or the Greek State may return to the exporting company the duties and taxes paid on the imported raw material and fuel.

Furthermore, from a VAT perspective, exporters are entitled, under conditions, to purchase goods or services without VAT when such purchases relate to their exporting activity.

B. Explain any grants, subsidies or funds your country offers foreign investors.

Investment incentives are used as part of the Greek structural policy, to assist productiveness and competitiveness of the Greek economy, increase employment and help regional development. The main law on investment incentives is Law 4887/2022. Under the relevant legal framework investments covering all sectors of the economy, save for specific exceptions, can enter into an investment scheme, provided that the criteria set forth by the law are met (please also refer to the analysis under *Section C* below).

C. Explain any national tax incentives for foreign investors.

1. Investment Incentives (Law 5039/2023)

1.1 Introduction

Codified Law 5039/2023 (the "**new Development Law**") replacing Law 4399/2016 aims at promoting the economic development of the country by providing incentives to specific activities and sectors. The new Development Law provides for thirteen (13) investment schemes and it introduces provisions aiming at the acceleration of the evaluation, approval, audit, certification processes of the schemes falling into the ambit thereof. The newly introduced investment schemes focusing on specific sectors of the economy are the following:

1. Digital and technological business transformation
2. Green Transition - Environmental business upgrade
3. New business activities
4. Fair development transition framework
5. Research and applied innovation
6. Agri-food - primary production and processing of agricultural products - fisheries and aquaculture
7. Processing - Supply chain
8. Business extroversion
9. Support for tourism investments
10. Alternative types of tourism
11. Large-scale investments
12. European value chains
13. Entrepreneurship 360°.

The new Development Law applies in accordance with EU Regulation 651/2014 declaring certain categories of aid, compatible with Articles 107 and 108 of the European Treaty ("General block exemption Regulation"). Furthermore, said law applies on new investment schemes, whereas for those that have already been subjected to previously applicable incentive legislation (Laws 4399/2016, 3908/2011, 3299/2004, 2601/1998 and 1892/1990), relevant regimes continue to apply. A noteworthy novelty of the new Development Law is that the investment schemes are thematically oriented and categorised on the basis of the economy sectors on which they focus.

1.2 Qualifying Investments

The percentage/amounts allowed per incentive vary based, among others, on the location and type of the investment, the size of the beneficiary, as well the regional (as per areas identified in the revised Regional aid map for aid from 01.01.2022 to 31.12.2027) or non-regional type of the investment.

The Law is structured in seven Parts, whereas Part A establishes the general incentive framework and restrictions and Part B contains provisions pertaining to the specific aid schemes as presented right above. In particular, the two parts include incentives for machinery equipment, investment expenditure on intangible assets and other as per the individual provisions of each investment scheme.

In principle, most sectors of economic activity may qualify for the application of incentives. Nevertheless, there are certain exceptions, which involve sectors such as Steel, Synthetic fibers, Coal, Shipbuilding, transport and energy (certain types of investment projects are allowed exceptionally, such as small hydroelectric power stations with installed capacity of up to 15 MW, certain types of biofuels etc.). Furthermore, other non-qualifying projects and/or activities are forestry and logging, building construction, civil engineering, food service activities, financial services, real estate property management, legal and accounting services, education, health services (save for health tourism).

1.3 Requirements for the granting of benefits

The most important requirements for the granting of the benefits are the following:

Legal Form: In order to fall within the scope of the law, enterprises should be seated in Greece, have the legal form of companies, associations, Social Cooperative Enterprises, Agricultural Cooperatives, Producer Groups etc., companies under establishment or merger under the condition that they will have completed the disclosure procedures prior to the start-up of the investment scheme, consortia engaged in commercial activities, public and municipal enterprises, and individual enterprises.

In principle, qualifying investment plans should exceed certain thresholds. In particular: (a) for very small undertakings Euro Hundred Thousand (100,000); (b) for small undertakings Euro Two Hundred Fifty Thousand (250,000); (c) for medium undertak-

ings Euro Five Hundred Thousand (500,000), (d) for large undertakings Euro One Million (1,000,000) and (e) for Social Cooperative Enterprises, Agricultural Cooperatives etc. Euro Fifty Thousand (50,000).

Minimum participation of the investor: 25% of the cost of the investment plan.

Filing an application: In order for any investment plan to qualify for the incentives, an application must be filed electronically through the State aid information system. The invitation of tenders for applying under the specific investment schemes is launched through a Ministerial Decision.

1.4 Contents of Incentives

The incentives offered to qualifying enterprises are:

Types of incentives offered are similar to those provided under previous regimes. Incentives may take the form of:

- Tax exemption *i.e.* exemption from the payment of corporate income tax.
- State subsidy of the investment.
- State subsidy of leasing expenses for the acquisition of new machinery and other equipment (leasing subsidy for a maximum period of seven (7) years).
- Subsidy of employment cost (for new employment positions relevant to the investment plan and not receiving another type of incentive).
- Funding of business risk regarding the investment scheme "New business activities" consisting of interest rate subsidy for subordinated loans or insurance costs for high-risk loans.

The type of incentive provided and the percentage/amounts allowed per incentive vary based on the type of investment project and categorisation of companies. The total amount of aid per submitted investment scheme may not exceed the amount of Euro Ten Million (10,000,000) unless the provisions of a specific scheme provide otherwise.

Pending investment projects qualifying under the previously applicable regimes (*i.e.* Laws 4399/2016, 1892/1990, 2601/1998, 3299/2004 and 3908/2011) shall continue, in principle, to be governed, until their completion, by the legislative provisions thereof.

2. Incentives for Strategic Investments (Law 4864/2021)

Developments in the area of Strategic Investments ("SIs") were introduced by Law 4864/2021 (GG A' 237/02.12.2021) amending Law 4608/2019. Said law does not explicitly name the specific sectors or projects that could be considered as SIs. For the purposes of said law, SIs are those sectors or projects which, due to their strategic importance for the national or local economy, may strengthen employment, reconstruction of production and promotion of the natural and cultural environment, having extroversion, attraction of investment funds, innovation, competitiveness, universal planning, saving of natural resources and high added value as their main characteristics.

To this end, according to the current legal framework, the incentives being offered (depending on the SIs categorisation as presented below) are as follows:

Category	Total Budget	Available Incentives
SIs 1	> Euro 75,000,000	Spatial planning, income tax rate stabilisation, fast track licensing
	> Euro 40,000,000 and at least 75 new jobs yearly	Spatial planning, tax incentives, fast track licensing, incentives for recruitment of disadvantaged or disabled employees, incentives for research and development
SIs 2	> Euro 20,000,000 regarding the following sectors: agri-food, research & innovation, biotechnology, cultural and creative industry, robotics, artificial intelligence, health tourism, waste management, space industry, digital transformation, cloud computing	Tax incentives, fast track licensing, incentives for recruitment of disadvantaged or disabled employees, incentives for research and development
	At least 50 new jobs yearly and total budget > Euro 30,000,000	Tax incentives, fast track licensing, incentives for recruitment of disadvantaged or disabled employees
SIs 2	Investments to be located within Organised Receptacles of Manufacturing and Business Activities with total budget > Euro 20,000,000 and at least 40 new jobs yearly	Tax incentives, fast track licensing, incentives for the recruitment of disadvantaged or disabled employees
Emblematic investments of exceptional importance: Emblematic investments by distinguished legal entities promoting green economy, innovation, technology, investments in economy of low energy and environmental footprint etc.	n/a	Spatial planning, tax incentives, fast track licensing, subsidised costs (recruitment of employees, research and development projects etc.)

Category	Total Budget	Available Incentives
Fast track licenced SIs	At least 30 new jobs yearly and total budget > Euro 20,000,000	Fast track licensing, incentives for recruitment of disadvantaged or disabled employees
	At least 30 new jobs yearly and total budget > Euro 10,000,000 being part of an strategic investment which has already been implemented	Fast track licensing, incentives for recruitment of disadvantaged or disabled employees
	At least 100 new jobs yearly and total budget > Euro 15,000,000 being part of an investment which proceed with expansion or modernization	Fast track licensing
SIs by default	Private – Public Partnerships, Important Projects of Common European Interest with a total budget > Euro 20,000,000	Income tax rate stabilisation and fast track licensing
	Business Parks of Law 3982/2011 in an area of at least 500 stremmas and with total budget > Euro 10,000,000	Spatial planning, tax incentives, fast track licensing

Pursuant to the interim provisions, pending applications submitted in accordance with Laws 4608/2019 and 3894/2010, for which the evaluation process has not been completed and the relevant decision has not been issued until entry into force of the above-mentioned law are assessed in accordance with the provisions of law on the basis of which the application was submitted.

Qualifying investors shall have access to tax incentives bearing the form of either a deferral of taxation of profits from all activities, or in the form of accelerated deprecation rates for fixed assets. An additional tax incentive is the fixed corporate income tax rate.

Other benefits, including incentives for spatial development, fast track licensing, subsidy for employment and R&D expenditures, may also be granted. Also, there are special incentives related to tax treatment and Visa permit of executives of the investor-entity. More specifically, up to ten executives may be considered to have maintained their tax residence outside Greece and thus be exempt from Greek tax of their world-wide income. Greek-sourced income shall be taxable in Greece.

An ad hoc examination is required, in the context of which the investor is burdened with evidencing the need for the requested incentive and its commitment to properly benefit from it. The

benefits granted shall comply with the General Block Exemption Regulation.

3. Other Investment Incentives

3.1 Legislative Decree 2687/1953

Legislative Decree 2687/1953 authorises the Government to grant certain privileges to investments made with imported foreign capital. Repatriation of loan or share capital (up to 10% annually), cumulative remittance of profits (up to 12%, net of tax, on the imported and non-repatriated capital), remittance of interest (up to 10%) are the main advantages of this law which is endowed with constitutional power (*i.e.* neither this law nor the ministerial approval can be amended by legislation).

3.2 Direct investment from an E.U. member state

Following implementation of the free movement of capital by virtue of Presidential Decree 96/1993 in compliance with the relevant EC Directives, a direct investment from an EU member state qualifies for full remittance of profits and repatriation of the proceeds of liquidation. The authorities are only allowed to check the legality and genuineness of the investment but not its expediency, as is the case under Legislative Decree 2687/1953. EC Directive 88/361, which further liberalised capital movements, enjoys direct application in Greece.

3.3 Investments from third countries

Investments from third countries are also treated favourably, as their status -governed by an Act of the Governor of the Bank of Greece (825/1986, as amended)- is identical, in substantial terms, to that awarded under Presidential Decree 96/1993. While capital investment originating in an EU member state is processed through the Ministry of Finance, that originating in third countries goes through the Bank of Greece. As regards investments exceeding the amount of Euro Three Million (3,000,000), a 50% of which is funded by foreign capital, the respective competent authority is the Hellenic Investment Centre ("H.I.C.") (www.elke.gr); past investments financed by capital originating in third countries do not, in general, qualify for full remittance of profits unless they come within the purview of Legislative Decree 2687/1953.

3.4 Partnership Agreement for the Development Framework (PA) 2021-2027

In accordance with the Cohesion Policy of the European Union for 2021-2027, the PA 2021-2027 constitutes the main strategic plan for growth in Greece. Law 4914/2022 sets a detailed framework for designation of the national authorities/bodies, which undertake competences for management, certification, control and coordination of the PA projects.

The PA mostly relies on financing from European Funds of the European Union, comprising 38 Programs, of which 9 are Sectoral, 13 Regional, 13 refers to the "European territorial co-operation" objective and 3 are included in the Migration and Home Affaires Funds. The Sectoral Programs pertain to one or more sectors with nationwide geographical scope, such as competitiveness, digital transformation, environment and climate change, civil protection, technical help, development transition, fisheries and aquaculture, while the 13 Regional Programs contain actions of regional scope.

Moreover, under the PA 202114-2027 Greece participates in European Territorial Cooperation Programs, collaborating with neighbouring countries under bilateral or multilateral partnership agreements. To be noted that, more than Euro Twenty-One Billion (21,000,000,000) derive from European funding institutions.

4. Tax incentives for individuals investing in Greek property, companies or securities

See below *Chapter XIII*, *Section B*, for an analysis of rules providing for special tax treatment for foreign individuals investing significant amounts in Greek property, companies or securities..

D. Explain any regional tax incentives open to foreign investors

See above, under *Section C*.

IV. Financial Facilities

A. Banking/Financial Facilities

Financial services are provided in Financial services are provided in Greece by credit and financial institutions. The main activity of credit institutions consists of taking deposits or other repayable funds from the public and provision of credit. Financial institutions activities include provision of deposit-taking and may include the provision of credit, issuance of e-money, financial leasing, money remittance services and several other services. Payment services provided by Greek credit and financial institutions are subject to requirements provided by European Community law.

A credit institution can only be established in the form of a société anonyme; that is, a company limited by shares. Credit institutions established in Greece, as well as their branches operating in Greece or abroad, are subject to extensive supervision by the Bank of Greece (hereinafter "BoG", www.bankofgreece.gr) which covers most aspects of their operation and aims at safeguarding the interests of the depositors.

Apart from BoG, the Hellenic Bank Association (hereinafter "HBA") (www.hba.gr) also plays an important role in the Greek financial market. It is a non-profit legal entity, which represents banks and other financial institutions operating in Greece and promotes issues of common interest through the convergence of its member banks' opinions. According to the information provided by the HBA and published on its website, as of 03.10.2023 there are one thousand seven hundred and two (1,702) branches of credit institutions in Greece, which employed a total of twenty nine thousand one hundred seventy seven (29,177) persons.

Generally speaking, it is relatively easy for a natural or legal person to open an account, though a specific procedure must be followed and certain requirements must be satisfied. These requirements vary, depending on the type of the bank account and the bank where the account is opened. Under the applicable legislation on the prevention of use of the financial system for the legalisation of proceeds from criminal activities, persons who wish to open a bank account are required to submit certain identification documents.

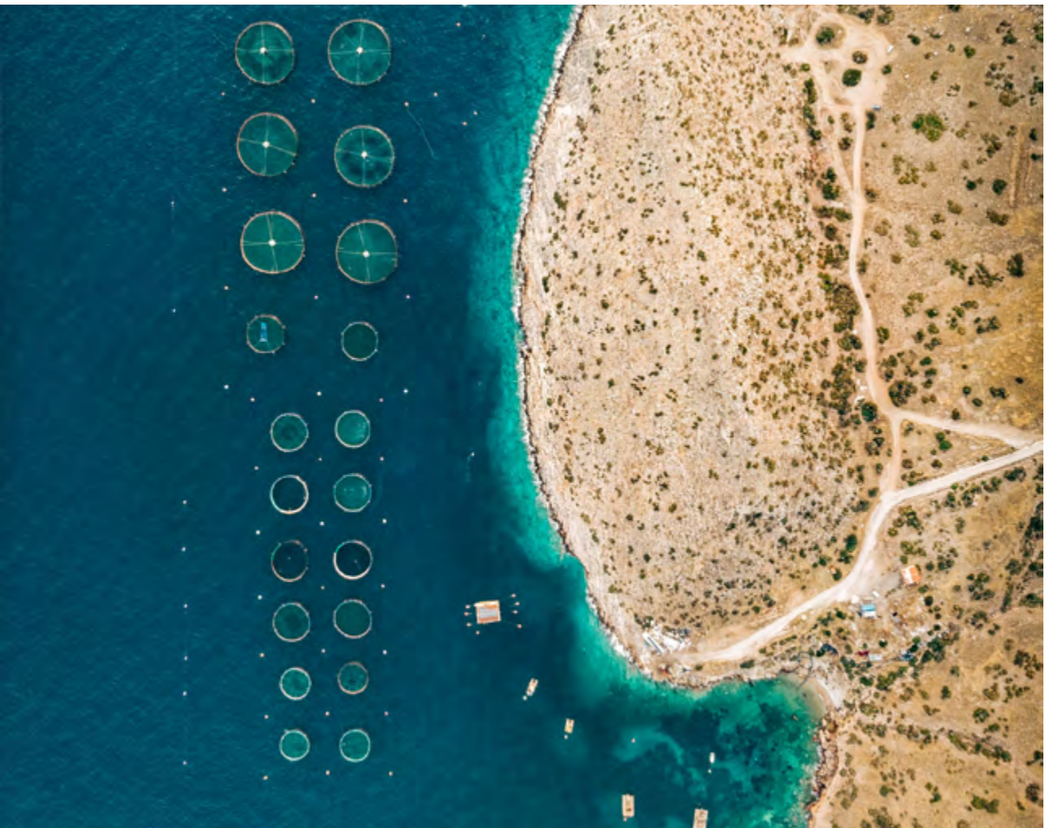
Banks may impose quantitative restrictions by requiring a minimum amount of money to open an account or time restrictions by setting a duration for which the account must remain open. In case the person opening the account is a legal entity, a copy of the Articles of Incorporation and other legalisation documents are also required in order to identify the persons lawfully representing such legal person and its shareholding structure. For off-shore entities additional documentation is required, including a declaration regarding the beneficial owner(s).

There is no explicit obligation on the part of investors to maintain a bank account in Greece. With regard to the restrictions on the use of the account, they also vary, depending on the nature of the account. In the cases of accounts that have been opened by natural persons there may be an obligation that the account is not to be used for com-

mercial purposes. Most banks provide a debit and cash withdrawal (via ATM) card with savings and current accounts which, usually, can also be used abroad and/or for online purchases.

The Hellenic Exchanges – Athens Stock Exchange Société Anonyme (www.helex.gr) ("ATHEX") is the parent company of the group that supports the operation of the Greek capital market. ATHEX, a MiFiD II regulated entity, operates two regulated markets, the "Securities Market" and the "Derivatives Market" (which includes the "Repo Market"), as well as a multilateral trading facility, the "Alternative Market" or "EN.A.", which comprises two shares categories, "EN.A. PLUS" and "EN.A. STEP". ATHEX's fully owned subsidiaries, the Athens Exchange Clearing House ("ATHEXClear") and the Hellenic Central Securities Depository ("ATHEXCSD") provide clearing services and transaction settlement and securities registration services, respectively.

The regulated market of the Athens Exchange includes the following segments of negotiation: The General Segment (Main Market), the Fixed Income Securities Trading Segment, the Structured Financial Products Trading Segment, the Warrant Trading Segment, the Exchange Traded Funds Segment and the Special Surveillance Segment. The Alternative Market ("EN.A.") is the MTF of the Athens Exchange. The EN.A. is not a regulated market and does not fall under the obligatory provisions that apply to regulated markets and impose strict admission and on-going requirements. The EN.A. is operated by the Athens Exchange in accordance with the EN.A. Rulebook, which is notified to the Hellenic Capital Markets Commission (www.hcmc.gr). The Hellenic Capital Markets Commission, the competent regulatory authority for the capital markets legislation, supervises the Athens Exchange market.



V. Exchange Controls

A. Business Transactions with Nationals, Residents or Non-Residents

A Greek national is a person who has Greek nationality, either inherently from birth (when s/he is the child of a Greek parent or when s/he was born in Greece and s/he does not have any other nationality) or following application. A resident is a person who lives permanently in Greece, regardless of whether he/she has the Greek nationality or not. Legal entities do not have a nationality. Nevertheless, the location of a company's registered office constitutes its so-called "pseudo-nationality".

In general terms there are no restrictions on non-nationals to conduct private business in Greece. Participation in public sector positions is more difficult and special rules apply to certain professions, such as doctors and lawyers. In these cases, when there is no agreement between Greece and the country involved, special procedures need to be followed to allow the non-national to exercise her/his profession. An investor can receive loans both from nationals, residents and non-residents.

Residents[1] are obliged to report for statistical purposes any transactions they enter into with non-residents which amount to Euro Five Thousand (5,000) or more. Transactions that should be reported are, for example, repair services, transport services, telecommunications, construction services, insurance services, supplies, promotion services, projects, incomes, interests, transfers, direct investments, loans etc. This reporting obligation does not include transactions related to imports or exports of goods and transactions between residents and tourists, as well as portfolio investment transactions with a domestic custodian. Residents fulfil their reporting obligations by answering the questionnaires through the electronic platform (DIREQT), as managed by the Bank of Greece.

B. Investment Controls

Generally speaking, there are no specific restrictions regarding direct and indirect investment in Greece, except for some sectors of the economy (*i.e.* mining companies and real estate corporations), that certain regulations are in force placing limits on foreign participation and control, or requiring special government permission for foreign participation. There are various provisions aiming to attract foreign investment, which offer incentives under conditions specified in the relevant legislation.

C. Money Transfer

Since 1980 the determination of exchange rates is free. The Bank of Greece only regulates the selling profit margin of the Banks.

In addition, money operations are subject to national (Law 4557/2018 as amended and in force) and European rules prohibiting money laundering, *i.e.* legalisation of proceeds from criminal activities.

D. Capital Controls

Capital controls have been abolished in Greece.

1 For the purposes of this obligation resident means any natural or legal person that performs or intends to perform business activities in Greece for over a year.

VI. Import/Export Regulations

A. Customs Regulation

Is Greece a member of the EU and GATT?

In 1981, Greece became a member of the European Economic Community ("EEC"), later renamed European Community ("EC") and now known as the European Union ("EU"). Greece is also a member of the World Trade Organisation ("WTO") and has signed all Annexes of the Marrakesh Agreement that establishes the WTO. That basically means that Greece is bound both in its own capacity and in its capacity as member state of the EU (since the latter is a contracting party to the Agreement) by the GATT, GATS and TRIPS Agreements and the Dispute Settlement Understanding.

Is Greece a party to a regional free trade agreement?

Greece is a contracting party, in its capacity as member state of the EU, to the European Economic Area Agreement ("EEA"), brings together the EU member states and the three EEA EFTA states — Iceland, Liechtenstein and Norway — in a single market, referred to as the "Internal Market".

Does the Customs Department value the goods?

The Greek Customs value goods pursuant to the rules of the GATT Customs Valuation Agreement, which have also been incorporated into the Union Customs Code ("UCC") in Articles 69-76, Commission Implementing Regulation (EU) 2015/2447 in Articles 127 to 146, Article 347 and Annexes 23-01 and 23-02, Commission Delegated Regulation (EU) 2015/2446 in Article 71 and Commission Delegated Regulation (EU) 2016/341, in Article 6. It is important to clarify that the EU is a Customs Union, meaning that a Common Customs Tariff ("CCT") applies to imports of goods across the external frontier of the EU (namely, goods that enter the Customs Union territory from a third country). Goods qualifying as Union Goods (namely, goods for which Customs duties and relevant taxes have been settled), are placed into free circulation within the common market and are subject to no more customs duties.

How are goods cleared through customs?

As of 3 December 2013, customs clearance is normally carried out electronically, through a relevant electronic platform that has been developed by Greek customs (*i.e.* "ICISnet"), either directly by the interested business or through a customs representative.

Following the electronic submission of a customs declaration, a relevant customs control is made automatically by ICISnet. Depending on the outcome of this control, the customs authorities may decide to proceed with an inspection of the supporting documents (either in electronic or physical form), as well as the declared goods, as the case may be. Other controls, such as health inspections, may be conducted when specific goods are involved, for example food, farm animals, etc.

Customs clearance normally involves payment of the relevant customs duties and VAT. The relevant payment is made with the use of a unique debt reference number that is automatically produced by ICISnet, either with the use of a credit or debit card or through the deposit of the respective amount to a bank. In particular, the taxable amount for VAT purposes consists of the import value of goods, which is inclusive of duties paid outside Greece, import duties, and ancillary to the import expenses. It should be noted that the end-importer (*i.e.* the one in the name and on the account of whom the procedure before the Greek Customs Authorities is carried out) is liable for the payment of VAT.

Finally, it is noted that as of July 2021, new rules are introduced in relation to the Import One-Stop Shop (IOSS).

IOSS digital platform provides for a simplified procedure for the declaration and payment of VAT on distance sales of goods imported from third countries into the EU, provided that the consignments do not exceed Euro One Hundred Fifty (150) and only for products that are not subject to excise duties (tobacco, alcohol and energy products). More specifically, IOSS allows suppliers and online platforms selling imported goods to final consumers in the EU to collect, declare and pay VAT through the one-stop shop platform, instead of VAT being paid by the buyer (importer) at the time of importation of the goods in the EU. Other special arrangements are also introduced to simplify the above-mentioned imports. EU-based vendors and online platforms can register in the IOSS scheme. Non-EU-based suppliers can also be registered through the designation of an EU-based representative to meet VAT obligations.

As regards the VAT on imports, as of 01.07.2021, VAT is imposed on all goods imported to the EU regardless of their value and in accordance with - as the case may be - applicable national VAT rates.

Are there applicable tariffs?

The Common Customs Tariff ("CCT") is in force throughout the Customs Union. The Tariff forms a combination of the Combined Nomenclature[2] (or classification of goods) and the duty rates[3] which apply to each class of goods (TARIC Code).

In addition, the Tariff contains all other Community legislation that affects the level of customs duties payable on a particular import; that is normally the case where a preferential regime agreement is in place between the EC and the country of origin. In that regard, it is important that national Customs Authorities be provided with documentation giving full evidence of the imported goods' origin, which is decided on the basis of the applicable EU Rules of Origin (Articles 59-68 of UCC).

B. Exports

Are there restrictions on exports?

Few restrictions on exports exist with regard to specific goods, such as drugs, dual-use goods (goods that in addition to their normal use may be used for military purposes), war materials and cultural goods. Export of such products is possible only after a licence is

2 The Combined Nomenclature ("CN") is comprised of the Harmonised System (HS) nomenclature with further Community subdivisions. The Harmonised system is run by the World Customs Organisation ("WCO"). This systematic list of commodities forms the basis for international trade negotiations, and is applied by most trading nations.

3 The TARIC is a data base, which is under daily update and includes all applicable customs duties and all customs trade policy measures for all the goods applicable at any time.

obtained by the competent ministry. Apart from the above restrictions based on the type of goods, restrictions exist with regard to international embargos, either total or partial; in the latter case, permission is required for an export to take place to the country against which the embargo has been declared.

Are there applicable export duties?

The export duties applicable are those provided for by Community legislation with regard to certain agricultural products. Regulation 120/1989/EEC as currently in force sets out the basic legal framework in that regard.

C. Foreign Trade Regulations

Are there foreign trade regulations on the import or export of goods involved in the business?

At a European Union level some foreign trade regulations exist with regard to particular goods. Some quotas exist on certain imports depending on the country of origin. Non-Tariff Barriers at the EU level exist mainly in the form of "anti-dumping", *i.e.* the restriction of imports in the EU at artificially low prices.

D. Imports

As a member state of the European Union, Greece has adopted the Common Custom Tariff ("CCT") and the Common Agricultural Policy ("CAP") under which custom duties are applied to imports from non-EU countries.

There are no applicable import barriers with the exception of a small number of products restricted for safety, political or sanitary reasons, such as the prohibition with relation to the international trade of endangered species (wild fauna and flora), drugs and weapons.

With regard to food and beverages, products complying with the Greek Food Code do not, generally, require a special permit in order to be imported in Greece. However, there are some restrictions for imports from non-EU countries which are related to seeds, nuts, meat, poultry and dairy products. In addition, new-to-market or new-technology food products, as well as food products that contain new substances must be approved by the General Chemical State Laboratory (www.gcsl.gr), before they may be marketed in Greece. Baby food, dietary supplements and special dietary products must comply with EU prescribed standards and are subject to a notification obligation to the National Organisation for Medicines ("EOF") (www.eof.gr), the approval of which is necessary for the custom clearance of the imported products. There is a special procedure for the import of medical and pharmaceutical products and cosmetics, the import of which necessitates a certification following a licence procedure before EOF.

In addition, for the import of agricultural and forestry products from non-EU member states the importer must obtain a phyto-sanitary certificate issued by the competent department of the Greek customs' authorities.

Finally, the importer of military equipment must obtain a special permit from the Ministry of Defence. With respect to the import of commercial weapons and ammunition, a permit from the Ministry of Public Order is required. The permit is necessary regardless of the country of origin of the product (EU member or not). In this case, the country of origin is only relevant with regard to import duties.

E. Manufacturing Requirements

Must the product contain ingredients or components, which are found or produced only in Greece and will the importation of certain component parts be permitted only if they are to be ultimately incorporated in a final product?

There are no manufacturing requirements for the product to contain ingredients or components, which are found or produced only in Greece. If, however, a product contains a prohibited ingredient or component, its import may be forbidden. In addition, a product circulating within the Greek market must conform to Greek and EU safety standards (with regard to the CE marking requirements by virtue of EU Regulation 765/2008). If a product illegally bears the CE marking the competent national Authority may restrict the product from being supplied to the market and order its recall if such product is already on the market. This product may only be marketed again if it has complied with the law.

F. Product Labelling

Are there applicable labelling or packaging requirements (*e.g.* multilingual notices, safety warnings, listing of ingredients, etc.)?

As an EU member state, Greece applies the safety requirements prescribed by a number of directives with regard to the use of Harmonised European standards. The CE marking indicates minimum compliance to EU regulations and is a mandatory marking for many of the products sold in the EU and in the EEA. Products bearing the CE indication are deemed as being compliant with such regulations and may circulate freely within the EU, even if they originate from non-EU/EEA countries. The following products belong to a constantly growing number of goods with prescribed standards and a CE marking obligation, including but not limited to, medical devices of various kinds, toys, telecommunications terminal equipment, marine equipment and household appliances of various kinds (*e.g.* boilers, gas-burning appliances, refrigerators).

Apart from the CE marking requirement, and EU Regulation 1169/2011 on "the provision of food information to consumers" the Market Regulation Code as currently in force, (Ministerial Decision 91354/30.08.2017 on the movement and trade of goods and services) imposes labelling requirements both on food and non-food products.

As a general principle, all products which are offered for consumption either in brick & mortar shops or online must bear labels regarding their price, name, quality – composure – qualitative characteristics and for food products if they are frozen. Furthermore, if a product is being sold as second-hand, used or refurbished, this information should be presented in the labelling of the product.

Prepackaged food products must bear information such as the brand name of the product, the list of ingredients, the net quality, the date of expiration, instructions for use and preservation, lot number, the name or trademark and the address of one of the following persons or entities: the producer, the packager, the agent, the importer, or the seller established in the EU. In some cases, the same products must also bear information on the place of origin

of the product (Article 10 of Ministerial Decision 91354/30.08.2017).

The most important labelling requirements with respect to non-food products (Article 50 of Ministerial Decision 91354/30.08.2017) is the tradename, the registered trademark and the e-mail of the manufacturer if it is established within the EU, or else of the importer or seller in the Greek market, the name of the product, the quantity of the content, the quality, composure and qualitative characteristics and the phone number of the Poison Control Centre for chemical and industrial products.

All labelling information required must be in Greek. The Greek labels may be attached to the product locally, in the time period between clearing customs and being offered for sale to the end-consumer.

Instructions for use are mandatory for all consumer products that are not simple in use and operation. The instructions must be in Greek and optionally in any other language and must include information with regard to the type and model of the product, basic technical data and safety warnings pertaining to the use, operation and maintenance of the product as well as the indication whether a guarantee is provided for the specific product.

Finally, the issues of manufacture, presentation and sale of tobacco products, and in particular the general notices, combined with notices concerning health, information messages, and other indications that must be affixed to the packaging units of tobacco products are governed by the provisions of Law 4419/2016 (Government Gazette, Series I, No 174), as amended and currently in force, through which the provisions of Directive 2014/40/EU were transposed into Greek law.

Moreover, art. 100 & 107 of the National Customs Code (Law 2960/2001) provide the following requirements regarding the indications and package of manufactured tobacco:

The packets or the smaller package of sale of manufactured tobacco consumed inside Greece, regardless of the origin thereof, must lithographically or typographically bear the name of the undertaking that produces them, the sign and kind thereof, their weight in grams, or the number of pieces contained, the retail price in Euro, as well as any other information specified by decisions of the Minister of Finance. Apart from these, the medical warnings and other data defined in Law 4419/2016 must be indicated.

Moreover, it is noted that the use of tax stamps is obligatory for all tobacco products falling under the meaning of industrialised tobacco that are placed on the market and the national provisions mention that such tax stamps are used as security features (as also provided in Commission Implementing Decision 2018/576/EU). Specific guidelines determine the application of safety features to tobacco packing units that fall under the EU tracking and tracing system (decision n. A.1050/01.02.2019 of the Deputy Minister of Finance and decision n. E. 2074/13.05.2019 of the Independent Authority for Public Revenue). According to the national provisions, the security features comply with all technical standards and fulfil all functions provided by the provisions of Article 16 of Directive 2014/40/EU, of Article 106B of Law 2960/2001 and Implementing Decision (EU) 2018/576.

VII. Structures for Doing Business

A. Governmental Participation

Historically, the Greek State exercised a number of business activities, especially in the utilities, transportation and banking sectors, acting as a "legal monopolist". Following a wave of privatisations, coupled with the liberalisation of the utilities and transportation sectors over the last decades, the State's participation in business activities has been substantially reduced.

B. Joint Ventures

Joint Ventures do not constitute a distinct form of incorporation. In practice, joint ventures may be incorporated either:

a. As a legal entity (most often a corporation), which is jointly held by two or more shareholders. Pursuant to Law 4919/2022, as amended by Law 5039/2023, this type of joint ventures follows the establishment procedure of the One-Stop-Shop (OSS), either by the General Commercial Registry Service, which acts as the OSS, or electronically through the e-OSS platform; or

b. As a consortium or association between two or more independent entities, which intend to dedicate capital and resources for the completion of a specific project (*e.g.* construction projects). Such joint venture does not have a legal personality and therefore it is not a separate entity but it is usually considered as an undisclosed partnership.

It should also be noted that a joint venture constitutes a distinct tax entity, notwithstanding lack of legal personality, in the case under (b) above. For the tax implications of such investment, please refer to *Chapter XIV*.

C. Limited Liability Companies

Limited Liability Company is recognised under Greek Law as "Etaireia Periorismenis Efthynis" ("EPE"). EPE is governed by Law 3190/1955, as amended by Law 4541/2018.

EPE constitutes the common corporate vehicle of choice for small and medium-sized businesses, while it combines features of a partnership and a corporation. As a general rule, the liability of the partners is limited to the amount of their contributions. However, it must be mentioned that the aforementioned liability is joint and several until publicity formalities before the General Commercial Registry take place. Moreover, an EPE may either be established and operate as a single-member EPE or it may be rendered as such subsequently. It should be noted that the establishment of a single-member EPE is invalid if:

a. The sole partner (individual or legal entity) is the sole partner of another single-partner EPE; or if

b. The sole partner of the single partner EPE is another single partner EPE.

In addition, foreign entities and foreign individuals shall be registered with the competent Greek fiscal authorities and obtain a Greek Tax Registration number (known as the "AFM") in order to be partners of an EPE.

The management and representation of the EPE are exercised by one or

more administrators, which may be foreign individuals. However, such individuals must also be registered with the competent Greek fiscal authorities and obtain a Greek Tax Registration number (AFM).

Due formation of an EPE is subject to a non-minimum capital requirement. Consequently, the partners may freely determine the amount of capital to be contributed. Contributions in EPE are of a capital nature whereas payment may take place either in cash or in kind. To be noted that, after the latest amendment of Law 3190/1955, each company part must have a nominal value of at least Euro one (1).

As a general rule, it could be mentioned that the corporate name of an EPE is formed by various wording indications [not only the name(s) of the partner(s) or its activity] and may be written in whole or in part in Latin alphabet, including the phrase "Etaireia Periorismenis Efthynis" or the abbreviation "EPE". In international transactions, EPE legal form may be expressed with the terms "Limited Liability Company" and the acronym "LLC" or "LTD".

An EPE is formed through a simplified, One-Stop-Shop (OSS) or Electronic (e-OSS) procedure (Law 4919/2022, as amended by the Law 5039/2023). In particular, an EPE may be incorporated either by means of a notarial deed or by model Articles of Incorporation following the establishment process through the General Commercial Registry Service. In the first case, the EPE is established by means of a notarial deed before a Notary Public who is certified to act as the OSS and who is responsible for the online registration of the establishment of the EPE with the General Commercial Registry. In the second case, the incorporation of the EPE is fulfilled through the General Commercial Registry Service by using the model Articles of Incorporation whose content is provided in the Law using any additional provisions at the founder(s)' discretion. The latter case may also take place electronically by the EPE founders or any authorised person, through the Electronic-One-Stop-Shop (e-OSS) procedure by using the model Articles of Incorporation whose content is provided in the Law and which shall be mandatorily followed without deviation, and the process shall be completed within one (1) business day. It is worth noting that the EPE will be able to submit an application for the opening of a bank account to any bank institution through the Information System of OSS.

The EPE is deemed to have been formed as of the date of its registration with the General Commercial Registry. A summary of the Articles of Incorporation of the newly established company is further published on the website of the General Commercial Registry. Upon establishment, EPE acquires automatically (i) a General Commercial Registry (GEMI) number; (ii) a Greek Tax Registration number (AFM); and (iii) a European Digital Identity (EUID) for the facilitation of communication between the registries through the platform of the Business Registers Interconnection System (B.R.I.S.).

The establishment procedure of an EPE is usually completed within five (5) days, as of the collection of all necessary documents, with the exemption of establishment through the e-OSS procedure as mentioned above, which can be completed within one (1) business day. Its average cost is in the range of Euro Three Thousand Five Hundred (3,500) and includes legal fees, notarial fees (if applicable) and various incorporation fees in the form of taxes, duties and publication expenses.

Last but not least, EPE needs to disclose details on its "ultimate beneficial owners" (UBOs) within two (2) months of its formation and within two (2) months as from each amendment of the respective information, to the Central UBO Registry (the "Registry") housed under the Ministry of Finance (https://www.gsis.gr/polites-epiheiriseis/epiheiriseis/mitroo-pragmatikon-dikaioyhon). Moreover, it is important to note that articles 20 and 21 of Law 4557/2018, as in force, provide the right of access to the Registry and the information included therein is granted to: a) the Anti-Money Laundering Authority without prior notice, b) the competent public prosecution authorities with investigating or auditing responsibilities in the field of anti-money laundering, c) the competent authorities stated in article 6 of Law 4557/2018, d) the obliged persons of article 5 of Law 4557/2018 only for the purposes of customer due diligence measures and upon proving the customer relationship by a statement attached to the respective form, and e) the public, but only limited to specific details of the beneficial owners, such as name, surname etc. The right of access may be extended to other information that enables identification of the beneficial owners only if specific legal interest is proved and upon public prosecutor's order. Access to the Registry can be performed for a fee payable online amounting to: a) €120 annually for obliged persons and b) €5 per search for the public.

The access to the Registry has already become effective on 1 November 2022 for obliged persons while for the public has been extended until 30.06.2023 (Ministerial Decision no. 20931/2023).

For the tax implications of such corporate types, please refer to *Chapter XII*.

D. Private Companies

A Private Company is recognised and known under Greek Law as "Idiotiki Kefalaiouchiki Etaireia" ("IKE") and is governed by Law 4072/2012, as amended and in force.

In recent years, IKEs have become increasingly popular (especially with start-up businesses) due to the fact that they offer a flexible structure.

As a general rule, an IKE shall be solely responsible for any and all its liabilities, without joint liability on behalf of its partners. It may be constituted by one or more natural or legal persons or be incorporated as (or later become) a single-member company. It is crucial to mention though that in IKE there is no relative restriction and thus, a natural or legal person can be the sole partner of more than one Single Member IKE and a Single Member IKE can have as its sole partner another Single Member IKE. Moreover, foreign entities and foreign individuals shall be registered with the competent Greek fiscal authorities and obtain a Greek Tax Registration number (AFM) in order to be partners of an IKE.

The management and representation of the company are exercised by one or more administrators, which may be foreign individuals. Such individuals, however, must be registered with the competent Greek fiscal authorities, *i.e.* they are required to have a Greek Tax Registration number (AFM).

Due formation of an IKE is subject to non-minimum capital requirement.

More particular, the IKE's capital may even amount to Euro zero (0). Indeed, contributions in IKE's capital can be effected either through capital contributions (meaning contributions in cash or in kind), or non-capital contributions (*e.g.* an employment relationship, intangible goods, know-how), or contributions of guarantee (meaning the undertaking of liability for company debts vis-à-vis third parties).

The corporate name of an IKE is formed by various wording indications (not only by the name(s) of the partner(s) or its activity) and may be written in whole or in part in Latin alphabet, including the phrase "Idiotiki Kefalaiouchiki Etaireia" or the abbreviation "IKE". In international transactions, the legal form may be expressed with the terms "Private Company" and the abbreviation "PC".

An IKE is solely and exclusively incorporated electronically through the e-OSS procedure by means of model Articles of Incorporation, by the founder(s) or any authorised person, either by strictly following the content of the model Articles of Incorporation or by including therein the additional provisions provided in Article 13 of Law 4919/2022. Subsequently, all necessary actions for the due registration of the company are executed online via the General Commercial Registry's platform. It is worth noting that IKE will be able to submit an application for the opening of a bank account to any bank institution through the Information System of OSS.

The establishment of an IKE may be completed within one (1) business day from the completion of the e-OSS procedure and at a relatively lower cost than EPE.

IKE is deemed to have been formed as of the date of its registration with the General Commercial Registry. A summary of the Articles of Incorporation of the newly established company is further published on the website of the General Commercial Registry. Upon establishment, IKE acquires automatically (i) a General Commercial Registry (GEMI) number; (ii) a Greek Tax Registration number (AFM); and (iii) a European Digital Identity (EUID) for the facilitation of communication between the registries through the platform of the Business Registers Interconnection System (B.R.I.S.).

Finally, IKE needs to disclose details on its "ultimate beneficial owners" (UBOs) within two (2) months of its formation and within two (2) months as from each amendment of the respective information, to the Central UBO Registry (the "Registry") housed under the Ministry of Finance (https://www.gsis.gr/polites-epiheiriseis/epiheiriseis/mitroo-pragmatikon-dikaioyhon). Moreover, it is important to note that articles 20 and 21 of Law 4557/2018, as in force, provides the right of access to the Registry and the information included therein is granted to: a) the Anti-Money Laundering Authority without prior notice, b) the competent public prosecution authorities with investigating or auditing responsibilities in the field of anti-money laundering, c) the competent authorities stated in article 6 of Law 4557/2018, d) the obliged persons of article 5 of Law 4557/2018 only for the purposes of customer due diligence measures and upon proving the customer relationship by a statement attached to the respective form, and e) the public, but only limited to specific details of the beneficial owners, such as name, surname etc. The right of access may be extended to other information that enables identification of the beneficial owners only if specific legal interest is proved and upon public prosecutor's order. Access to the Registry can be performed for a fee payable online amounting to: a) €120 annually for obliged persons and b) €5 per search for the public.

The access to the Registry has already become effective on 1 November 2022 for obliged persons while for the public has been extended until 30.06.2023 (Ministerial Decision no. 20931/2023).

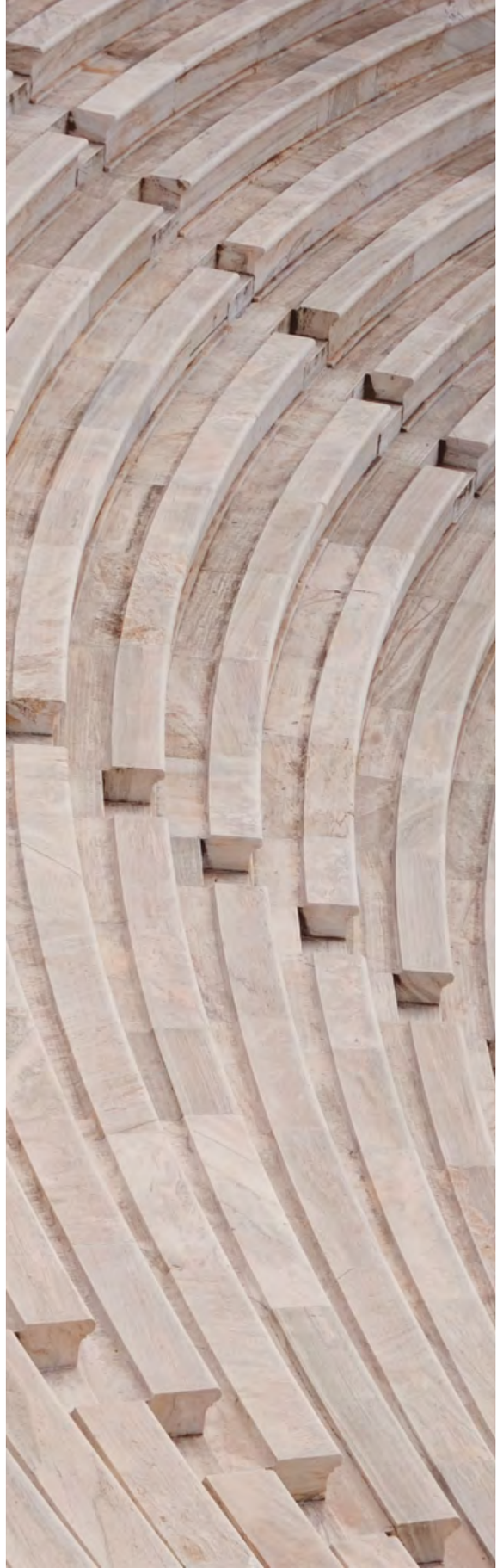
For the tax implications of such corporate types, please refer to *Chapter XII*.

E. Corporations

The "Anonymi Etaireia" ("AE"), which is an equivalent of a Société Anonyme, is the corporation under Greek law, *i.e.* it is a stock company governed by Law 4548/2018, which abolished previous Law 2190/1920. The rule is that the liability of shareholders is limited to the amount of their contribution to the share capital, which is represented by shares of stock. The AE may issue different classes of shares (common and preferred) which are only registered, while it is the only vehicle which can issue bond loans. There are no limitations on nationality or residence. Incorporation requires at least one shareholder, either a natural or legal person, which need to obtain a Greek Tax Registration number (AFM).

An AE may be also established and operate or subsequently become a single shareholder entity.

An AE is managed by a Board of Directors composed of three (3) to fifteen (15) members, none of which is required to be Greek. Micro and small AEs have



the right to appoint a sole director/administrator instead of a Board of Directors, but this is not applicable to medium, large and listed companies. The classification of companies as 'micro', 'small', 'medium' and 'large' is made based on specific criteria, provided for under Law 4308/2014, as in force. In principle, the Board represents and binds the company in all matters, except corporate affairs falling within the exclusive power of the General Meeting of Shareholders. All Board members, or the sole director-administrator, need to have obtained a Greek Tax Registration number (AFM), while executive members of the board who are non-EU residents need to have a residency and/or work permit.

Due formation of an AE is subject to a minimum capital requirement. Such minimum capital shall be Euro Twenty-Five Thousand (25,000) and has to be fully paid-up within two (2) months as of the effective date of incorporation. However, provision in the Articles of Association for the partial payment of the share capital is also possible. Contributions in the AE are of a capital nature whereas payment may take place either in cash or in kind (*i.e.* other assets, including intangibles). To be noted that the option of payment in assets triggers a valuation procedure, completion of which requires the conditions of Article 17 of Law 4548/2018 to be met. In particular, there are requirements for evaluation reports that shall certify the value of the contributions in kind, which shall be composed by two (2) chartered auditors-accountants or an audit firm or, as the case may be, by two (2) independent certified valuators, and which must include all information expressly provided under Law 4548/2018. However, without prejudice to the aforementioned, in the event of share capital carried out by means of contribution in kind, the valuation procedure may be shortened or even waived in certain circumstances, when the provisions of Article 18 of Law 4548/2018 may apply.

An AE is formed through a simplified, One-Stop-Shop (OSS) or Electronic (e-OSS) procedure (Law 4919/2022, as amended by Law 5039/2023). In particular, it may be incorporated either by means of a notarial deed, which includes the Articles of Incorporation, or by virtue of a private agreement. In the first case, an AE shall be incorporated by means of a notarial deed, when: (a) it is required by the applicable law, (b) the divestment of assets contributed to the company requires that type of contract, or (c) it is chosen by the parties. In such case the AE is established through a Notary Public who is certified to act as OSS and who is responsible for the online registration of the establishment of the AE with the General Commercial Registry. In the second case, the incorporation of the AE by virtue of a private agreement requires the use of the model Articles of Incorporation whose content is provided in the Law or with any additional provisions at the founder(s)' discretion. In such case, all necessary actions for the due registration of the company are executed through the General Commercial Registry Service or may take place electronically by the founder(s) or any authorised person, through the Electronic One-Stop Shop (e-OSS) procedure, and even completed within one (1) business day. It is worth noting that the AE will be able to submit an application for the opening of a bank account to any bank institution through the Information System of OSS.

The AE is deemed to have been formed as of the date of its registration with the General Commercial Registry. A summary of the Articles of Incorporation of the newly established company is further published on the website of the General Commercial Registry. Upon establishment, AE acquires automatically (i) a General Commercial Registry (GEMI) number; (ii) a Greek Tax Registration number (AFM); and (iii) a European Digital Identity (EUID) for the facilitation of communication between the registries through the platform of the Business Registers Interconnection System (B.R.I.S.).

It is particularly noted that the historical requirement of the administrative approval has been abolished for most AE by virtue of Law 3853/2010 and therefore, the incorporation process of an AE is deemed concluded following completion of the above procedures, regardless of the amount of its share capital. An administrative approval is only required for companies active in specific business sectors, namely publicly traded companies, banking and credit institutions, insurance companies, sports clubs, companies of public interest and companies whose approval is required by virtue of a special statutory provision.

The establishment procedure of an AE is usually completed within five (5) days as of the collection of all necessary documents, with the exemption of establishment through the e-OSS procedure as mentioned above, which can be completed within one (1) business day. Its average cost is in the range of Euro Four Thousand Five Hundred (4,500) and it includes legal fees, notarial fees (if applicable) and various incorporation fees in the form of taxes, duties and publication expenses.

Last but not least, the AE needs to disclose details on its "ultimate beneficial owners" (UBOs) within two (2) months of its formation and within two (2) months as from each amendment of the respective information, to the Central UBO Registry (the "Registry") housed under the Ministry of Finance (https://www.gsis.gr/polites-epiheiriseis/epiheiriseis/mitroo-pragmatikon-dikaioyhon). Moreover, it is important to note that articles 20 and 21 of Law 4557/2018, as in force, provides the right of access to the Registry and the information included therein is granted to: a) the Anti-Money Laundering Authority without prior notice, b) the competent public prosecution authorities with investigating or auditing responsibilities in the field of anti-money laundering, c) the competent authorities stated in article 6 of Law 4557/2018, d) the obliged persons of article 5 of Law 4557/2018 only for the purposes of customer due diligence measures and upon proving the customer relationship by a statement attached to the respective form, and e) the public, but only limited to specific details of the beneficial owners, such as name, surname etc. The right of access may be extended to other information that enables identification of the beneficial owners only if specific legal interest is proved and upon public prosecutor's order. Access to the Registry can be performed for a fee payable online amounting to: a) €120 annually for obliged persons and b) €5 per search for the public.

The access to the Registry has already become effective on 1 November 2022 for obliged persons while for the public has been extended until 30.06.2023 (Ministerial Decision no. 20931/2023).

For the tax implications of such corporate type, please refer to *Chapter XII*.

F. Partnerships, General or Limited

Greek law provides for both general and limited partnerships. The governing instrument is Law 4072/2012.

The general partnership in Greek law is called "Omorrythmi Etaireia" ("OE"). An OE is defined as a partnership in which all partners are liable, jointly and severally, for the partnership debts. According to Greek law, an OE is a legal entity. The name of the OE, used for commercial transactions and business, consists only of the names of the partners.

Such business type is very flexible and requires minimum costs for establishment and legal compliance, but it entails a serious risk for the participants, as they are subject to personal liability for corporate debts. In particular, all partners of an OE qualify as "merchants", by operation of law, solely on the basis of their participation in an OE (derivative commerciality of the partners). The bankruptcy of the legal entity of the OE results ipso facto to the parallel bankruptcy of its partners. The OE is therefore most commonly used for small family businesses.

A limited partnership or "Eterorrythmi Etaireia" ("EE") in Greek is a partnership with one or more general partners and one or more limited partners. The name of the EE must consist of the names of one or more of the general partners, while the inclusion of the name of the limited partners entails that the limited partner whose name is included in the company's name bears unlimited, joint and several liability with the general partners (as if he/she were a general partner as well).

An EE cannot exist without at least one general partner and, in case the general partner ceases to participate, such partner must be replaced or, otherwise, the partnership must be dissolved. However, if the limited partner of an EE has ceased to participate in any way, the partnership may continue trading in the form of an OE.

In an EE, the general partners have unlimited liability whereas the limited partners have limited liability for up to the amount of their contribution only. In other words, general partners are fully liable in respect of any liabilities of the EE in parallel with the latter. Thus, any third party may seek from a general partner the satisfaction of a claim against the EE, without having to turn first against the partnership itself. A limited partner may be fully liable for the debts of the EE only if the name of such partner is included in the partnership name and the debtor in question is not aware that such partner is a limited partner.

The Articles of Incorporation of an OE or an EE may be drawn up either by a private contract or by public deed. The Articles of Incorporation govern the partnership and must be made public by the publication of an extract thereof. This extract must contain at least the full name and residence of the partners, the registered name and the registered office of the partnership, the object of the partnership and the persons with authority to manage the business and to sign on behalf of the partnership. The Articles of Incorporation of an EE must also make reference to the full name and residence of the limited partners as well as the amount of their contributions.

There are no minimum capital restrictions as to the due formation of an OE or EE. The establishment procedure includes the filing of the Articles of Incorporation of the partnership with the General Commercial Registry and the partnership is deemed to have been formed as of the date such procedure is concluded. The establishment of both OE and EE may be also effected by the founders or any authorised person through the One-Stop-Shop (OSS) or the Electronic One-Stop-Shop (e-OSS) procedure. More specifically, in terms of the OSS procedure of establishing a business, applicable law provides that the establishment may take place through a Notary Public, who acts as One-Stop-Shop and who is responsible for the online registration of the establishment of the business with the General Commercial Registry. However, the establishment may also be fulfilled through a simplified, OSS procedure, where all necessary actions for the due registration of the company are executed before the General Commercial Registry (GEMI). In addition, all necessary actions for the due registration of the company can be also executed online via the General Commercial Registry's platform (e-OSS) while the use of the model Articles of Incorporation is required. It is worth to mention here that, pursuant to the provisions of article 13 of Law 4919/2022, additional content to the model Articles of Incorporation is now available to all company types, including both OE and EE. The establishment may be completed within one (1) business day. Upon establishment, both OE and EE acquire automatically (i) a General Commercial Registry (GEMI) number; (ii) a Greek Tax Registration number (AFM); and (iii) a European Digital Identity (EUID) for the facilitation of communication between the registries through the platform of the Business Registers Interconnection System (B.R.I.S.).

Furthermore, both OE and EE now have to disclose details on their "ultimate beneficial owners" (UBOs). More specifically, within two (2) months of each establishment procedure and

within two (2) months as from each amendment of the respective information, both OE and EE is subject to the obligation of collecting and keeping adequate, accurate and up to date information on its UBOs in the Central UBO Registry (the "Registry") housed under the Ministry of Finance (https://www.gsis.gr/polites-epiheiriseis/epiheiriseis/mitroo-pragmatikon-dikaioyhon). Moreover, it is important to note that articles 20 and 21 of Law 4557/2018, as in force, provides the right of access to the Registry and the information included therein is granted to: a) the Anti-Money Laundering Authority without prior notice, b) the competent public prosecution authorities with investigating or auditing responsibilities in the field of anti-money laundering, c) the competent authorities stated in article 6 of Law 4557/2018, d) the obliged persons of article 5 of Law 4557/2018 only for the purposes of customer due diligence measures and upon proving the customer relationship by a statement attached to the respective form, and e) the public, but only limited to specific details of the beneficial owners, such as name, surname etc. The right of access may be extended to other information that enables identification of the beneficial owners only if specific legal interest is proved and upon public prosecutor's order. Access to the Registry can be performed for a fee payable online amounting to: a) €120 annually for obliged persons and b) €5 per search for the public.

The access to the Registry has already become effective on 1 November 2022 for obliged persons while for the public has been extended until 30.06.2023 (Ministerial Decision no. 20931/2023).

For the tax implications of such corporate types, please refer to *Chapter XII*.

G. Partnerships, Undisclosed

Undisclosed partnerships are governed by Law 4072/2012. They are defined as contracts whereby the visible partner allows one or more undisclosed partners to participate in the results of one or more acts of a commercial nature or business, that are carried out in the visible partner's name but in the common interest of all partners. This entity has no legal personality in itself and is not subject to registration with the General Commercial Registry. The costs and fees of such a business arrangement are minimal.

All management functions are exercised by the visible partner, who has the power to bind the partnership with his or her sole signature and represents it before third parties. Therefore, only the visible partner bears liabilities for any debts of the undisclosed partnership.

For the tax implications of such investment, please refer to *Chapter XIV*.

H. Sole Proprietorships

The sole proprietorship is a flexible form of business but in practice, it is preferred only for very small-scale businesses as they entail a high risk of personal liability vis–à-vis creditors. Establishment of a sole proprietorship is usually subject only to administrative formalities, such as the declaration to the competent tax office and the registration with the General Commercial Registry (if required). The costs of setting up such a business arrangement are minimal.

For the tax implications of such investment, please refer to *Chapter XIV*.

I. Subsidiaries/Branches/ Representative Offices

Foreign corporations and LLCs, lawfully established pursuant to their home state laws and regulations, may establish branches in Greece subject to certain conditions laid down by Articles 36-45 of Law 4919/2022.

A branch is a financially and legally dependent department of the foreign entity. It does not have a legal personality and its activities are performed in the name and on behalf of the foreign company. It may perform all activities provided for in the Articles of Incorporation of the foreign company, except in case of respective limitation in the Power of Attorney for the establishment of the branch in Greece.

The main advantage of establishment of a branch in Greece is the comparatively lower establishment, maintenance and operation expenses (in comparison with establishing a subsidiary company in the form of an AE, EPE or IKE), but since the branch is not a separate legal entity, all liabilities which may arise from its operation in Greece are automatically attributable to the parent entity.

Approval of the branch's registered seat, registration with the General Commercial Registry (GEMI), including filing of relevant documentation, such as evidence that the parent corporation or limited-liability company is lawfully established in the home jurisdiction, as well as publicity formalities are required for the establishment of a branch.

Additional licensing may also be required depending on the kind of activities performed (*e.g.* in the case of certain industrial establishments).

The main obligations of branches of foreign companies during their operation in Greece are to submit to the General Commercial Registry the following data depending on whether the foreign company has its registered seat (i) in a member state of the European Union, or (ii) in a third country, pursuant to Articles 39 and 43 of Law 4919/2022 respectively.

In the first case, branches of a foreign company with a registered seat in a member state of the European Union need to submit to the General Commercial Registry:

a. the incorporation act and/or the Articles of Association, as well as any amendments thereof;

b. the certificate of the Register, in which the foreign company has been registered (Certificate of Good Standing of the competent authority or of the commercial Register of the country of origin);

c. the address of the branch;

d. a report of the activities of the branch;

e. the register in which the file referred to in par. 2 of article 21 of Law 4919/2022 has been created for the foreign company, as well as its European registration number in this Register (EUID);

f. the name and form of the foreign company, as well as the name of the branch, in case this is not the same as the name of the foreign company,

g. the appointment, termination of duties, as well as the personal data referred to in par. 2 and 3 of article 33 of Law 4919/2022 of the persons who have currently the pow-

er to bind the foreign company towards third parties and to represent it before a court: 1) as statutory governing bodies of the foreign company or as members of such a body, in accordance with the publicity formalities taken place for the foreign company, pursuant to the provisions of article 14 subpar. d) of Directive (EU) 2017/1132 (L 169), on certain aspects of company law; 2) as permanent representatives of the foreign company for the activity of the branch, indicating the extent of their powers;

h. the dissolution and liquidation of the foreign company, the appointment, personal data and powers of the liquidators, as well as the termination of the liquidation, which have been lawfully published pursuant to the provisions h), j) and k) of article 35 of Law 4919/2022, as also the bankruptcy, bankruptcy settlement or other similar procedure to which the company is subject to;

i. the financial statements of the foreign company that have been lawfully published;

j. the closure of the branch.

In the second case, branches of a foreign company with registered seat in a third country need to submit to the General Commercial Registry:

a. orporation act and/or the Articles of Association, as well as any amendments thereof;

b. the address of the branch;

c. a report of the activities of the branch;

d. the governing law of the foreign company;

e. the registration number of the foreign company to the competent Register, if applicable pursuant to its governing law;

f. the form, the registered seat and the scope of the foreign company, as well as at least one (1) per year, the amount of the covered capital, in case these data are not included in the above documents;

g. the name of the foreign company, as well as the name of the branch, in case this is not the same as the name of the foreign company;

h. the appointment, termination of duties, as well as the identity of the persons who have the power to bind the foreign company towards third parties and to represent it before a court: 1) as statutory governing bodies of the foreign company or as members of such a body; 2) as legal representatives of the foreign company for the activity of the branch, indicating the extent of their powers;

i. the dissolution and liquidation of the foreign company, the appointment, personal data and powers of the liquidators, as well as the termination of the liquidation, which have been lawfully published pursuant to the provisions h), j) and k) of article 35 of Law 4919/2022, as also the bankruptcy, bankruptcy settlement or other similar procedure to which the company is subject to;

j. the financial statements of the foreign company that have been lawfully published or in case this is not applicable, the balance sheet (financial statements) of the branch;

k. the closure of the branch.

An automatic registration is available through the B.R.I.S., in case of changes of foreign parent companies of Greek

Branches with the GEMI, following their establishment.

A branch of a foreign entity is managed by a legal representative, who may be a foreign individual, the scope of powers of whom is defined by a Power of Attorney that is issued by the foreign/parent company.

As regards the branches of foreign EU companies, online registration of their information and documents for their establishment is provided pursuant to the provisions of articles 38 and 41 of Law 4919/2022 and it is completed within ten (10) business days.

As regards the branches of foreign EU companies, online registration of information and documents of them for their establishment is provided pursuant to the provisions of articles 38 and 41 of Law 4919/2022 and it is completed within ten (10) business days.

In cases where online registration does not apply, the cost of establishment of a branch of a foreign entity in Greece amounts approximately to Euro One Thousand Five Hundred (1,500) excluding legal fees and the incorporation procedure normally takes about one (1) month.

Greek subsidiaries of foreign companies, being legal entities distinct from their parents, are Greek tax resident entities. They are thus established pursuant to the forms of entity organisation available under Greek law and taxed according to the rules that apply to the specific entity type. Branches have the same treatment (rates, tax base) as Greek entities. In that respect, please refer to Chapter XII.

Representative offices (also referred to as “liaison offices”) constitute a type of establishment in Greece, set up by foreign legal entities, principally in order to act as the intermediary between the latter and the Greek market (*e.g.* established for marketing purposes). Representative offices are regulated by Law 89/1967, as amended by Law 4605/2019, they do not have a distinct legal personality and they must be registered with the competent Greek fiscal authorities. Representative offices differ from branches in the sense that they are not allowed to develop any commercial activity. The tax treatment of Representative Offices depends on whether they qualify as a permanent establishment of the foreign investor in Greece. In the event they do, they have the tax treatment of corporations

(*Chapter XII*). Otherwise, they suffer no tax in Greece at all.

J. Trusts and Other Fiduciary Entities

Greece is a civil law country. Therefore, the legal notion of common law trust and of other fiduciary entities is not provided in Greek legislation. Furthermore, Greece is not a signatory of the 1985 Hague Convention on “Trusts and Their Recognition”.

The sole Greek law provision referring to common law trust regime is included in the Greek Inheritance & Gift Tax Code (IGTC art. 17 par. 4) and is associated with the imposition of inheritance tax on non-Greek assets of testamentary trusts.

K. Corporate Transformations

Law 4601\2019 on corporate transformations abolished the numerus clausus applicable on transformations and provided a new, flexible and secure

legal framework permitting mergers, de-mergers, conversions and spin-offs among all legal corporate forms. Recently passed Law 5055/2023 transposed into domestic legislation Directive (EU) 2019/2121 on cross-border conversions, mergers and demergers of capital companies, aiming at systematising the regime of cross-border corporate transformations into a single framework, through the completion of the existing legislative framework (which has until now only concerned cross-border mergers) also with regulations concerning cross-border demergers and conversions of capital companies. Moreover, the provisions of the new law on cross-border conversion constitute henceforth an explicit legal regime for the transfer of seat of a company to another member state, unlike the non-regulated process followed until today.

VIII. Requirements for the Establishment of a Business

A. Alien Business Law

There are no major alien business law restrictions for the exercise of business activities other than the following:

a. Foreign (non-EU) employees must obtain a work permit in order to work in Greece.

b. Real estate property in border areas of Greece may be purchased by foreign entities or individuals only further to prior clearance issued by the competent administrative authority. For a more detailed discussion of the relevant provision, please refer to *Chapter II*, *Section A*.

B. Antitrust Laws

Greek antitrust legislation reflects predominantly EU competition law principles, namely Articles 101 and 102 of the Treaty for the Functioning of the European Union and the respective European merger control rules. The Greek Competition Act (Law 3959/2011, replacing previous Law 703/1977) prohibits certain business agreements whose object or effect is the restriction of free competition (Article 1) as well as the abuse of dominant position (Article 2). The scope of application of such laws extends equally to nationals and non-nationals. The competent national authority monitoring adherence to the national framework is the Hellenic Competition Commission ("HCC").

In early 2022, Law 3959/2011 was amended to, among other things, introduce Article 1A, which provides a new type of infringement and will come into force on 1st July 2022, with the aim of achieving the optimum implementation of its Articles 1 and 2. More specifically, the modernised Greek Competition Act now also prohibits two distinct types of unilateral practices for large enterprises, *i.e.* 1) the invitation to the conclusion of anti-competitive agreements or concerted practices and 2) the announcement of future non-publicly available commercially sensitive information ("price signaling"). Practically, this means that a decision made by a single undertaking will suffice for the HCC to open an investigation and, in case a violation is found, to impose the corresponding measures, including fines.

Moreover, pursuant to the amended Greek Competition Act, the settlement procedure, which was previously applicable only for horizontal agreements (cartels), has been extended to vertical restraints and abuse of dominance, and is also available for the new Article 1A cases. This modification is noteworthy because there is no corresponding formal EU-wide provision.

Notification obligations in the antitrust context are triggered in the event of contemplated concentrations (*i.e.* changes of control on a lasting basis, such as mergers, acquisitions of control etc.) that are likely to raise competition-law concerns. In particular, in order to qualify for notification to the HCC, a concentration must cumulatively:

a. Meet the turnover thresholds specified in Article 6 (1) of Law 3959/2011, *i.e.* the total turnover of the parties to the concentration in

the worldwide market must exceed Euro One Hundred Fifty Million (150,000,000), and at least two of the undertakings concerned must have a turnover exceeding Euro Fifteen Million (15,000,000) each in the national market (it has to be noted that turnover thresholds may differ per sector); and

b. Not be otherwise subject to merger control by the EU commission (one-stop-shop principle), *i.e.* it must not meet the requirement of European dimension relevant thresholds under EU Regulation 139/2004; rather it must only affect the Greek market or a substantial part thereof.

Concentrations meeting the above criteria must be notified to the HCC within thirty (30) days from the date of the relevant "triggering event", such as the conclusion of the agreement giving rise to the concentration.

The modernised Greek Competition Act has introduced the possibility for the involved parties to offer remedies during Phase I merger review in order to round any "serious doubts" raised by the HCC. Previously, this option was available only in Phase II.

Furthermore, the modernised Greek Competition Act provides that, upon request from another Member State's competition authority, the HCC can proceed to all necessary actions to enforce the former's final decision imposing fines adopted in the context of Articles 101 and 102 procedures in case the fined undertaking lacks sufficient resources in that other member state. Also, vice versa, the HCC is entitled to make a corresponding request to a competition authority of another member state.

Last but not least, it is noteworthy that the recent amendments have further clarified and enriThe amended Greek Competition Act has introduced the possibility for the involved parties to offer remedies during Phase I merger review in order to round any "serious doubts" raised by the HCC. Previously, this option was available only after Phase II proceedings were commenced by the HCC.

Furthermore, the amended Greek Competition Act provides that, upon request from another Member State's competition authority, the HCC can proceed to all necessary actions to enforce the former's final decision imposing fines for violations of Articles 101 and 102 procedures in case the fined undertaking lacks sufficient resources in that other member state. Also, vice versa, the HCC is entitled to make a corresponding request to a competition authority of another member state.

Last but not least, it is noteworthy that the recent amendments have further clarified and enriched the HCC's investigative powers.

C. Environmental Regulations

The basic environmental regulations are described above under the heading "Environmental Considerations".

D. Government (administrative) Approvals - Licences/Permits

In 2016, a law of general application, Law 4442/2016 (as in force and amended by Laws 4635/2019, 4711/2020, 4796/2021, 4811/2021, 4849/2021, 4914/2022, 4926/2022, 4974/2022, 5019/2023 and 5025/2023) was enacted in order to address the issue of the complex, fragmented and bureaucratic licensing procedure governing various economic

activities. Under such law, while most economic activities will be freely exercised without the need to obtain an administrative licence or permit, certain activities are subject to specific terms and conditions or in some cases to a prior issuance of a licence. In all cases, the observance of the provisions of the pertinent tax and social security legislation, as well as the registration with the General Commercial Registry ("GEMI"), is required. The full activation of the aforementioned law is subject to the issuance of the secondary legislation/delegated acts (in the form of Ministerial Decisions and Presidential Decrees) which set forth the details necessary for the law to enter into full force (relating, for instance, to the categorisation of activities, to the general terms which will govern the operation of specific categories of activities etc.).

Under said law, certain activities are subject to the observance of specific terms and conditions related to their operation. In such cases, the commencement of operation is subject to a prior notification to the competent authority of certain details for the identity of the interested entity and the type of the activity. In 2017, Ministerial Decision (MD) GG B 1750 was issued providing details with regard to the notification process applicable to tourist accommodation (hotels, fully-furnished apartments to rent etc.). Under said MD, the owner of the tourist accommodation notifies the competent authority of Tourism - the notification is submitted to a special electronic platform- and keeps a record of all required documents at his/her premises (*i.e.* building permit, approval of environmental terms, fire protection certificate, a certificate that a notification has been submitted). At the last stage, on-the-spot inspections by the relevant competent authorities verify that all legal requirements are met and that the business activity operates lawfully. It is noted that, pursuant to the provisions of article 42 of Law 4442/2016, as amended and in force, the simplification of the procedure has been legally provided for the operation of tourist accommodation.

After this notification, the competent authority may investigate at any time whether said activity complies with the pertinent law of the respective sector. In respect of inspections following submission of the notification, Ministerial Decision GG B 2161/2017 provides a detailed framework in respect of health and safety inspections conducted by the competent authorities to certain business activities associated with food processing, production and distribution (*e.g.* bars, restaurants, food and beverage production installations, food packaging installations etc.).

On the other hand, other activities are subject to the prior issuance of a licence. This arrangement covers activities which by their very nature may significantly harm the environment or risk the employees' safety and the mere notification is not deemed as an appropriate measure to mitigate these risks. The licence is to be obtained within a period of sixty (60) days while the lapse of this period amounts to an issuance of the respective licence should the activity be compliant with the pertinent law. For instance, Ministerial Decision GG F 61/5542/72.2018 provides that an operating licence is required for storage and distribution

centres, while Ministerial Decision GG B 1723/2017 stipulates that a preapproval of the administrative authority must be granted in order to certify that a bar, restaurant, theatre or cinema can operate at a specific location.

A limited number of activities are not subject to any means of prior notification or licence and will be freely exercised.

E. Insurance

As a general rule, insurance is not mandatory for the exercise of business activities. However, particular business activities, such as transport, construction and investment services, entail the obligation for professional liability insurance.

There are no state monopolies in insurance.

IX. Operation of the Business

A. Advertising

Are there restrictions on advertising?

Advertising is a highly regulated sector. Restrictions exist, for example, with regard to the content and the object of the advertisement, the medium in which a product may be advertised, as well as with regard to the recipients thereof.

The most important restriction is that, pursuant to the provisions of Article 9 of Law 2251/1994 as it was updated following the implementation of the "Omnibus" EU Directive 2161/2019/EU on the modernisation of Union consumer protection on the protection of consumers, an advertisement may not be unfair or misleading. To determine whether an advertisement is misleading, the criteria to be taken into consideration include, among others, the characteristics of the products or services in question, the price and the terms of the supply of the product. On the other hand, comparative advertisement is acceptable—yet subject to a number of conditions and most importantly that it is not unfair or misleading. A list of hardcore restrictions for misleading, unfair and aggressive commercial practices is set out in the Law.

By virtue of the Code of Conduct that came into force in 2017 for online

advertising, all information regarding the services or the products which are been advertised, must be transparent as regards the identity of the provider, the final price of the product or the service and in plane language for the consumer to understand it. Furthermore, it introduces guidelines with regard to advertising to minors, the most important of which is that the advertising message must not induce minors to acts of violence, use of alcohol, drugs and tobacco products.

In 2023 the new and updated Advertising – Communications Code was issued by the Communication Control Council which is considered as soft law. The Code incorporated various innovative updates with respect to new technologies and advertising practices. Among others, the new code introduces new provisions for the regulation of digital marketing and advertising, which is a form of direct advertising to consumers and it takes place through digital platforms, social media etc. Under the relevant section of the Code, it is set that appropriate respect must be given by the advertisers/marketers/influencers etc. on the terms and conditions as well as codes of conducts of the several review sites, blogs, vlogs, as well as on the sensitivities, social norms, culture and traditions of the targeted public and the users.

Depending on the specific business sector of focus, more specialised provisions could apply with respect to advertising certain products and/or services.

B. Attorneys

Is it necessary to have local counsel?

TThere is no legal requirement for a company to have an attorney in order to operate its business. In practice, however, a local counsel is necessary both regarding the establishment of a business, as well as regarding various issues arising during the regular conduct of business. A party to a dispute before Greek courts must be represented by an attorney licensed to practice law in Greece, unless the dispute is heard before the lowest court for small claims ("*Eirinodikeio*"), where the party may represent itself without legal representation. Even in that case, the court, taking under consideration the particular circumstances, is entitled to order the party to hire an attorney.

How can local counsel be found and how much are attorney's fees?

International clients and foreign investors may find local counsel through international listing publications and the

internet. The local bar associations have lists of registered members, which any client or attorney admitted in another Bar Association may consult.

With regard to attorney's fees, major commercial law firms charge on the basis of hourly rates. However, the majority of single practitioners and especially criminal lawyers either charge on a success fee or on a lump sum basis. Overall, the Code of Lawyers (Law 4194/2013) provides that the rate of attorney's fees is freely determinable between lawyers and clients.

C. Bookkeeping Requirements

Must the investor keep local books of accounts?

A foreign investor is under the obligation to keep local books of accounts, if it performs business activities in Greece with the purpose of realising profit therefrom. For the above obligation to arise for the foreign investor, it suffices that the investor maintains an actual physical professional establishment in Greece, irrespective of whether such establishment amounts to a fiscal permanent establishment. Non-resident entities holding real estate properties in Greece are also required to keep local books and accounts.

The governing statutes of companies with a capital structure (AE, EPE and IKE) detail the bookkeeping obligations of investors with particularity, when such business forms are used (see *Chapter IV*, above). Such companies are subject to both corporate bookkeeping (*i.e.* recording of certain decisions reached by the corporate bodies) as well as accounting bookkeeping requirements. With regards to the latter, it is noted that the law provides for annual compliance obligations involving the publication of certain financial statements, such as the Statement of Financial Position (Balance Sheet), the Income Statement and the Notes which represent the minimum financial statements that should be prepared annually. Additional financial statements may be applicable depending on the size of the company based on relevant quantitative criteria (turnover, total balance value and average employees' number).

A distinct case is that of the fiscal representative for VAT purposes, appointed by non-EU investors that do not maintain any permanent establishment in Greece, however they effect VAT taxable transactions therein. The fiscal representative keeps books and records specifically destined to allow compliance with the respective operator's VAT obligations in Greece. However, it is noted that foreign EU investors that do not maintain a permanent establishment but are only registered in Greece for VAT purposes (direct VAT registration) are not under the obligation to maintain books and records therein.

Additionally, starting from 2021, Greek entities, irrespective of their legal form and size, are obliged to transmit electronically to the Tax Administration the data of fiscal documents issued and accounting books maintained, including information for the tax basis thereof (e-books system). An exemption is provided for specific persons/entities *i.e.* the Holy Monasteries of Mount Athos, Greek State, Regions, Prefectures, Municipalities, Communities, other public domain legal entities for the activities exercised under their capacity as public authority, provided that such transactions are not subject to VAT. Under the e-books system, materialised through the online platform "myDATA", entities upload the data of their fiscal documents and accounting books electronically (in parallel with their current bookkeeping/tax compliance activities) allowing online access to tax authorities and tax audit verification procedures. In this context, the totality of revenue and expenses of the entities are expected to be monitored through myDATA so that both the accounting and tax results are reported in the system. Different formalities apply depending on the applicable transmission method and the types of transactions performed by each entity. The main purpose of the e-books system is to achieve online reporting of transactions in view of real-time transmission of data to the tax authorities' platform. Moreover, the system is expected to contribute to identifying discrepancies through cross-checking procedures on a) the data declared between counterparties and b) the data declared in the tax returns filed by the taxpayers and those reflected in their e-books. It is also expected that such system will facilitate in the future the automatic completion of several tax returns (such as VAT and CIT returns). The above compliance obligation has commenced as of 01.10.2021 for the reporting of revenue data and as of 01.01.2022 for the reporting of expenses' data. In case of non-compliance with the above obligation, article 54H of Law 4987/2022 provides for the relevant sanctions and penalties.

In what form must the investor keep accounts (*e.g.* GAAP, in what language, etc.)?

Accounts are kept in the Greek language and pursuant to the provisions of the Greek Accounting Reporting Standards or the International Financial Reporting Standards method of reporting financial statements (if the company is a public interest entity or has opted for this accounting method – in case of optional adoption, IFRS application is binding for five (5) consecutive fiscal years).

D. Business Ethics/Codes

Are there certain business ethics or codes, which the investor must follow (*e.g.* GAAP for accountants, etc.)?

Different codes of conduct apply to each professional discipline, which investors must take into account accordingly. For example, Presidential Decree 1123/1980 introduces GAAP for accountants, while Law 3148/2003 refers to the incompatibilities and limitations of the activities of accountants.

E. Consumer Protection Laws

Are there consumer protection laws, which apply to the investor's operations?

Greece has a solid consumer protection framework. The principle governing instrument is Law 2251/1994 on the protection of consumers. The law offers particular protection in the fields of product liability and unfair business-to-consumer commercial practices, and regulates among others the general terms of transaction, distance selling, contracts negotiated outside business premises and in online marketplaces, after-sales service and advertisement (see Chapter IX, Section A, above).

In addition, Greece has implemented various EU Directives on consumer protection, such as the Consumer Credit Directive (Directive 2008/48/EC, which

has been implemented into the Greek legal system by virtue of Ministerial Decision Z1-699/2010 and the Directive on Consumer Rights (Directive 83/2011/EU, as amended by Directive 2161/2019), EU Directive 2019/770 on the supply of digital content and digital services and EU Directive 2019/771 on certain aspects concerning contracts for the sale of goods.

As from 09.11.2022, Law 2251/1994 has been revisited and amended in order to reflect the two later EU Directives on the supply of digital content and digital services focusing on the legal and commercial guarantee (*i.e.* Articles 5 & 5A of Law 2251/1994):

It is expressly provided that articles 534 et seq. of the Greek Civil Code are mandatorily applicable in case of sale contracts as well as in any contract for the supply of goods to be manufactured or produced, while any agreement that introduces a deviation from said articles to the detriment of the consumer is invalid, if it was drawn up before the time when the lack of conformity became known to the consumer. However, any concluded agreement that may be in favour of the consumer should be perceived as valid and enforceable. Following the above-mentioned amendment, Article 5A regarding commercial guarantee is also amended, as it is added that the seller must inform consumers about the procedure that they have to follow in order to achieve the application of the commercial guarantee. Moreover, it is mandated that where a producer provides a consumer with a commercial guarantee as to the durability of certain goods for a certain period of time, the producer is directly liable to the consumer, throughout the period of the commercial guarantee as to durability, repair or replacement of the goods in accordance with article 542 of the Civil Code on buyer's rights. Furthermore, para. 1b of article 5A provides that in case the conditions set out in the commercial guarantee statement are less favourable to the consumer than the conditions set out in the respective advertisement of the products, the commercial guarantee is binding under the conditions set out in the said advertisement, unless prior to the conclusion of the sale contract, the relevant advertisement had been corrected in the same or in a similar way as that carried out.

An important note is that consumer law provisions are of a mandatory nature and to the extent that a foreign law is applied in a transaction between a business and a consumer residing in Greece, then Greek protective provisions in favour of the consumer will be applicable irrespective of the law chosen by the parties as applicable (principle of favourability).

F. Construction

What are the costs of construction?

Are permits required for construction and how is authorisation obtained?

How long does it take to receive authorisation to construct and what fees are involved?

Depending on their category, construction works are subject to the issuance of a building permit or a small-scale construction works permit. Authorisation is obtained by applying to the Urban Planning Authority of the municipality where the respective property is located and the procedure is completed though an electronic portal. Certain construction works in existing buildings, such as small-scale renovation works, may not fall under the category of works for which prior issuance of administrative permit is required.

The costs of construction as well as the period of time and the fees necessary for the issuance of a building permit or a small-scale construction works permit vary depending on the type and magnitude of the construction work. Once the works are completed, the competent Urban Planning Authority must verify that the construction works have been performed in compliance with the building permit/small-scale building permit.

G. Contracts

Can the investor freely enter into local contracts?

Greek law recognises the principle of freedom of contract, which means that a person has the freedom to enter into any agreement. An agreement will only be void, if prohibited by law (*e.g.* a contract for the sale of drugs) or if contrary to moral ethics, whereas it will voidable and can therefore be annulled (by virtue of a court decision) if entered into under conditions of misrepresentation, deception or threat, as per articles 140, 147 and 150 of the Greek Civil Code. An investor may therefore enter into any local contract s/he deems appropriate subject to the above restrictions.

Can the law of another country govern the contracts?

The parties to an agreement may determine that the law of another country is applicable in accordance with Greek conflict of laws principles (Article 25 of the Greek Civil Code), unless the application of a foreign law is contrary to morality or to the Greek public order. It is noted that transactions involving real property rights are governed by the law of the country where such assets are situated.

H. Price Controls

Are there applicable price controls?

In general, prices are freely determinable, subject to the general rule of supply and demand. Few exceptions apply currently *e.g.* medicine, the prices of which are regulated and subject to approval by the Ministry of Health.

Pricing at the retail sales level below cost (known as "predatory pricing") is prohibited when the structure of a specific market is jeopardised or the principles of competition and/or the interests of the consumers are substantially distorted. Notably, a number of cases of concerted retail pricing policies have been found by the Hellenic Competition Commission to be in breach of competition legislation.

Due to the COVID-19 pandemic and the inflation in Greece, provisions were in place to combat price profiteering; Under recent Law 5045/2023, it is prohibited for sellers up to 31.12.2023 to have a gross profit from the sale of any product or the provision of any service that is necessary for the health, nutrition, living, transportation and safety of the consumer as well as from the sale of agricultural products and foodstuffs, in particular of raw materials for the production of fertilizers, animal feed, raw cereals, flour, sunflower and vegetable oils, when the margin per unit exceeds the corresponding gross profit margin that the seller had before 31 December 2021.

I. Product Registration

Must the entity register its product? If so, how is registration obtained and how long does the process take?

The need of registration of product depends on the nature of the product and the regulation of the specific market for this product. Some examples of regulated markets are provided below:

Medical or cosmetic products must be registered with the National Organisation for Medicines ("EOF"). The duration of the procedure is longer with regard to medicine for which a permit to circulate must be obtained, and depends on the nature and the properties of the medicine. Other products, such as food supplements need to be notified to EOF, rather than go through a complete registration process. Other products such as tobacco and novel tobacco products also need to be notified with the Ministry of Health according to the EU procedure.

Furthermore, all detergents and cleaning products distributed in the Greek market must be registered with the Detergent and Cleaning Product Register held by the General Chemical State Laboratory (Geniko Chimeio tou Kratous). Other products, such as insect repellents and fertilisers, must be registered with the Ministry of Rural Development and Food. The duration of such procedures is estimated ad hoc but, in general, a company must count with a period of three (3) to six (6) months before the legal placing of its product on the market.

J. Reductions or Return on Capital

Can capital be repatriated while the corporation is still ongoing?

A corporation may reduce its capital and pay the sum of the deduction as refund of capital to its shareholders, after the satisfaction of the creditors of the corporation, provided that the reduced capital meets the minimum capital requirements prescribed by law (if any) and the deduction does not result in the under-capitalisation of the corporation.

K. Sale of Goods

Are there restrictions on the manner, time or place of sale of goods?

A number of regulations provide for the operation schedule of the stores and the places where a number of products may be sold. Medicine, prescription or no-prescription, for example, may only be sold in pharmacies, while cigarettes may not be sold in supermarkets. Food supplements may be only sold in pharmacies and in stores specifically licensed to sell packaged goods (stores of sanitary interest). Acquiring such a licence requires registration of the business with the online system https://notifybusiness.gov.gr/assets/index.html and includes an inspection by the competent authorities of the Prefecture at the premises of the business.

Retail stores and service establishments for consumers may operate from 6:00 to 21:00 from Monday to Saturday inclusive, excluding public holidays, and it is provided that the following shops may operate at all hours of the day and on all days of the week (24h operation):

a. catering establishments of any kind;
b. canteens, off-licences, retail shops for nuts, all-day mini markets;
c. photography studios;
d. entertainment service establishments of any kind;
e. hotels;
f. pastry shops, dairy shops and similar shops;
g. flower shops;
h. petrol stations;
i. kiosks;
j. shops and establishments operating in the premises of the Central Markets.

The opening hours of certain shops operating on Sundays are fixed from 11:00 to 20:00.

L. Trade Associations

Are there trade associations the investor can or must join? If so, are there fees involved?

An investor pursuing commercial activities may register with the local Chamber of Commerce (*e.g.* the Athens Chamber of Commerce and Industry) for a moderate fee.

X. Cessation or Termination of Business

A. Termination

Can the business be terminated without government approval or intervention and what are the obligations towards creditors, employees and others upon termination?

A legal entity may at any time and at its shareholders'/partners' discretion, following adoption of a relevant resolution, terminate its business and enter a liquidation procedure, which will result in the payment of all of the entity's outstanding debts to creditors and employees of the business and the distribution of the remaining assets to its shareholders/partners. The relevant corporate resolution, appointing also one or more liquidators who will undertake the liquidation of the entity's assets, is filled with the corporate registry and is publicly available; thereafter, the liquidation process commences, which, depending on the type of the specific entity, follows certain procedures prescribed under mandatory provisions of law.

Termination costs and timeframes are determined ad hoc, depending on the type of the business entity involved, the nature of its business and the total of its assets and liabilities at the time of termination.

What are the tax consequences of terminating the business?

The termination of a business brings forth no specific tax consequences. Income tax returns need to be filed both for the last fiscal period of operations which ends upon the commencement of liquidation and for the fiscal period of the liquidation. In case that the liquidation period lasts more than twelve (12) months a tax return has to be filed annually and a final tax return upon completion of liquidation for the whole period thereof. From a VAT perspective, an obligation for filing of periodical VAT returns and payment of any VAT due applies throughout the liquidation period. It should be mentioned that termination of a business is not linked to a tax audit. That implies that a tax audit, meant to audit the unaudited years, may as well take place after the entity has terminated its business activity.

B. Insolvency/Bankruptcy

What is the extent of the investor's liability in the event of insolvency or bankruptcy?

Under the Greek Insolvency Code (Law 4738/2020), bankruptcy may be declared following a court decision when a debtor (being either a natural person or a private legal entity with an economic object) is in cessation of payments, *i.e.* when such debtor is unable to fulfil its/his/her overdue financial obligations in a general and permanent way (*cessation of payments*) or when the debtor foresees an imminent inability to fulfil its/his/her financial obligations when they become due and payable and requests to be declared bankrupt (*threatened cessation of payments*).

In cases of bankruptcy of legal entities, the investor's (meaning the shareholder or the partner of such entity) civil liability for the bankrupt's entity debts depends on the company type of the bankrupt entity. Namely, and in principle, the autonomous legal personality of companies with a capital structure and liability limited by shares (*i.e. societes anonymes* - **SAs**, limited liability companies - **EPEs** and private companies - **IKEs**) and the distinction of their assets and liabilities from the assets and liabilities of their shareholders is a well-established principle in Greek law. As a result of the above principles, shareholders may not be held liable and their personal assets

are shielded against insolvency, tort, and contractual claims of creditors of the company.

However, the doctrine of piercing the corporate veil *i.e.* the possibility to reach the shareholders or partners of a company with a capital structure in order to obtain relief has been endorsed in a very small number of instances by the case law of the Supreme Court of Greece ("*Areios Pagos*"), especially in maritime law cases.

This is not the case however (*i.e.* distinction of the company's assets and liabilities from the assets and liabilities of its shareholders/partners) for personal company types, namely of OEs (in Greek "*ομόρρυθμη εταιρεία*") and EEs (in Greek "*ετερρόρυθμη εταιρεία*") where the partner of such companies is liable also with his/her personal estate for the debts of the bankrupt entity.

By way of exception to what has been mentioned above for companies with an autonomous legal personality (SAs, EPEs and IKEs), there are certain exceptions constructed under the Greek Insolvency Code where an investor might be found liable for compensating the company's debtors. More specifically:

a. If the investor exercised influence on the board members and as a consequence, the board members did not file for bankruptcy in a timely manner (*i.e.* within thirty (30) days from the cessation of payments). In this case, the investor is liable for the actual loss or loss of profit suffered by creditors as a result of any deterioration of the bankruptcy dividend which has occurred due to such delay and for debts accrued from the 31st day following cessation of payments and until the filing for bankruptcy, provided that they have acted under wilful misconduct or gross negligence. The liability of the aforementioned persons is joint and several and the relevant lawsuit is filed by the bankruptcy trustee on behalf of the creditors (art. 127 paras. 1 & 2).

b. If the investor exercised influence on the board members and as a consequence, the board members proceeded with or omitted actions that lead the company to cessation of payments. In this case, the investor can be held jointly liable with the bankrupt entity for compensating the company's debtors for any damaged caused (art. 127 par. 4)..

What choices, if any, are available to the investor with regard to the restructuring of the business?

With regard to the restructuring of a business, the Greek Insolvency Code provides for two possible procedures:

a. The Out-of-Court Work Out Mechanism ("OCW") (art. 5 et seq. of the Greek Insolvency Code):

The OCW is available to any natural or legal[4] person for his/her/its extrajudicial settlement of debts against, solely, financial institutions and the Greek State (including social security funds). The aim of the mechanism is to avoid the risk of the debtor's future insolvency. The basic condition enabling the use of the mechanism is that the debts to be settled via the mechanism must exceed the amount of Euro 10,000.

The OCW is also available for debtors with debts that are not yet due and payable; however, such debtors must provide evidence showing that their financial situation has deteriorated by at least 20%.

The application is submitted electronically by the debtor before the Special Secretariat of Private Debt Management via a special electronic platform available on the latter's official website. However, creditors entitled to participate in the procedure can initiate the procedure by inviting the debtor to submit the aforementioned application for the extrajudicial settlement within forty five (45) days.

After submitting the aforementioned application, the participating financial institution creditors can either reject the debtor's application or submit a proposal for the debt settlement. If the proposal is accepted by a majority of 60% of the participating financial institution creditors and at least by a 40% of the participating creditors with a special privilege, a restructuring agreement is signed between the consenting creditors and the debtor. The restructuring agreement must be signed within two (2) months from the date of submission of the application.

Once the restructuring agreement has been approved by the financial institutions and the debtor, it is then notified to the State and the social security funds through the dedicated electronic platform and, provided certain monetary and other conditions are met, the agreement is obligatorily and automatically accepted by the State. If such conditions are not met, the Greek State can still consent to the agreement, to the extent the conditions prescribed under art. 14 par. 1 and 22 of the Greek Insolvency Code are still met.

The parties may decide freely on the terms of the restructuring agreement subject to certain restrictions, the most important of which are:

i. the non-consenting creditors must be no worse off under the out-of-court settlement than what they would have been if the debtor's assets were liquidated through the enforcement procedure of the Code of Civil Procedure; and
ii. certain restrictions regarding the write-off and/or settlement of the claims of the Greek State and the social security funds.

Upon the conclusion of the restructuring agreement, creditors are bound by it (including dissenting creditors[5]) and acceleration of enforcement measures is prohibited while all individual and collective enforcement actions, pending or not, for claims settled under the restructuring agreement, are automatically suspended for the entire duration of the restructuring agreement and provided the debtor does not breach the agreement.

Finally, to be noted that certain tax and other incentives are provided under the law, such as exemption of stamp duty and indirect taxes of transfers or other transactions realised within the context of implementing a restructuring agreement, etc. while any assets transferred, are transferred free of liens and encumbrances.

4 Excluding investment services providers, UCITs AIFs, credit and financial institutions and insurance/reinsurance companies.

5 Provided in any case that (a) they are not brought in a worse financial position than the one they would have been in case of the debtor's bankruptcy, and (b) non-consenting creditors who have a right *in rem* over an asset or are assignees of claims, especially in the context of a leasing or factoring agreement and have the right to satisfy their claims against the debtor from these assets, are not obliged to receive smaller amounts than the amounts they would have received or will receive by exercising their rights in relation to these assets.

b. Rehabilitation (articles 31 et seq. of the Greek Insolvency Code):

Rehabilitation is a collective pre-bankruptcy procedure that aims to maintain, restructure and rehabilitate the debtor's business. The procedure requires the involvement of a court as the rehabilitation agreement, to be concluded between the debtor and the creditors, must be ratified by the competent court. However, the court's involvement is limited, in the sense that the court is called to ratify a pre-pack agreement which has been formulated between the debtor and the creditors out of court.

The procedure is available only for persons who exercise a business activity and who either have a possibility of insolvency, which can be lifted through this procedure, or are in a present or threatened inability to fulfil their overdue liabilities in a general manner.

The principle of non-deterioration of creditors' position is a basic condition for the ratification of the rehabilitation agreement by the court, *i.e.* the rehabilitation agreement should (a) not bring any non-consenting creditor, or a creditor whose consent is presumed by virtue of law, in a worse financial position than the one it would have been in case of debtor's bankruptcy, and (b) not result in any of the non-consenting creditors who has a right in rem over an asset or is an assignee of a claim, and especially in the context of a leasing or factoring agreement and who has the right to satisfy his/her/its claims against the debtor from these assets, to be obliged to receive smaller amounts than the amounts he/she/it would have received or will receive by exercising his/her/its rights in relation to these assets.

The right to file an application for ratification of the rehabilitation agreement before the court is primarily provided to the debtor. However, the creditors themselves may also apply for the ratification without the debtor's collaboration, provided that the debtor is already in cessation of payments.

The rehabilitation agreement is ratified by the court if the debtor and affected creditors representing more than 50% of claims with a special privilege and more than 50% of other claims, provide their consent. A rehabilitation agreement concluded only between creditors can also be ratified, provided the above percentages have been met and the debtor is already in cessation of payments.

If the aforementioned majorities of one of the two categories of creditors are not gathered, the law provides that, nevertheless, the rehabilitation agreement may be ratified and bind also the dissenting category ("*cross-class cram-down*") if, cumulatively, (a) it has been approved by creditors representing more than 60% of the total claims against the debtor and more than 50% of the claims with a special privilege, and (b) the dissenting creditors are treated more favourably in relation to any creditor whose claim has a minor repayment priority, and (c) no affected creditor category may receive a value exceeding its total claim against the debtor; and (d) especially in connection with very small businesses, the agreement was proposed by the debtor.

The rehabilitation agreement is in principle a settlement agreement, with no mandatory minimum content, whereas the parties may freely negotiate and agree on its terms, provided that it does not affect (a) credits secured through a financial security agreement, to the extent these are satisfied by said security, unless the security beneficiary agrees otherwise, (b) acquired rights to occupational pensions, and (c) the right to collective bargaining and labour mobilisation of employees, the right to information and consultation of employees (Directives 2002/14/EC and 2009/38/EC) and the rights of employees guaranteed by Directives 98/59/EC (collective redundancies), 2001/23/EC (safeguarding of employees' rights in case of transfers of undertakings or businesses or parts thereof) and 2008/94/EC (protection in case of insolvency of the employer).

Upon ratification, the rehabilitation agreement is binding upon all creditors, including any dissenting and non participating creditors.

From the submission of the application for the ratification of the rehabilitation agreement and until the issuance of the relevant court decision, any individual or collective enforcement action against the debtor is automatically suspended for a period of four (4) months which can be extended to reach a maximum of twelve (12) months. Additionally, certain other restrictions are automatically imposed affecting the debtor and its creditors (*e.g.* set-off is forbidden, etc.).

A moratorium may be imposed even before the submission of the application for the ratification of the rehabilitation agreement, following an application by the debtor or a creditor provided that (a) the applicant files a written declaration of creditors representing at least 20% of claims, stating that they are part of the negotiation process with the aim to reach to an agreement, and (b) there is an urgent situation or an imminent danger. Such moratorium is valid until the application for the ratification of the rehabilitation agreement and up to a period of four (4) months which can be extended to a maximum period of six (6) months. To be noted that such pre-filing moratorium is not imposed automatically but through a relevant court decision, while the relevant restrictions should be explicitly mentioned therein.

Finally, to be noted that certain tax and other incentives are provided under the law, such as exemption of stamp duty and indirect taxes of transfers or other transactions realised within the context of implementing a restructuring agreement, etc. while any assets transferred, are transferred free of liens and encumbrances, etc.

XI. Labour Legislation, Relation and Supply

A. Employer/Employee Relations

What laws govern employer/employee relations?

The employment relationship is essentially a contractual one, and thus it is basically subject to the contractual arrangements between the parties. However, due to the element of subordination of one party to the other, it is highly regulated to safeguard the weaker party's (*i.e.* the employee's) rights. Protection of the employee pervades Greek employment law and its judicial interpretation and application.

Greece recently adopted a unified Labour Code in the form of a Presidential Decree (P.D. 80/2022). The Code includes only the provisions for individual employment relations, however the separate provisions incorporated in the Code remain in force and supersede the Code's provisions in case of discrepancies. A separate code with the provisions of collective labour law is expected to be issued. Other sources of employment law is the Greek Constitution, the Greek Civil Code and collective labour agreements, while various matters are regulated by an extensive corpus of case law.

B. Employment Regulations

1. Minimum Salaries

Pursuant to legislation enacted in 2012 and 2013 minimum salaries are determined by the State (unless a collective labour agreement covers the employment relationship). Collective Labour Agreements can be entered into a company, professional or sectoral level or they can cover all employees in the country (National General Collective Labour Agreement). The National General Collective Labour Agreement, however, no longer stipulates the minimum salaries, as used to be the case under the previous legal frameworks, but it can set only other non-monetary terms. The currently applicable statutory minimum wage is set at Euro seven hundred eighty(780€) per month and Euro thirty-four point eighty-four (34.84€) per day.

2. Maximum working hours

Under Greek law the maximum working time for employees who work under a five (5)-day working week is forty (40) hours per week and eight (8) hours per day. The working schedule and any changes thereof must in principle be notified electronically to the labour authorities within specific deadlines provided in the law.

The provision of work above the forty (40)-hour limit and up to forty-five (45) hours per week constitutes overwork. Under the current legal framework overwork must be compensated with the employee's contractual hourly wage increased by 20%.

Work above the limit of forty-five (45) hours per week or nine (9) hours per day constitutes overtime and is allowed only on an exceptional and short-term basis (*e.g.* unexpected workload). Under the general legal framework, overtime work is allowed for a maximum of three (3) hours per day and one hundred fifty (150) hours per year. Overtime is compensated with an increase ranging from 40% to 120%.

Under the current legal framework, the employer is obliged to notify the authorities about the conduct of overtime at the latest on the effective date and in any case before the commencement of such overtime, unless the employer has implemented the Digital Work Card system in which case no notification is required.

3. Vacation/Sick days

The annual leave entitlement under a five (5)-day working schedule provided by law ranges from twenty (20) to twenty six (26) days, depending on the years of service. The accrual of annual leave during the first and second calendar years of employment is proportionate to the employee's period of service. From the third calendar year onwards, the employee is entitled to the full year entitlement as of 1st January.

The breakdown and period of granting of annual leave are subject to specific rules provided by law. The carrying over of any remaining days of leave to the following year is permitted until 31st March. Failure by the employer to grant the full annual leave by 31st March of the next calendar year entitles the employee to compensation equal to 100% of the corresponding leave wages if the failure was attributable to the employee or 200% if it was attributable to the employer.

Employees who are prevented from working due to serious reasons (including illness), for which they cannot be held responsible, are entitled to their normal remuneration during the period of absence on condition, that they have been providing their services to the employer for at least ten (10) days before their illness. This entitlement does not last for the entire period of the employee's absence but ranges from fifteen (15) days to one (1) month depending on the employee's length of service with the employer. The employer has the right to deduct from the amount payable to the employee any amounts which the latter received from the social security authorities.

C. Hiring and Firing Requirements

Types of employment contract – termination requirements

There are two main types of employment contracts: contracts of indefinite term and contracts of fixed term. The two contractual types differ as regards to:

a. **Their term;**

b. **The nature of the employment involved:** fixed-term contracts involve employment of a limited/short-term nature, whereas indefinite-term contracts involve employment of a continuous nature. The first type of employment attempts to address short-term needs of the employer, while the second type attempts to address continuous needs;

c. **The requirements for their termination:** The termination of indefinite-term employment contracts by the employer requires service of a written termination letter to the employee and payment of the minimum severance indemnity provided by law (which is calculated on the employee's length of service and monthly remuneration). The law does not require the service of a prior notice of termination to the

employee unless agreed between the parties. Nevertheless, if the employer gives to the employee the "lawful notice", *i.e.* a minimum period of notice set by law on the basis of the employee's length of service, the employee is entitled to half (½) of the minimum severance indemnity which applies to termination without prior notice. In case of resignation the employee is obliged to give to the employer notice which is equal to half (½) of the lawful notice which applies to the employer capped at two (2) months.

The employer is not obliged by law to state the reasons for the termination in the termination letter. However, according to the Greek courts, the termination may be declared "abusive" or "unfair" (*i.e.* void) if the employer is not able to prove a reason that could objectively justify it. In line with the abovementioned jurisprudence of the Greek courts, Law 4808/2021 introduced a list of prohibited reasons for termination, including termination on discrimination grounds, vindictive termination following the exercise by the employee of his/her lawful rights and termination that is contrary to applicable legislation (such as collective dismissals, termination of pregnant employees or union officials, in cases of harassment, during the employee's annual leave etc.). Finally, in the case of redundancy, the employer is obliged to follow certain additional requirements such as the legislation on mass redundancies, the application of specific selection criteria etc.

Employment contracts of fixed term expire automatically upon their agreed expiry date without payment of severance indemnity. However, early termination of such contracts is possible only for "serious cause", which in practice is very difficult to establish. In case of termination for serious cause no severance or other indemnity is due to the other party. If the fixed term duration is not justified by the circumstances and the needs of the employer, the contract can be automatically converted into one of indefinite term (especially in case of consecutive renewals).

Upon the execution of an indefinite-term employment contract, the parties can agree to a probation period up to 6 months. Recent Law 5053/2023 also introduce the possibility to agree a probation period in fixed-term contracts, provided this does not exceed 1/4 of the total duration of the contract and a maximum of 6 months.

The execution of a written employment contract is not obligatory under Greek law. However, the employer is required to inform the employee in writing about the essential terms of their employment within 1 week or 1 month from the commencement of employment, depending on the specific type of information. In any case, the conclusion of an employment contract is advisable as it allows the parties to regulate their employment relationship more effectively, in compliance of course with the applicable legal framework.

D. Health and Safety Standards

According to Greek law on health and safety, the main obligations of the employer can be summarised as follows:

- Take all necessary measures for the protection of the health and safety of employees or other persons physically present at the workplace
- Implement the instructions of the labour inspectors on health and safety issues and assist them in their work
- Inform the employees about all risks associated with their work
- Encourage the training of employees on health and safety issues
- Set out a schedule of precautionary action and improvement of the working conditions
- Appoint and train the employees responsible for the application of measures concerning first aid, fire security and evacuation of the workplace
- Obtain a written risk assessment report regarding the health and safety of employees
- Use the services of a Safety Technician regardless of the number of personnel and the services of a Work Doctor if they have at least fifty (50) employees.
- Take all necessary measures against violence and harassment at work; companies with more than twenty (20) employees are obliged to adopt a policy against violence and harassment at work and a policy regarding the reporting and handling of internal complaints (which can be part of the same anti-harassment policy).

Non-compliance with the above-mentioned health and safety regulations may result in administrative and criminal sanctions.

E. Unions

The right to form trade unions is recognised by the Greek Constitution. It is further protected, safeguarded and regulated through various statutory provisions. Such provisions aim to protect the union rights of employees such as the right to strike and the right to enter into collective bargaining.

Trade unions are divided as per profession/specialty, as per market sector and as per company. Professional unions are those covering employees of the same profession (*e.g.* engineers); sectoral unions are the ones covering employees who work in a certain market sector (*e.g.* banking); and company unions are unions covering employees of a specific company.

XII. Tax on Corporations

A. Allowances

What are the major allowances (*e.g.* capital cost depreciation)?

In principle, all expenses are deductible, provided that they serve the business purpose of a taxpayer or are incurred in the ordinary course of a corporation's trade/business activity. In addition thereto, an incentive is provided to enterprises involved in Research & Development ("R&D"), which are entitled to deduct 200% (previously 130%) of scientific and technological research expenses under certain conditions, while an allowance is granted to account for the depreciation of a corporation's assets.

More specifically, deductible expenses must fulfil the following criteria:

- The expenses incurred must serve the business purposes of the enterprise or be incurred in the ordinary course of the enterprise's trade.
- They must correspond to an actual transaction and the value of the transaction should not be deemed to be below or above the market value on the basis of the information available to the Tax Authorities.
- They must be properly recorded in the company's books and supported by all necessary documentation in line with the law.

Expenses related to CSR activities are now explicitly classified as expenses incurred in the interest of the company.

What are the major deductible items?

There is no exhaustive listing of deductible business expenses in Greek Corporate Income Tax Code. In principle, all business expenses are deductible to the extent they fulfil the criteria set by the law. Notwithstanding the above, from 01.01.2014 onwards, the Corporate Income Tax Code exempts certain non-deductible expenses, which are referred in the *next section*.

Depreciation is compulsory and must be performed annually. For tax periods as of 01.01.2014, the previously long list of depreciation rates is cut down into a few basic categories. The Law provides for the obligatory depreciation of tangible and intangible assets under a common "regular" depreciation rate method and the applicable depreciation rates are merged into seventeen basic categories applicable for all industries. By derogation to the main rule, depreciation of intangibles may be performed on the basis of their contractual duration. Depreciation is performed by the owner of an enterprise's assets and with respect to assets under financial leasing or other similar arrangements by the lessee. Said rule is effective from fiscal year 2014 for leases concluded from 01.01.2014, whereas for leases concluded prior to that date, depreciation may be deducted by the lessee from 01.01.2019.

What are the major expenses that are excluded from deductibility?

As from 01.01.2014 the Income Tax Code provides for a limited list of non-deductible expenses. This includes the following:

- Interest on loans, other than interest on loans by banks, microfinance, interbank loans or bonds issued by

corporations - exceeding statistical thresholds set by the Bank of Greece.

- Any payment for the supply of goods and services exceeding Euro Five Hundred (500), if not performed through banks.
- Unpaid social security contributions.
- Provisions except for bad provisions that are formed in line with the thresholds set in the Income Tax Code.
- Penalties and fines, including surcharges.
- Provision or receipt of remuneration in cash or in kind constituting criminal offence.
- Income Taxes, including entrepreneur's duty and special contributions, levied on business income, according to Income Tax Code, as well as VAT which corresponds to non-deductible expenses, provided that is not deductible as input VAT.
- The imputed rent in case of owned premises to the extent that it exceeds 3% on the objective value of the property.
- Expenses for the organisation and conduction of informative conferences and meetings, which concern feeding and accommodation of customers or employees to the extent that they exceed the amount of Euro Three Hundred (300) per participant and to the extent that the total annual expense exceeds half per cent (0.5%) of the annual gross income of an enterprise.
- Expenses regarding the conduction of celebratory events, feeding and accommodation of guests to the extent that they exceed the amount of Euro Three Hundred (300) per participant and to the extent that the total annual expense exceeds 0.5% of the annual gross income of an enterprise.
- Entertainment expenses, unless the main business activity of the taxpayer pertains to provision of entertainment services and those expenses are incurred in the context of the business activity.
- Personal consumption expenses.
- All expenses paid to entities tax residents in non-cooperating countries and in countries with preferential tax regimes, unless the taxpayer proves that they pertain to real and usual transactions and they do not result in shifting profits, income or capital aiming at tax avoidance or evasion.
- Any payment of rent, if not performed through banks..

Pursuant to the earnings-stripping amended in light of the EU ATAD, exceeding borrowing costs, which is the amount by which deductible borrowing costs of a company exceed taxable interest revenue and other economically equivalent taxable revenue is limited to 30% of EBITDA ("Earnings Before Interest, Taxes, Depreciation, and Amortisation").

Said limitation applies only if exceeding borrowing costs amount to more than Euro Three Million (3,000,000)/ per year. The interest expenses which are disallowed can be carried forward indefinitely, whereas several types of financial undertakings such as credit institutions, insurance companies, and specific institutions for occupational retirement are exempt from such

rules. Greece has not excluded standalone companies from the scope of the rule (*i.e.* companies not being part of a consolidated group and with no associated enterprise or permanent establishment).

Companies which are part of consolidated groups as per Greek GAAP may deduct all their exceeding borrowing costs, where the ratio between their share capital and total assets is equal to or higher or lower by no more than 2% from the group ratio, provided that the method of valuation of all assets and liabilities is the same as in the consolidated financial statements. These companies can also deduct exceeding borrowing costs up to the amount arising from application to their EBITDA of the group ratio of exceeding borrowing costs (in respect of lending from third parties) over group EBITDA.

No expenses are deducible to the extent they relate to tax exempt income (*i.e.* dividend income).

B. Calculation of Taxes

How is the taxable base determined?

GGreek corporations are subject to income tax on their worldwide annual income. Foreign entities are taxable in Greece only on their Greek-source income earned through a permanent establishment. The Income Tax Code provides for a definition of a permanent establishment which is in line with the OECD Model convention. It is noted that treaties for the avoidance of double taxation between Greece and other countries may vary in their definition of a permanent establishment and taxation of foreign residents. Foreign entities are also subject to withholding tax for Greek source interest, royalties and dividends in case that the payee of such income is an entity liable to withhold tax (*e.g.* a corporation or entrepreneur carrying business activities in Greece).

Generally, taxable income equals to accounting profits following adjustments for intercompany dividends and capital gains from transfer of shares in qualifying EU-based subsidiaries that are exempt based on the participation exemption regime as well as following adjustments for non-deductible expenses (see above XII A). The scope of said participation exemption regime covers dividends earned by any Greek resident legal entity or branch and distributed by any qualified subsidiary provided that specific requirements are met. Qualified subsidiaries are those that fulfil the following criteria: minimum holding period of twenty-four (24) months and minimum participation in the distributing entity's capital, shares or voting rights 10%, whereas it is possible to receive tax exempt distribution before lapse of said minimum required holding period, upon providing (bank) guarantee equal to the amount of the tax exemption.

C. Capital Gains

What are the federal or national tax rates on capital gains?

Capital gains (difference between the acquisition value and the transfer value) derived by corporations are taxed as normal business income, except for certain transactions for which gains may be deferred in certain cases (*e.g.* corporate restructurings). Therefore, with regard to corporations any capital gain is taxable at the corporate income tax rate (22% for fiscal year 2021 onwards, except for credit institutions subject to the regime regarding the voluntary

conversion of deferred tax assets to deferred tax claims against the Greek State, which remain taxable at a rate of 29% for the relevant years) as part of the annual income tax liability.

Greece has recently introduced a participation exemption framework. As per the relevant provision, applicable to income generated as of 01.01.2020, a Greek legal entity is exempt from tax on capital gains arising from the disposal of shares in a legal entity which is a tax resident of an EU member state, insofar as the transferring entity holds at least 10% participation for a minimum holding period of twenty-four (24) months. The capital gain is not taxed upon distribution or capitalisation. As per the transitional provision, losses arising from the transfer of shares realised until 31.12.2024 shall be recognised for tax purposes after 01.01.2020 under the conditions analysed below in *Chapter XII*, *Section M*.

Greece also transposed a set of rules provided under the EU Anti-Tax Avoidance Directive in relation to exit taxation (art. 5 ATAD). Pursuant to the relevant provisions, an exit tax liability shall in principle arise over unrealised gains upon the transfer of assets between a permanent establishment (PE) and its head office, the transfer of tax residence of a company or entity or the transfer of activities of a PE, towards an EU member state or third country. The taxpayer shall be subject to corporate income tax on the amount of such gains calculated as per the market value of the transferred assets, as at the time of exit, less their value for tax purposes. The tax rate to be applied shall be the one applicable to business profits as at the FY of the exit. A relevant exit tax return shall be filed three (3) days in advance of the transfer; the whole amount of the exit tax shall become due and payable on the basis of the exit tax return, unless deferral is granted for cases of transfer towards EU or EEA member states. The deferral shall entail the payment of the amount over five (5) interest-free instalments, and Greek tax authorities may request for a guarantee as a condition for granting the deferral, in cases of demonstrable and actual risk of non-recovery. The rules shall apply to any transfer realised from 01.01.2020 onwards.

As regards individuals, please refer to *Chapter XIII*, *Section C*.

D. Filing and Payment Requirements

The corporation must file its tax return using the web-platform of the Ministry of Finance by the last day of the sixth month that follows the end of the year of assessment in the course of which tax liability arises.

The arising income tax liability must be paid off in six (6) equal monthly instalments; the first one thereof must be settled following the filing of the tax return. The other five (5) instalments must be remitted by the last working day of the seven (7) months following that in the course of which the tax return was filed, which cannot extend beyond the same tax year. Especially with respect to income tax of fiscal year 2021, the amount assessed must be paid off in eight monthly instalments.

Each year there is also a requirement to pay preliminary income tax for the upcoming year. This preliminary tax is 80% of the CIT due on the specific year for legal corporations and legal entities, and 100% for banks and branches of foreign banks. The prepayment of corporate income tax for partnerships, civil for-profit, non-profit entities and

consortia of partnerships will be also assessed at the rate of 80% (as applicable for corporations). The preliminary tax is assessed at a reduced rate for new taxpayers (and for the three (3) first years of their company's operation), whereas a special reduction of prepayment has been provided for taxpayers who have seen reduced turnover due to the Covid-19 pandemic.

Greek law also provides for certain other reporting formalities with regard to intercompany transactions. From 2014 onwards, the Greek Income Tax Code explicitly refers to the OECD Transfer Pricing Guidelines for intercompany transactions, applying the Arm's Length Principle in transactions amongst associated enterprises. In addition, taxpayers engaged in transactions with associated enterprises are required to document such transfer prices, by preparing a complete and standardised transfer pricing file. The minimum required content of this file is similar to the "masterfile" or the "country-specific documentation" provided in the Code of Conduct on transfer pricing documentation for associated enterprises in the European Union ("EU TPD") depending on whether the Greek company is the parent or subsidiary of the group.

Particularly, however, in the case of a local entity having an annual turnover not exceeding Euro Five Million (5,000,000), controlled transactions shall be subject to transfer pricing documentation, as long as their volume exceeds the amount of Euro One Hundred Thousand (100,000), per annum. Said threshold is increased to Euro Two Hundred Thousand (200,000) with respect to local entities having a total annual turnover above Euro Five Million (5,000,000). The scope of transfer pricing documentation requirements is extended so as to cover a Summary Information Table (the "Summary Information Table"), summarising the key features of controlled transactions performed during each fiscal year, in addition to the transfer pricing file, which consists of the group Master and Local file. The Summary Information Table should be submitted electronically to the relevant Directorate of the Greek Ministry of Finance by the deadline for submitting the company's corporate tax return. In the event of a tax audit, the local transfer pricing file should be submitted in Greek, within thirty (30) days of receipt of a relevant request.

During 2017, Greece introduced the automatic exchange of CbC reports amongst EU member states, as well as amongst the signatories of the "Multilateral Competent Authority Agreement on the Exchange of CbC Reports", while a relevant bilateral agreement was also concluded with the US. CbC reporting obligations, effective for fiscal years starting on or after 01.01.2016, apply for MNE groups with an annual consolidated turnover exceeding the amount of Euro Seven Hundred Fifty Million (750,000,000).

Violations of transfer pricing compliance obligations trigger the following penalties:

- Delayed reporting or inaccurate reporting of controlled transactions through the Summary Information Table is sanctioned by a fine equal to 1/1000 over the total value of the intercompany transactions. The fine in question may not be less than Euro Five Hundred (500) or more than Euro Two Thousand (2,000). In the case of inaccuracy, the penalty is imposed only if the inaccuracy impacts more than 10% of the total value of the reported I/C transactions
- Amendments in the initial Summary Information Table are not sanctioned to the extent that the amendments do not impact the value of I/C transactions (*e.g.* change of the descriptive information etc.). For amendments exceeding Euro Two Hundred Thousand (200,000), the fine in question may not be less than Euro Five Hundred (500) or more than Euro Two Thousand (2,000)
- In the case of non-filing of the Summary Information Table, the applicable penalty rate is 0.1% over the total value of the intercompany transactions. In this case, minimum and maximum penalty ranges between Euro Two Thousand and Five Hundred (2,500) and Euro Ten Thousand (10,000)
- In the case of delayed submission of the TP file to the tax auditors, the relevant fine may not be less than Euro Five Thousand (5,000) or more than Euro Twenty Thousand (20,000), depending on the extent of the delay, while the fine for not submitting the TP files to tax auditors is Euro Twenty Thousand (20,000)
- Provided that a Greek entity is required to file a CbC report in Greece, a penalty of Euro Twenty Thousand (20,000) shall be imposed in the case of non-filing, whereas a penalty of Euro Ten Thousand (10,000) shall be imposed in cases of inaccurate or late filing.

Pursuant to recently enacted legislation, Greek Tax Administration has provided a procedural framework necessary for the application of MAP procedures, which had been stagnating for long periods. Also, Greece recently transposed Council Directive (EU) 2017/1852 on tax dispute resolution mechanisms in the European Union.

It should be noted that Greece had transposed into Greek law Directive 2011/16/EU (commonly referred to as DAC) which has established procedures for the administrative cooperation between EU member states in the field of taxation. Since its adoption, said Directive has been amended several times to introduce obligations such as reporting followed by information exchange between EU member states' tax authorities of financial account information (DAC2), cross-border arrangements (DAC6) etc., all transposed into Greek law. Law 5047/2023, published on 7 September transposes the most recent amendments under Directive 2021/514/EU concerning among others the establishment of joint audits and the imposition of obligations to platform operators for the provision of information which is necessary for capturing the taxable base.

E. Miscellaneous Taxes Due

Is there a tax on capital?

By virtue of Law 1676/1986, implementing Directive 69/335/EEC, and as recently amended, a special tax of 0.5% is imposed on capital accumulation, *i.e.* on the share capital accumulated upon capital increase or capital contribution in kind in any form of legal entity. When these transactions are effected by an AE, a special duty of 0.1% is to be paid additionally in favour of the Greek Competition Committee. Moreover, capital accumulation tax is imposed upon provision by non-EU entities of fixed or working capital to their Greek branches as well as in the case of the transfer of

the real or statutory seat of non-EU companies to Greece. The Supreme Administrative Court has recently confirmed that capital accumulation tax is not due upon contributions of share premiums, so long as the relevant amounts are not drawn to the nominal share capital. Recently tax authorities have made this, subject to application of anti-avoidance rules under certain circumstances. It is to be noted that under a legislative amendment introduced by virtue of Law 4254/2014, as of 2014 capital accumulation tax is not imposed upon establishment of the companies which are subject to such tax.

There are also annual property taxes imposed on property rights on real estate located in Greece, *i.e.* the ENFIA and the Special Real Estate Tax.

As from 01.01.2014, a Unified Real Estate Tax ("ENFIA") applies to individuals and legal entities holding Greek real estate property rights. In March 2022 a new law has been enacted introducing significant changes related to ENFIA, impacting mainly private individuals.

As regards the previous ENFIA regime, it has remained unchanged; namely it comprises of two components: the main and the supplementary tax. In particular, the main tax applies to each property separately and is calculated based on a formula which varies depending on the type of the real estate asset, *i.e.* building, land in areas within (or outside of) city planning, on its location, as well as on various other parameters set in the law such as its intended use, age of construction (in the case of buildings), proximity to the sea, ability to develop, etc. The main tax is the result of the multiplication of the basic tax with various coefficients, all set in the law. The basic tax is determined based on the tax value of the area where the property is located and ranges 1) from Euro Two (2) to Sixteen and twenty cents (16.20) per square meter for buildings, and 2) from Euro Zero point Zero Three (0.0037) to Nine Twenty-Five (9.25) per square meter for plots within the city planning. For land outside city planning the basic tax is set at Euro Zero point Zero One (0.001) per square meter.

Furthermore, as from tax year 2024 onwards, ENFIA is reduced by 10% for private individuals who insure their properties in a company registered in the Register of Insurance Companies against earthquake, fire, flood and other elements of nature provided that the insurance covers the total value of the property. The value of the property is taken as the value of the building or buildings, not counting the value of the plot, while a condition for the reduction of the ENFIA is that the insurance covers at least three months of the previous year. If the duration of the insurance is less than a year, the reduction of ENFIA is adjusted proportionally. For example, a private individual will be entitled to a 10% discount when the insurance is for 12 months, 7.5% for nine months insurance and 5% for six months insurance.

The supplementary tax concerning legal entities applies to the total value of the real estate held by the taxpayer. The supplementary standard tax rate is set at 0.55%, whereas properties that are self-used by the taxpayer for its business activities are subject to 0.1% supplementary tax. As of 01.01.2016, the exemption from supplementary tax applicable to buildings and plots self-used by legal entities for business purposes has been abolished.

The ENFIA law provides for various exemptions and/or reduced tax rates from both the main and the supplementary tax that apply to specific category of properties and/or taxpayers (*e.g.* non-for-profit entities etc.).

As regards private individuals the supplementary ENFIA has been abolished as from 01.01.2022. The ENFIA of private individuals now consists of the main ENFIA, that as of January 2022 is the sum of two components (*i.e.* the main tax and the tax per total property value) and of a tax readjust-

ment that applies on the Main ENFIA and to taxpayers holding assets with an aggregated value exceeding Euro Five Hundred Thousand (500,000). The main tax applies to all private individuals while the tax per total property value applies only to taxpayers holding *in rem* rights whose statutory value exceeds Euro Four Hundred Thousand (400,000). The main tax is computed on an asset per asset basis and the same formula applies to both individuals and legal entities (*i.e.* main tax ranges from 0 to 16.20 per sq. m. depending on the location of the property). The tax per total property value is imposed only on property rights whose statutory value exceeds Euro Four Hundred Thousand (400,000). The tax is assessed on the basis of taxable brackets ranging from 0 to 1% for values ranging from Euro Four Hundred Thousand (400,000) and over Euro Two Million (2,000,000). The main ENFIA is further readjusted for those taxpayers who hold assets with an aggregate statutory value in excess of Euro Five Hundred Thousand (500,000). The readjustment rate is determined on the basis of a progressive scale and ranges between 5% and 20%.

Moreover, legal entities holding Greek property, are subject on an annual basis to a Special Real Estate Tax ("SRET"), unless they fulfil the requirements for an exemption. SRET is computed at 15% rate which is imposed on the statutory value of the immovable property as of 1 January of each calendar year. The 15% SRET constitutes an anti-avoidance rule which aims to tackle non-transparent structures that own Greek real estate. Therefore, there are various exemptions provided in the law.

For example, exemption from the 15% tax is granted, among others to: companies (whether EU or non-EU) that generate in Greece higher amounts of business income than rental income, companies (whether EU or non-EU) that are listed on a stock exchange or a regulated stock market, all companies with the exception of companies registered in non-cooperative countries that disclose their shareholders up to the level of private individuals, provided that said individuals have obtained a Greek tax identification number, companies whose shareholders are, among others, entities listed on a regulated stock exchange market or multinational trading facility as per Law 4514/2018 or qualify as institutional investors such as credit institutions, insurance companies, mutual funds, closed or open ended mutual funds, AIFs and AIFMs investing in real estate property or managing real estate investments that operate under the supervision of a regulator of the country in which they operate.

Are there other taxes?

i. Municipal Taxes

Corporations may be liable, depending on the precise form of their activity, to various municipal taxes/duties. Such taxes/duties indicatively include: (a) cleaning and lightning duties; (b) advertising duties etc.

Furthermore, as of 01.01.1993, a small property duty (*"TAP"*) is levied at a rate ranging between 0.025% and 0.035% on the objective value of immovable property located in the territory of a municipality.

ii. Taxes in favour of third parties

Certain provisions impose numerous taxes in favour of third parties, such as the Lawyers' Pension Fund, Universities,

other funds and non-profit organisations. A number of taxes and duties in favour of third parties (*e.g.* charges on the registration of real estate properties in the land registry in favour of Lawyer's Pension Fund) have been abolished.

iii. Stamp Tax

With the exception of those subject to VAT, certain other transactions, as well as all contracts which are concluded and executed within Greece and pertain to transactions outside the scope of VAT are in principle subject to stamp tax. The applicable rates vary from 1% to 3% depending on the nature of the transaction involved. An additional multiple of 0.2%-0.6% is in principle imposed along stamp duty.

What are the filing and payment requirements?

Capital accumulation tax return is filed and the tax is paid within fifteen (15) days from the corporate resolution approving the share capital increase.

Corporations holding real estate should update their property registry form (E9 form), following any change to the real estate property by May 31st of the following year. This is a reporting obligation that applies equally to both individuals and legal entities.

ENFIA is assessed by the tax administration on the basis of the E9 forms and is payable either in lump sum until the last working day of the month following tax assessment or in equal instalments starting from the last working day of the month following tax assessment until the last day of January of the following year.

The SRET tax return is filed until 20 May of each year and is paid in a lump sum.

F. Registration Duties

Are there registration duties due upon the incorporation of a company?

See above in *Chapter XII*, *Section E* regarding capital accumulation tax and special duty in favour of Competition Committee.

Are there registration duties due upon the transfer of the company's shares?

There is a 0.2% sales tax imposed on the market value of shares listed in a regulated market or a multilateral trading facility operating in Greece. The same tax applies in respect of Greek tax residents selling shares listed in foreign stock exchanges. The tax due is borne by the seller. In case of transactions settled within the ATHEX Central Securities Depository (CSD), the tax is calculated and collected by ATHEXCSD. Other detailed formalities for the calculation and reporting of the tax are provided for in the relevant provisions. In case of sales of foreign listed shares that tax is paid to the State by the seller.

Are there registration duties due upon a transfer of corporate assets?

There are no registration duties as such. Nevertheless, transactions that qualify as transfers of business as a going concern are subject to stamp duty either at 2.4% or 3.6% depending on the identity of the counterparties. Stamp duty is imposed on the higher between the net asset value of the business or the consideration agreed.

Also, an exit tax liability shall in principle arise over unrealised gains upon the transfer of assets between a permanent establishment (PE) and its head

office, the transfer of tax residence of a company or entity or the transfer of activities of a PE, towards an EU member state or third country. See above in *Chapter XII*, *Section C*, for further details.

Where property rights in real estate are transferred for a consideration, one of the following applies:

i. Real estate transfer tax

Where property rights of a corporation on real estate are transferred for a consideration in Greece, in principle, transfer tax is due. However, such tax is normally not a burden to the seller; the relevant tax is borne by the purchaser and is also deductible for tax purposes.

The tax base is either the "objective value" of real estate property (*i.e.* such value is calculated pursuant to official tables prepared on the basis of certain parameters such as location, place, floor, age etc.) or the "market value" thereof (*i.e.* such value is based on the comparative system assessing the value of real estate property located in areas where the "objective system" does not apply yet). For any value, the applicable rate is 3%. In addition, a municipal tax of 3% is levied on the relevant amount of transfer tax. Reduced rates apply to certain cases, such as mergers. However, it must be stressed that if the transfer price is higher than the "objective" or the "market value", as the case may be, then this higher transfer price is to be taken into consideration for the calculation of transfer tax.

ii. VAT

The sale of buildings or part of buildings before first occupation and the land on which they are erected is in principle subject to VAT at the rate of 24%. For the period 2020-2024, such sales will be exempt from VAT. The exemption covers both buildings which have been completed with building permits following 1.1.2006, as well as those that will be built within the aforementioned five (5)-year period. In order for the exemption to apply, the constructor will need to file a relevant application. The constructor will waive the right to deduct the VAT on construction cost, and any VAT already deducted or refunded should be refunded to the State. Any non-recoverable VAT can be deducted as an expense for income tax purposes.

G. Sales Tax or other Turnover Tax

What is the system of sales tax (*e.g.* V.A.T., cumulative)?

As of 01.01.1987, value-added tax (hereinafter "VAT") applies in Greece. The VAT system was introduced to bring Greek law in line with the respective EU legislation. It replaced, totally or partially, many other indirect taxes and, particularly, the turnover tax and stamp taxes. VAT is payable when any person engaged in independent economic activity supplies goods or renders services in Greece for a consideration or imports goods into Greece. Certain categories of transactions are exempt (such as insurance, educational, medical services etc.), while special regimes apply to small enterprises, farmers and travel agents. Transactions carried out by the State or state agencies are, in principle, not subject to VAT unless they lead to significant distortions of competition, whereas for certain services and supplies of goods the State or state agencies are always subject to VAT (telecommunications, distribution

of energy etc.). Greece incorporates all VAT rules deriving from respective EU Directive and the last major incorporation was by virtue of Law 4818/2021 which incorporated in the national legislation the new VAT rules introduced in relation to the One-Stop-Shop scheme (Directives (EU) 2017/2455, 2019/1995 and 2018/1910), which facilitates online marketplaces and platforms to register in a single EU member state in which they can declare and pay VAT on all distance sales of goods and cross-border supplies of services to customers within the EU, as well as on specific domestic sales.

Following introduction of VAT, turnover tax (which has been renamed in "premium tax") has been limited only to insurance companies. The applicable rates range from 4% to 20%, depending on the type of risk against which the insurance policy has been taken out. The premium tax applies on the insurance premiums. As far as the imposition of VAT on the sale of new buildings is concerned, please refer to *Chapter XII*, *Section F*.

Furthermore, a 0.2% sales tax regime is applicable in respect of sales of listed shares acquired on or after 1 July 2013.

What are the tax rates?

The standard VAT rate is 24% and applies in principle to most of the taxable supplies of goods and services. There is also a reduced rate of 13%, applicable to certain goods and services exhaustively enumerated in the Greek VAT legislation. Indicatively, such rate applies to certain food products, medical equipment and ancillary goods, hotel accommodation, etc. Greek VAT legislation provides also for a super-reduced rate of 6% which applies, among others, to books and printed material, pharmaceuticals, theatre tickets, as well as electricity and gas as well as a rate of 4% for certain services concerning people with disabilities. The same rates apply throughout the country, with the exception of certain islands of the Aegean Sea where hot spots intended to host immigrants have been constructed and operate (the islands of Leros, Lesvos, Kos, Samos and Chios), and for which all above rates are reduced by 30% under conditions in relation to supplies of goods and services and for an indefinite period. These reduced VAT rates do not apply to tobacco products and means of transport. Agricultural goods and services are subject to special treatment.

In addition, as of 01.01.2021 and up to 31.12.2023, the application of a zero VAT rate applies on COVID-19 vaccines approved by the European Commission or by EU member states.

To be noted that, on 5.4.2022 the Council of the European Union adopted Council Directive 2022/542 aiming to update the VAT rates providing member states more flexibility in the rates they can apply and ensuring equal treatment. At the same time, the new rules are destined to align with EU priorities such as the green and digital transitions, and the protection of public health. Greece has not implemented yet this Directive.

Indicatively, the current list of goods and services (Annex III of the VAT Directive) that can benefit from reduced VAT rates will be wider including digital services (*e.g.* internet access services), goods which protect public masks and certain medical equipment) and goods beneficial to the EU's climate change priorities (*e.g.* solar panels, specific heating systems).

It is also noted that, for a limited number of goods and services and under conditions, the application of a reduced rate lower than 5% and an exemption with a right to deduct input VAT shall also be possible.

As regards the Greek islands in particular, a possibility to apply reduced VAT rates up to 30% in the departments of Lesbos, Chios, Samos, the Dodecanese, the Cyclades, Thassos, Northern Sporades, Samothrace and Skyros is introduced.

Is input tax creditable against output tax?

Yes, it is. VAT is a tax neutral to business, structured to be ultimately borne by the final consumer; it is collected gradually at all stages of production by the encumbered taxable persons. In essence, such persons charge VAT on their outputs and remit it to the State after having deducted the VAT applicable on their inputs. If they have incurred higher inputs than outputs, then they are entitled to apply for a refund of credit VAT or VAT that has been unduly paid to the State immediately after the filing of the respective periodical VAT return in which the relevant credit balance occurred.

Furthermore, Greek VAT law, in line with the respective EU VAT legislation, provides for the VAT exemption of certain activities; for some, it allows the recovery of the input VAT (such as intra-community supplies, exports, supplies to vessels and aircraft) and for others it does not (such as medical, insurance, postal and financial services).

What are the filing and payment requirements?

Taxable persons have the obligation to file periodical VAT returns electronically on a monthly or quarterly basis, irrespective of whether they are in a debit or credit VAT position or they have not effected any transactions at all in the period for which the VAT return is filed. Said VAT returns must be filed by the last working day of the following month.

VAT due can be paid in lump sum by the time of the filing of the respective VAT return.

Alternatively, to the extent the amount of VAT due exceeds Euro One Hundred (100), it can be paid in two (2) equal instalments. The first one should be paid by the last working day of the month of filing of the VAT return and the second one by the last working day of the following month.

Taxable persons effecting intra-community supplies or intra-community acquisitions of goods, also have the obligation to file electronically recapitulative statements and Intrastat returns monthly, but only for those periods where such transactions occur. The same obligation for filing of recapitulative statements applies for the supply or receipt of services to/from taxable members established in other EU members for which the reverse charge applies.

H. Social Security and Welfare System Contributions

Are social security contributions due?
Are retirement or pension contributions due?
Are unemployment insurance contributions due?
What are the filing and payment requirements for any such contribution?

Corporations are liable to pay approximately two thirds (2/3) of their personnel's social security contributions. The remaining one third (1/3) thereof is a burden to the employees themselves. The amount of social security contributions depends on the particular status of each employee (*i.e.* amount of salary, employee's specialty/profession, etc.).

Part of the above social security contributions is used by Pension Funds to pay pensions to their retired members, while another part thereof is destined to cover medical care needs of the working population.

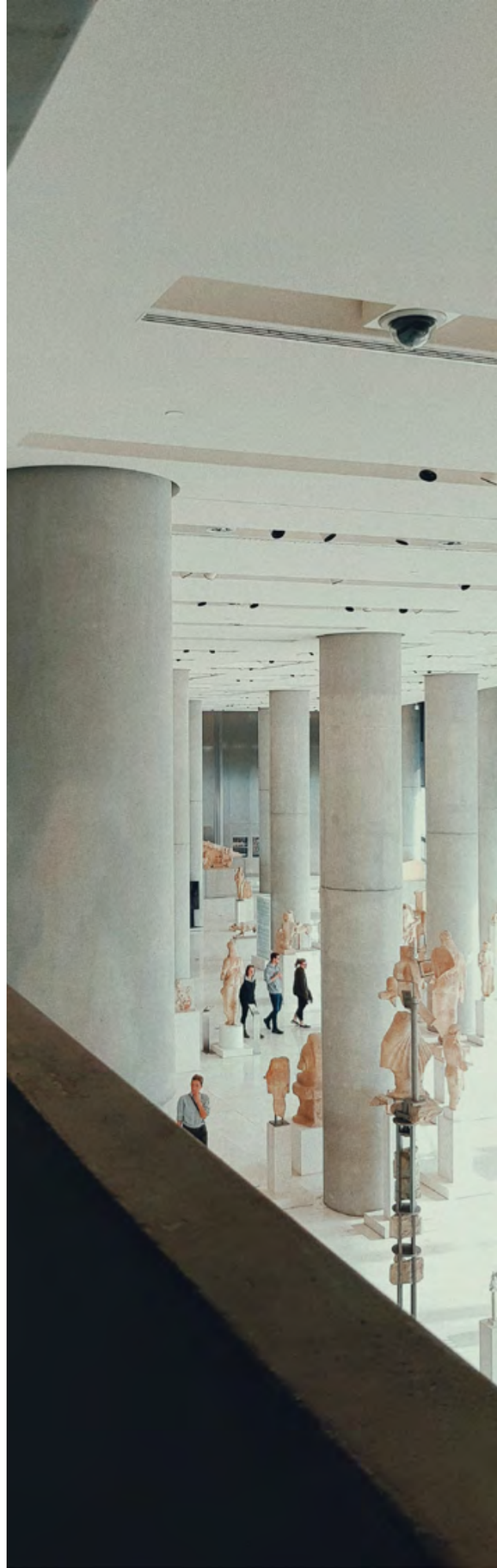
In addition, unemployment contributions are borne by all employees entitled to unemployment compensation; those are collected as part of the monthly Social Security contributions.

Corporations must send a detailed list, called "Analytical Periodical Declaration", of all their employees and respective social security contributions to the competent Social Security Fund; that can be done in electronic form once a month. The amount of social security contributions due by the corporation must be paid in full by the last day of each month. The part [*i.e.* approximately one third (1/3) thereof] of social security contributions that burdens the employees themselves is withheld from their monthly salary.

I. Special Tax Schemes

Cost-plus regime

A Cost-Plus Ruling Regime is available for the determination of taxable profits of Greek companies and branches of foreign companies exclusively engaged in the provision of specific types of services to foreign associated enterprises. Under such rules, gross revenues of qualifying enterprises are determined



by means of application of a profit percentage (which cannot be less than 5%) on the aggregate of all those enterprises' expenses and depreciations excluding income tax expenses. All such expenses are accepted as tax deductible for purposes of calculating taxable profits on the condition that they are supported by fiscal documents. Licences to operate under such regime are granted by the Greek Ministry of Economy following applications accompanied with suitable benchmarking analyses regarding the proposed profit percentage. In order to be eligible for qualification, applicant enterprises should employ a minimum of four (4) employees, have annual operating expenses of at least Euro One Hundred Thousand (100,000) and provide any of the following types of coordinating services: advisory and consulting services, centralisation of accounting services, quality control of production, products, processes and/or services, preparation of studies, designs and contracts, advertising and marketing services, data processing, collection and transmission of information and research and development services.

APAs

The Tax Procedures Code (Law 4174/2013) includes the possibility of an advance pricing agreement (APA) with the tax authorities. This agreement is made in advance and determines the transfer pricing methodology to be used in setting the prices for cross-border intercompany transactions along with the critical assumptions, under which such methodology will remain valid. An APA term cannot exceed four (4) years. The option of a preliminary cycle of discussions with tax authorities, with a view to obtaining their input on the possible outcome of an intended APA application, is provided to the taxpayer.

Following the relevant recommendation set out in the MAP Peer Review Report (Stage 1), Greece now provides for the roll-back of bilateral or multilateral APAs in cases where the relevant facts and circumstances in the earlier fiscal years are the same. Taxpayers filing for an APA may submit a relevant roll-back request, provided that the earlier fiscal years have not been time-barred and that there is no tax audit mandate communicated to the taxpayer with respect to the relevant fiscal years. It should be noted that, as set out by the legislature, the roll-back request shall not impair the tax auditors from performing a tax audit on such fiscal years, and the APA may not be rolled back to the extent that a final assessment is issued in this respect.

The APA may be revised, revoked or cancelled in the case where the taxpayer does not comply with the terms or responsibilities arising therefrom or the critical assumptions change or are proved incorrect or in the case of a different outcome arising in the context of the mutual agreement procedure pursuant to the relevant bilateral tax treaty or in the context of the convention of the member states of the European Union on the correction of profits of associated enterprises.

Finally, Ministerial Decision (A.1107/17.07.2023) by the General Secretariat of Public Revenue provides clarifications and guidance for the application of the APA procedure.

It should be noted that, pursuant to transposition of EU Directive 2015/2376/EU (DAC3), APAs may in principle be exchanged automatically

with other EU member states, and to a more limited extent the European Commission.

Tonnage tax

Tonnage tax is applicable to vessels under Greek and foreign flag. The tax is calculated on the basis of the capacity and age of the vessel. In relation to vessels under Greek flag or under the flag of an EEA company but operating in Greece, the tonnage tax exhausts any further income tax obligation of the ship-owner and its shareholders with respect to the income arising from the operation and exploitation of the vessel. With respect to vessels under foreign flag, tonnage tax is imposed only in relation to those vessels that are managed in Greece by companies which have established offices in Greece for such management under a special regime provided in the tonnage tax legislation.

Other special regimes

A special tax regime applies to Portfolio Investment Companies, Real Estate Investment Companies, Real Estate Mutual Funds and Undertakings for Collective Investment in Transferable Securities (UCITS) which are established under domestic laws. In general, the tax rate is a coefficient set at 10% of the main refinancing operations rate of the European Central Bank with a spread added on the basis of their investments including available cash. The minimum tax threshold of 0.375% applicable since 01.06.2019 was abolished with effect from 12.12.2019.

Are there particular tax consequences of doing business in the country?

Certain investment incentives laws are in place, *e.g.* Law 4399/2016 and Law 3908/2011, which provide fiscal incentives for the start-up of specific businesses.

J. Tax on Profits

What are the federal or national income tax rates on profits?

The national income tax rate applicable on net profits of fiscal year 2021 onwards is 22% (reduced compared to previously applicable 24%). This rate applies to corporations established in Greece, in the form of Societes Anonymes ("AEs"), Limited Liability Companies (Etaireies Periorismenis Efthynis) ("EPEs"), Private Companies (Idiotikes Kefailouchikes Etaireies) ("IKEs"), branches of foreign corporations, co-operatives and associations thereof, Greek or foreign not-for-profit entities as well as partnerships, civil for-profit or non-for-profit partnerships and consortia when maintaining double entry. Said rate also applies to partnerships, co-operatives and their associations, civil for-profit or non-for-profit partnerships, consortia and other legal entities maintaining single entry books. Reduced tax rates are available to companies formed as AEs or EPEs on certain non-taxed profit reserves formed under growth incentive laws if converted into share capital. Prerequisites for this include, in certain cases, restrictions to ensure the continuity of the relevant company and the preservation of capital.

However, credit institutions subject to the regime regarding the voluntary conversion of deferred tax assets to deferred tax claims against the Greek State remain taxable at a 29% rate for the relevant years.

According to a legislative amendment introduced in 2016 with effect for tax

years starting from 01.01.2017, previously untaxed profits which are distributed or capitalised by legal persons and entities are subject to corporate income tax without being offset with any tax losses available as of the year of distribution or capitalisation. The amendment marks a change to the position applicable up to 2016 based on the pre-existing legal provisions and relevant guidelines.

As per recent legislative amendments, incentives for capitalisation of tax-free reserves for listed and non-listed companies are now provided without any time limitation. The previously applicable rate of 20% is reduced to 5%, insofar as the capital is maintained for at least five (5) years. The reduced rate applies for capitalisations even where no share capital increase in cash for the equivalent amount is effected.

K. Tax Treaties

Are there any applicable tax treaties?

Greece had entered into fifty-seven (58) tax treaties between 1953 and 2022. The tax treaties currently in force have been concluded with the following countries (listing is by chronological order): (1) United States of America, (2) United Kingdom, (3) Sweden, (4) France, (5) India, (6) Italy, (7) Germany, (8) Cyprus, (9) Belgium, (10) Austria (revised), (11) Finland, (12) Netherlands, (13) Hungary, (14) Switzerland (partly revised), (15) The Czech Republic, (16) Slovakia, (17) Poland, (18) Norway, (19) Denmark, (20) Romania, (21) Bulgaria, (22) Luxembourg, (23) Korea, (24) Israel, (25) Croatia, (26) Uzbekistan, (27) Albania, (28) Portugal, (29) Spain, (30) Armenia, (31) Georgia, (32) Ukraine, (33) Slovenia, (34) South Africa, (35) Ireland, (36) Turkey, (37) China, (38) Lithuania, (39) Mexico, (40) Kuwait, (41) Latvia, (42) Moldova, (43) Egypt, (44) Russia, (45) Estonia, (46) Iceland, (47) Malta, (48) Bosnia & Herzegovina, (49) Tunisia, (50) Morocco, (51) Qatar, (52) Canada, (53) Saudi Arabia, (54) Serbia, (55) Azerbaijan (56) United Arab Emirates and (57) San Marino. Greece also concluded a tax treaty with Singapore (58) in 2019, which was recently ratified by the Greek legislature and entered into force in March 2022. In addition, Greece and France signed a new tax treaty on 11 May 2022, however it has not entered into force yet. It is further noted that the treaty between Sweden and Greece has been terminated effective as from 1st January 2022.

All tax treaties, except for those concluded with the United States of America and the United Kingdom, follow, in principle, the OECD Model. These treaties define, in general, certain key terms, such as the "permanent establishment" or place of taxation and provide for certain tax exemptions at source in favour of tax residents of the other country or special treatment of certain types of income

Are there any rules against treaty-shopping?

The Corporate Income Tax Code, in force as of 01.01.2014, includes Controlled Foreign Companies ("CFC") legislation, as well as a General Anti-Abuse Rule (GAAR). Both rules have been modified in 2019 in alignment with the EU Anti-Tax Avoidance Directive.

Pursuant to currently applicable CFC rule, undistributed profits earned by a CFC are added to the taxable profits of the shareholder or the head office and be subject to Greek income tax. A foreign entity is classified as a CFC under

the following conditions: (i) the Greek shareholder by itself, or together with its associated enterprises holds directly or indirectly more than 50% rights in the capital of the CFC; (ii) the actual corporate tax paid on the CFC's profits is less than 50% of the corporate tax that would have been charged on such profits in Greece; and (iii) 30% or more of the income before taxes accruing to the CFC is classified as passive income (*i.e.* interest, royalties, dividends, income from the disposal of shares etc.). Moreover, in respect of the GAAR, it purports to disregard non-genuine both domestic and cross-border arrangements dependent, among other factors, on whether such arrangements make sense from a commercial point of view and whether they conform to the actual conduct of the parties and effective allocation of risks. The revised GAAR adopts the main purpose test, instead of the essential purpose test adopted by the previously applicable provision.

Greece transposed also the amendments to EU Parent & Subsidiary Directives with regard to the rules against treaty-shopping. These rules apply only on intra-group dividend payments of EU qualifying legal entities. In particular, the exemption from Greek corporate income tax on dividends received by Greek legal entities from EU affiliates will henceforth only apply to the extent that such profits are not deductible by the subsidiary. This amendment targets hybrid loans and aims at preventing situations of double non-taxation due to mismatches in the tax treatment of profit distribution between the State of the subsidiary and of the parent company.

Furthermore, a Special Anti-Avoidance Rule (SAAR) was adopted, aiming at prohibiting the withholding tax exemption of dividends paid by Greek companies to their EU parent entities, as well as the relief from corporate income tax regarding dividends received by Greek companies by their EU-based subsidiaries. This is to the extent that such exemptions are claimed in the context of artificial arrangements that are not put in place for valid commercial reasons reflecting economic reality, but aim mainly at obtaining a tax advantage. The appropriate interpretation and application of the proposed SAAR is a matter that is anticipated to raise uncertainties in the course of future tax dispute resolution.

In the context of the OECD Base Erosion and Profit Shifting (BEPS) Plan, Greece has also signed the Multilateral Instrument (MLI). Greece has generally taken a mainstream approach by adopting minimum standard provisions to combat treaty abuse and to improve the efficiency of cross-border dispute resolution, while notifying of the intention to apply the MLI provisions with respect to all double taxation treaties currently in force with other OECD member states. On the other hand, Greece has opted out of the provisions concerning hybrid mismatches (art. 3-5) and the artificial avoidance of PE status (art. 12-15). The MLI came into force on 01.07.2021.

Greece has also signed the OECD's Multilateral Competent Authority Agreement (MCAA), which provides for Automatic Exchange of Financial Account Information under a global standard known as the Common Reporting Standard (CRS). The MCAA has been ratified by Greek Law 4428/2016.

Moreover, in 2017 Greece signed an agreement with the United States of America to improve international tax compliance and to implement the Foreign Account Tax Compliance Act

(FATCA). The agreement is based on a Model 1 Intergovernmental Agreement published by the US Treasury for the implementation of FATCA and provides for annual exchange of information on an automatic basis. The agreement has been ratified by Greek Law 4493/2017.

Finally, Greece has implemented the EU Anti-Tax Avoidance Directive (Council Directive 2016/1164/EU) into domestic legislation, with the exception of the relevant provisions of article 9A regarding reverse hybrids; the transposition of the latter provision is still pending.

L. Territoriality Rules

Where is the corporation subject to tax?

The corporation is subject to tax on its worldwide income at the place where it is resident for tax purposes. The residence criteria in Greek law consist of certain triggering events, such as the incorporation, the registered seat and the place of effective management. Further, for identifying the place of effective management a number of factors should be taken into account; the place of exercise of day-to-day business, the place of strategic decision-making, the place of annual shareholders' meetings, the place of bookkeeping, the place of Board of Directors ("BoD") meetings and the place of residence of the BoD members. In addition to the above, the residence of the majority shareholders may potentially be considered along with the other factors.

Is the corporation subject to tax on its worldwide income?

The corporation is subject to income tax on its worldwide income in the country of its residence. However, if the corporation also receives foreign-sourced income, that has already been subjected to tax in the country of source, the corporation is in principle entitled to a tax credit in Greece (its state of residence) provided it duly submits official documentation giving evidence that tax has been paid abroad. The credit may not exceed the respective Greek tax liability.

M. Treatment of Tax Losses

How are corporate tax losses treated?

Under certain requirements, corporate tax losses may be carried forward for five (5) consecutive fiscal years. Previously untaxed profits that are taxed as a result of their distribution or capitalisation cannot be offset against tax losses incurred in the relevant year.

There are restrictions on tax loss carry forward in case of change by more than 33% in direct or indirect holding of an enterprise's capital, shares or voting rights. Enterprises bear the burden of proving that change of control serves business purposes and thus fall outside the scope of the loss carry-forward prohibition. Corporate tax losses arising from the conduct of business through permanent establishments in EU/EEA member states may be set off only against foreign-sourced income, provided that the relevant income is not exempt on the basis of a tax treaty between Greece and the EU/EEA member state.

In the case of a merger, losses of the absorbing company are also carried forward whereas losses of the entity being absorbed may be lost depending on the legal framework to apply for the merger.

As per the transitional provision introduced along with the recently enacted participation exemption for disposal of shares in qualifying EU or EEA subsidiaries, losses arising from the transfer of such shares shall be recognised for tax purposes after 01.01.2020 under the condition that 1) a valuation will have taken place up until 31.12.2019 and they will have been recorded in the accounting books or will have been reflected in the financial statements audited by statutory auditors and 2) they will become final up until 31.12.2024. If final losses are lower than those of the valuation, the final losses will be recognised; however, if they are higher, losses will be recognised as per the valuation.

N. Wealth Tax

Is there an applicable wealth tax?

Except for the real estate property taxes described under *Section 5* above, there is no other wealth tax in force.

O. Withholding Taxes

What are the rates of withholding tax on dividends?

Subject to EU legislation and the application of Double Taxation Conventions, a 5% withholding tax applies on profit distributions effected as of 01.01.2020.

Profit distributions performed by domestic corporations (AEs, EPEs, IKEs, general and limited partnerships) to their EU parent companies are exempt from any withholding, provided that the Parent-Subsidiary Directive (Council Directive 2011/96/EU) is applicable, *i.e.* the foreign company is subject to corporate tax in the EU, has one of the forms listed in the annex to the Directive and has a minimum 10% shareholding participation in the subsidiary for at least two (2) years. The requirements of the Directive have to be met at the time the decision for the distribution of the profits is adopted by the ordinary general shareholders' meeting. However, it is possible to apply a withholding exemption before the lapse of the minimum-required holding period of two (2) years, upon providing a (bank) guarantee equal to the amount of the tax exemption.

Subject to certain conditions (*i.e.* two (2) years minimum holding period and 10% minimum shareholding participation) inbound dividends received by Greek corporations from their foreign subsidiaries are also exempt from the income tax pursuant to intercompany dividends participation exemption regime (please refer to *Chapter XII*, *Section B*).

What are the rates of withholding tax on royalties?

i. Withholding tax on royalties paid to private individuals and foreign corporate entities with no permanent establishment in Greece is calculated at a flat rate of 20%. Said tax exhausts any further Greek tax liability for the royalty recipient in this respect;

ii. Royalty payments made between Greek corporations and other legal bodies are in principle not subject to withholding tax;

iii. The EU Interest and Royalties Directive was introduced into Greek legislation as of 1 July 2005. Consequently, royalty payments made by a domestic AE or by a permanent establishment of a company of a member state situated in Greece to an associated company of a different member state are exempt from any taxes imposed on those payments. In accordance with the abovementioned Directive, a com-

pany is an "associated" company of a second company if at least (a) the first company has a direct minimum holding of 25% in the capital of the second company; or (b) the second company has a direct minimum holding of 25% in the capital of the first company; or (c) a third company has a direct minimum holding of 25% both in the capital of the first company and in the capital of the second company. Further, holdings should only involve companies resident in Community territory. Companies should also take one of the forms provided in the Directive's Annex and be subject to tax (a list of taxes per country is also provided in the Directive) without being exempt. Aforementioned conditions should have been maintained for an uninterrupted period of at least two (2) years. However, it is possible, as in the case of dividends aforementioned, to apply withholding exemption before the lapse of the minimum-required holding period of two (2) years, upon providing a (bank) guarantee, equal to the amount of the tax exemption.

What are the rates of withholding tax on interest?

The withholding tax rate on interest is 15%.

Interest on Greek government bonds or treasury bills is exempt with the exception of credit institutions. Also, as of 01.01.2020, interest payments towards non-Greek tax resident entities, which do not maintain a permanent establishment in Greece, are exempt from withholding tax, insofar as they are related to corporate bonds listed within the EU or on a regulated stock market outside the EU, as well as to bonds issued by credit cooperatives operating as credit institutions.

As regards the application of the Interest and Royalties Directive, see in the previous paragraph under point *(iii)*.

What are the rates of withholding tax on profits realised by a foreign corporation?

Profits of foreign corporations maintaining in Greece a permanent establishment are subject to corporate income tax at the standard corporate income tax rate applicable to Greek corporations, *i.e.* 22% on net profits as of fiscal year 2019.

XIII. Tax on Individuals

A. Allowances

What are the major allowances?

With respect to employment income earned as from 01.01.2014 the major tax allowances for taxpayers acquiring employment income (salaries and pensions) have as follows:

- One-off tax deduction of Euro Seven Hundred Seventy Seven (777) for taxpayers with no dependent children, Euro Nine Hundred Ten (900) for taxpayers with one dependent child, Euro One Thousand One Hundred Twenty (1,120) for taxpayers with two dependent children, Euro One Thousand Three Hundred Forty (1,340) for taxpayers with three dependent children, Euro One Thousand Five Hundred Eighty (1,580) for taxpayers with four dependent children and Euro One Thousand Seven Hundred Eighty (1,780) for taxpayers with five dependent children. For any other dependent children, the tax deduction is increased by Euro Two Hundred Twenty (220). All above deductions apply provided that the taxable income does not exceed Euro Twelve Thousand (12,000). In case of income exceeding Euro Twelve Thousand (12,000), the aforementioned tax deductions are reduced by Euro Twenty (20) per Euro One Thousand (1,000) of income;
- An extra allowance of Euro Two Hundred (200) may be provided for a taxpayer and any dependent family members with certain disabilities;
- Another allowance, which applies to taxpayers earning employment income, refers to a tax deduction equal to 20% of the value of monetary donations over Euro One Hundred (100) made to certain public, educational, medical or religious institutions as well as to charities. The total amount of donations cannot exceed 5% of the taxpayer's total taxable income. Especially for monetary donations to charities the amount of tax is reduced by 40% on the amount of donations to such charities, if they exceed the amount of Euro One Hundred (100) and within a fiscal year and such amounts are deposited in special bank accounts operating in an EU/EEA member state.
- With respect to income from rentals, the provisions of the Greek Income Tax Code provide for a deduction of 5% from the rentals earned by individuals for renovation, repairs and maintenance expenses. The taxpayer qualifies for the above deduction automatically upon the electronic filing of his/her income tax return, irrespective of the actual expenses made during the tax year and the invoices, receipts issued in this respect.
- Angel investors may apply for a deduction equal to 50% of the amount injected to start-ups under certain conditions. The deduction shall not apply with respect to contributions of capital to the extent that such contributions exceed a total of Euro Three Hundred Thousand (300,000) per year and

an amount of Euro One Hundred Thousand (100,000) per start-up per year.

- Finally, Greek law allows tax credit for taxes paid in foreign countries in relation to income generated therein. Such tax credit may not, however, exceed the amount of the Greek tax corresponding to such income.

B. Calculation of Taxes

How is the taxable base determined?

Greek tax resident individuals are subject to income tax on their worldwide annual income. An individual's tax residence is to be determined based on the place of residence or habitual abode or vital interests in Greece or the number of days spent in Greece. In this context, an individual spending more than one hundred eighty -hree (183) days in Greece shall, with certain exemptions, be presumed to be a Greek tax resident. Individuals not resident in Greece are taxed only on their income derived from a source therein (*e.g.* rental of premises in Greece).

Greek law classifies income derived from different sources into four categories: employment income from salaries and pensions (subject to progressive tax rates from 9% to 44%), business income (subject to progressive tax rates from 9% to 44%), income from capital (rentals: 15%-45%, interest: 15%, dividends: 5% and royalties: 20%) and income from transfer of specific capital assets, *i.e.* real estate and securities (15%). Nevertheless, the application of the relevant provision as regards capital gains from real estate property has been suspended until 31.12.2024. Income tax is computed on the aggregate income from each source and loss from one source is not in principle offset against profit from another.

t the time of the income tax assessment, luxury tax may be imposed for the holding of swimming pools, yachts and luxury cars.

Incentives for individuals to transfer their tax residence in Greece can be outlined as follows:

Special tax regime for High-Net-Worth Individuals

With effect from 12 December 2019, Article 5A of Law 4172/2013 (as such has been incorporated in Law 4172/2013 by Article 2 of Law 4646/2019 and as currently in force following amendments by Article 52 of Law 4949/2022, Article 184 of Law 4964/2022 and Article 11 of Law 5000/2022) introduces a special tax regime for private high-net-worth individuals ("HNWI") who, subject to certain conditions, transfer their tax residence to Greece and invest in Greek assets of at least Euro Five Hundred Thousand (500,000). Such an individual must not have been tax resident in Greece for seven out of the eight last years prior to the transfer of his/her tax residence in Greece and should at least upon filing of his or her application have transferred to a Greek bank account the amount Euro Five Hundred Thousand (500,000). For those individuals who qualify under the new tax regime, the Greek tax liability on their foreign source income is limited to the payment of an annual one-off lump sum tax of Euro One Hundred Thousand (100,000), while their Greek source income is taxed at the standard income tax rates applicable per source of income. This special tax treatment is extended to close relatives by payment of an annual one-off tax of Euro Twenty Thousand (20,000) per person. Under

the scheme, assets located outside Greece are exempt from Greek inheritance/gift tax. The maximum duration of these provisions is 15 tax years. A special application for the transfer of tax residence must normally be filed with the Greek tax administration by 31 March of the respective tax year.

On 20 May 2023, the Greek Government issued new joint ministerial decision 46834/2023, which amended and replaced the previous one, issued back in 2020 (JMD 147269/2020), providing further practical guidance on the regime. The new decision simplifies the application procedure and clarifies the general eligibility conditions, and in Article 2 sets out the following eligible investment categories:

- purchase of real estate in Greece. The new JMD clarifies that it is now eligible to buy a percentage of ownership of a property or part of a property;
- acquisition of shares in a Greek resident company that is not admitted to trading on a regulated market;
- purchase of Greek state bonds (with a residual maturity at the time of purchase of at least three years) via a Greek financial institution which is also the custodian of those bonds;
- purchase of units in an alternative investment agency established in Greece and which is supervised by the Greek Capital Market Commission or whose administrator is registered with the Greek Capital Market Commission; and
- purchase of securities issued by companies established in Greece and traded through Greek investment intermediaries on regulated markets in Greece.

Among the changes brought about by the new JMD is that it allows on the one hand the possibility of external financing for the excess amount of the Euro Five Hundred Thousand (500,000) and on the other hand the possibility to change the investment within the fifteen-year period. The new JMD also eliminated from the eligible investment categories the purchase of existing/creation of new fixed plants in Greece for the conducting of business as a sole trader in Greece.

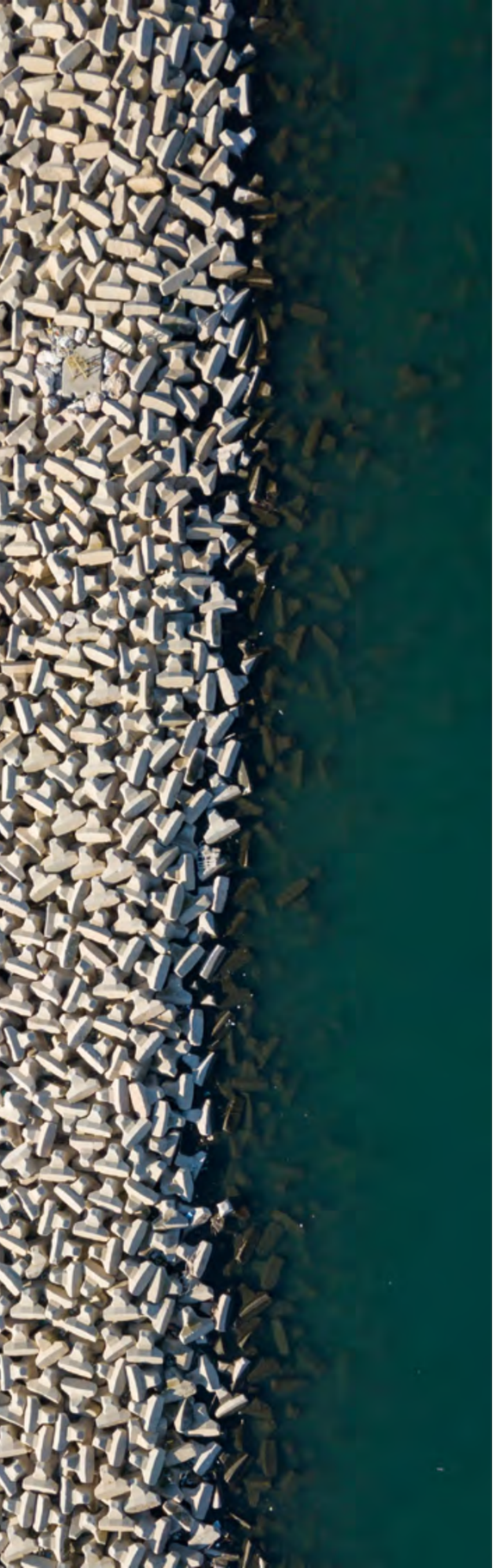
The investment shall have been completed within 3 years from the filing of the application for 5A regime. Additionally, the investment must be retained for the entire period of affiliation to the regime, starting with the tax year in which application for inclusion is made.

It shall be noted that Article 5A of Law 4172/2013 as amended by Article 11 of Law 5000/2022, applies for cases from 2022 onwards. Additionally, Article 12 of Law 5000/2022 has incorporated certain transitional provisions into Article 5A of Law 4172/2013 for individuals that have been admitted to the HNWI special tax regime in years 2020 and 2021.

Guidance on the application of Article 5A is contained in Decision A.1036/2020, as such in force following amendment by Decision A.1066/2022 and Circulars E.2079/2020 and E.2150/2021, which address, amongst other matters, timing considerations with respect to applications filed in years 2020 and 2021.

Special tax regime for retirees

A special tax regime for retirees relocating in Greece has been added to the Greek Income Tax Code (Article



5B of Law 4172/2013) by means of Law 4714/2020. Eligible retirees are those earning non-Greek source state pensions or private group retirement pensions, who have held their tax residence outside of Greece for at least five out of the last six years prior to their relocation into Greece and who were former residents of a country holding an administrative cooperation agreement with Greece. Under the special regime, foreign source pensions and other foreign source income are taxed at a flat rate of 7 percent subject to the applicable DTA. The maximum duration of the special regime is 15 years. A special application must be filed with the Greek tax administration by 31 March of the relevant tax year, with the Greek tax authorities responding within two months of filing.

Guidance on the application of Article 5B is contained in Decision A.1217/2020, which includes clarifications on the documentation required to be filed along with the application.

Special tax regime for individuals relocating to Greece for work

With effect from 1 January 2021, Article 5C of Law 4172/2013 (incorporated in Law 4172/2013 by virtue of Article 40 of Law 4758/2020 and further amended by Article 51 of Law 4876/2021 and Article 53 of Law 4916/2022) introduces a special tax regime addressed to executives, employees, freelancers and other entrepreneurs wishing to relocate and work from Greece. Qualifying individuals benefit from a 50% exemption of income taxation on their Greek source salary or business income. An exemption also applies to imputed income arising from the use of a main residence or privately used vehicle (regardless of the number of vehicles). Said benefits apply over a 7-year period starting from 1 January of the year of admission to the special tax regime. It is noted that a combined implementation of either the HNWI special tax regime (Article 5A of Law 4172/2013) or the retirees special tax regime (Article 5B of Law 4172/2013) along with the Article 5C of Law 4172/2013 tax regime is allowed under certain conditions.

A qualifying individual must:

- not have been tax resident in Greece for at least five out of the six last years prior to the transfer of his/her tax residence to Greece;
- have transferred tax residence from an EU/EEA country, or a country with which Greece holds an administrative cooperation agreement;
- become employed by a Greek company or a Greek permanent establishment of a foreign company. To be noted that only newly recruited employees are eligible for the plan. Freelancers, other entrepreneurs commencing business activity in Greece, as well as directors of Greek legal entities are also eligible; and
- declare that he or she will remain in Greece for at least two years.

A special application must be filed with the Greek tax administration. Previously, the deadline for filing was 31 July. However, with effect from 1 January 2022, individuals shall file the application for relocation under the regime:

- by 31 December of the relocation year, in case an individual is recruited/or commences business activity by 2 July of the relocation year or
- by 31 December of the year following the relocation year, in case an individual is recruited/or commences business activity after 2 July of the relocation year.

The Greek tax authorities must respond within 60 days of filing. In case of approval, Greek tax authorities notify the foreign tax authorities on the transfer of the individual's tax residence into Greece.

Guidance on the application of Article 5C is contained in Decision A.1087/2021, as such in force following amendment by Decision A.1089/2022 and Circulars E.2224/2021 and E.2029/2022, which include, amongst other matters, clarification on the concept of a "new job".

C. Capital Gains Tax

Are capital gains taxable?

i. Transfer of securities (Please also refer to *Chapter XII, Section C*).

Transfers of non-listed shares, listed shares (if the seller holds at least 0.5% in the share capital of the company whose shares are being transferred and the shares have been acquired on or after 01.01.2009), holdings in partnerships, bonds (public or private), treasury bills, and derivatives performed by non-business performing individuals are subject to 15% income tax on capital gain. Such tax exhausts the tax liability of the individual taxpayer for the capital gain generated from such transfer. The capital gain is equal either to the actual sale price or the price determined in the Income Tax Code reduced by the acquisition cost as such cost is determined in the Income Tax Code, *e.g.* with respect to transfers of non-listed shares the sales price is the higher value between the transfer price and the amount of equity

corresponding to the shares transferred, while the shares acquisition price is the lower value between the acquisition cost and the amount of equity corresponding to the shares transferred. If the taxpayer cannot provide proof of the acquisition price then it is considered as zero.

Capital losses from security transactions are carried forward for five (5) years and set off against future capital gains deriving from similar transactions only.

Foreign tax residents who are residents in countries that have concluded a DTC with Greece are exempt from Greek capital gains provided that they file with the local tax authorities a tax resident certificate to prove their tax residency.

ii. Real estate capital gains tax

As of 01.01.2014, any gain from the transfer of real estate property as well as from the transfer of shares in companies which derive more than 50% of their value, either directly or indirectly from real estate by individuals who are not engaged in business activities (to be referred to as non-business performing individuals) is subject to capital gains tax at 15%. Nevertheless, the relevant provision has been under suspension since 01.01.2015 and the relevant suspension has already been extended until 31.12.2024. In view of such suspension there have been very few guidelines regarding how the new rules will be implemented while the various grey areas in the law have not been clarified yet.

Based on the applicable framework which, as stated above, is under suspension until 31.12.2024, transfers of real estate property performed by (non-business performing) individuals are subject to 15% tax imposed on capital gain (difference between acquisition cost and actual sales price). Capital gain is gradually de-inflated depending on property holding period; maximum de-inflation rate is 0.60 for holding period exceeding twenty-six (26) years. Payment of said tax exhausts the relevant income tax liability of the seller who is a private individual. An exemption from the abo ve tax is granted for properties acquired before 1st January 1995 and for capital gains of up to Euro Twenty-Five Thousand (25,000) generated from the transfer of a single property that has been held for at least five (5) years. The tax is withheld by the notary public upon the execution of the transfer deed.

Capital losses from real estate transactions are not set off against future capital gains. The tax treatment of foreign tax residents who are residents in countries that have concluded a DTC with Greece with respect to the capital gain from the transfer of real estate or shares of companies deriving more than 50% of their value directly or indirectly from Greek real estate is to be reviewed based on the terms of the applicable treaty signed with Greece.

Any three (3) similar transactions occurring within a period of six (6) months or within period of two (2) years (in the case of transfer of real estate property) are deemed as business activity, subject to the progressive tax rates from 9% to 44% (instead of 15%). The latter does not apply to transactions on assets listed on a regulated market such as listed shares, corporate or state bonds etc. Furthermore, with effect from 24.02.2023, contributions of domestic or foreign shares into a domestic or foreign legal entity for purposes of covering or increasing that entity's capital, in exchange for securities (*e.g.* shares) issued by the entity

will not be considered, under specific requirements, as a "business activity" subject progressive income taxation.

D. Filing and Payment Requirements

When must the individual file a tax return, if any?
When must the individual pay his/her taxes?

Income tax returns for private individuals are filed up to 30th June of the following year. In principle, the income tax return is filed electronically. Income tax must be paid in three (3) equal bi-monthly instalments, the first of which is due by the last day of July. The second and third instalments must be paid by the last day of September and November respectively.

E. Inheritance and Gift Tax

Does the individuals' presence in the country subject him/her to inheritance or gift tax?

Both movable and immovable property situated in Greece is subject to Greek inheritance tax. Should the estate belong to an individual who was a Greek tax resident or a Greek national at the time of his death, his movable and immovable property situated in Greece and movable property located outside Greece are subject to Greek inheritance tax. However, an estate which belongs to a Greek national who was a non-resident of Greece for the ten (10) years prior to his death is subject to inheritance tax only if it is situated in Greece. It should be noted that real estate property outside Greece is not subject to Greek inheritance tax.

Greek gift tax is due upon donation of any movable or immovable property situated in Greece. Donations of movable assets that are located abroad at the time of the donation and have not been acquired in Greece during the last twelve (12) years, are exempt from Greek donation tax, insofar as the donor is essentially a Greek citizen residing abroad for at least ten (10) years prior to the donation; upon relocation to Greece, the donation is exempt insofar as the donor has not been Greek resident for the last five (5) years. Additionally, donations of movable assets that are located abroad at the time of the donation are exempt from Greek donation tax, insofar as the donor has been residing abroad for at least twenty (20) years and has not become a Greek tax resident.

What kinds of assets are subject to tax?

Inheritance and gift tax are imposed on every type of assets, *i.e.* immovable property located in Greece, movable property, money, intangible assets, etc. irrespective of whether they are held in or outside Greece.

What are the tax rates?

The applicable tax rates for both inheritance and gift taxation are determined by reference to the degree of kinship between the decedent/donor and the heir/donee. Kinship is classified into the following categories:

i. Category A: spouse, parents, children and grandchildren, including children recognised by the father either voluntarily or judicially;

ii. Category B: other descendants

and ascendants, siblings (including step siblings), other relatives of third degree (nephews/nieces and uncles/aunts), foster parents, children from previous marriage of the spouse, sons or daughters-in-law and ascendants-in-law;

iii. Category C: all others.

Transfers of real estate property or any other assets by reason of inheritance or gift are taxed according to the applicable tax scales. More specifically, the applicable tax scales are as follows:

	Bracket of inheritance/ gift	Tax rate of bracket (%)	Tax on bracket	Total value of inheritance/gift	Total tax
Category A	150,000	0	0	150,000	0
	150,000	1	1,500	300,000	1,500
	300,000	5	15,000	600,000	16,500
	Excess	10			
Category B	150,000	0	0	150,000	0
	150,000	1	1,500	300,000	1,500
	300,000	5	15,000	600,000	16,500
	Excess	10			
Category C	6,000	0	0	6,000	0
	66,000	20	13,200	72,000	13,200
	195,000	30	58,500	267,000	71,700
	Excess	40			

With regard to the transfer of cash by reason of gift, a 10% flat tax is applicable to transfers to relatives of Category A, a 20% flat tax is applicable to transfers to relatives of category B and a 40% flat tax is applicable with respect to transfers to third parties.

To be noted that new rules apply as from 01.10.2021 increasing the tax-exempt bracket for parental gifts, as well as gifts between close relatives (spouses, parents, children and grandchildren) to Euro Eight Hundred Thousand (800,000). The exemption applies for any kind of assets.

Are allowances available?

While inheritance tax is imposed on the assets of an estate, there are allowances for the debts of the estate.

Moreover, Greek law provides for certain inheritance tax allowances applicable to 1) the spouse or children of a deceased person for the purpose of acquiring their first-ever principal private residence (the allowance is granted for the value of the property up to the amount of Euro Two Hundred Thousand (200,000) or Euro Two Hundred Fifty Thousand (250,000) for heirs with child custody, readjusted for every child that they may have) and 2) spouses and underage children of the deceased (the allowance applies for the value of the assets up to the amount of Euro Four Hundred Thousand (400,000), per beneficiary).

What are the payment and filing requirements?

Both inheritance tax and gift tax should be paid by the heir or the donee respectively, in twelve (12), equal bi-monthly instalments. An exemption applies for gift of cash, where the corresponding gift tax should be paid within three (3) days from the date of the filing of the respective gift declaration. With regard to the filing requirements, an inheritance tax return should be filed within the period of nine (9) months from the death of the deceased, provided that he/she demised in Greece and within the period of one (1) year from the death of the deceased provided that he/she demised outside Greece or the heir resides abroad. Moreover, in case that the donation is executed by means of a notarial deed, the gift tax return should be filed before the execution of the relevant transfer deed, otherwise the gift tax return should be filed within six (6) months from the delivery of the gifted asset.

F. Miscellaneous Taxes Due

What are the miscellaneous taxes to which the individual may be subject?

What are the filing and payment requirements?

Individuals are subject to a variety of taxes such as on car sales or imports, vehicles circulation taxes, taxes on mobile telecommunications; consumption taxes on alcohol and beer, etc.

The taxes applying to sales or imports of cars as well as alcohol and beer are paid per transaction, whereas the circulation taxes on vehicles are paid in lump sum annually; the taxes on mobile telecommunications are paid monthly as part of the respective cell phone bill.

G. Real Estate/Habitation Tax

Is the individual subject to real estate or habitation tax?

For real estate taxes please refer to *Chapter XII*, *Section E*.

Please note that there is no habitation tax in Greece.

H. Sales Tax

Does the individual pay sales tax?

Since VAT is ultimately borne by the consumer, the individual pays VAT where he/she is in position of final consumer.

I. Social Security and Welfare System Contributions

Contributions to social security funds are compulsory for both employees and professionals (*i.e.* self-employed persons).

In the event the individual is an employee, the social security rates are in general calculated at a 36.66% rate on the gross salary, 14.12% of which is

borne by the employee and the remaining 22.54% by the employer. The above rates apply on a monthly income up to Euro Six Thousand Five Hundred (6,500). If the social security contributions reach the cap, no further social security contributions arise. The amount of social security contributions owed to the Social Security Fund ("EFKA") depends on the particular status of the employee (current amount of salary, the specialty/ profession of the employee etc.).

If the individual is a professional (*i.e.* self-employed), he/she bears, on his/her own the cost, social security contributions to the Social Security fund. According to the social security law, the self-employed will be able to choose annually between six (6) social security categories for primary pension and health insurance, according to which he/she will be insured for the upcoming year. The minimum annual contribution is approximately Euro Two Thousand Six Hundred Forty (2,640) and the maximum is approximately Euro Six Thousand Nine Hundred Twelve (6,912). For the self-employed who have not completed more than five (5) years of professional activity, the minimum annual contribution may be reduced further.

Part of the social security contributions described above is intended by the Greek State for payment of the lump sum in the nature of compensation due upon retirement and pensions of the currently working population; another part thereof is destined to cover needs of the working population in the area of medical care.

Every month, employers are under the obligation to send electronically a detailed list of all their employees and the amount of the social security contribution owed to each respective employee, to the competent Social Security Fund. The list is called "Analytical Periodical Declaration". The amount of social security contributions owed by employers must be paid in full by the last day of the month following that for which they are due. The part of social security contributions which is a burden to the employee (*i.e.* 14.12% of the entire amount) is withheld from the monthly salary.

Professionals (*i.e.* self-employed) pay social security contributions to the Social Security fund in monthly instalments.

J. Stock Option, Profit Sharing and Savings Plans

Is there taxation of stock option plans?

According to a new law, stock options

are taxed as capital gains (instead of employment income) with 15% capital gains tax on condition that the shares have been held for at least two (2) years before their sale. The starting point for the calculation of the two (2)-year minimum holding period is the grant date of options. In case the aforementioned condition is not satisfied, the employee is subject to employment income tax up to 44%. Taxable benefit from stock options is defined as follows:

i. With respect to listed shares, the difference between the market price of the shares upon sale and the offering price.

ii. With respect to the non-listed shares, the difference between the acquisition price and the value of shares as derived on the basis of Company's net asset value reflected in the books of the company as at the time of acquisition of the shares.

Taxation of the benefit in question is deferred up to the time of sale of the free shares. For any further gain to arise following the time of acquisition of the shares (*i.e.* upon exercise of options), the employee will be subject to 15% capital gains tax (plus special solidarity contribution if applicable).

A special provision is included in case of stock options granted by non-listed start-ups qualifying as small or very small companies. In such case, the employee is subject to 5% capital gains tax upon the sale of the shares provided that the following conditions are cumulatively met:

i. The stock options are acquired within five (5) years from the establishment of the company;

ii. The company has not been established through a merger and no profit distributions have taken place;

iii. The employee holds the shares for at least three (3) years prior to disposal.

The above provisions apply to stock options exercised as of 01.01.2020, irrespective of when they have been granted.

In 2020, new provisions were also introduced in the Greek Income Tax Code regulating the tax treatment of the benefit arising from the free granting of shares to employees by means of an incentive plan where performance conditions should be fulfiled or a specific event should take place. More specifically, the free granting of (non-listed) shares to the employees is exempt from employment income tax; the benefit arising from the acquisition of free shares by the employee is treated as capital gains and is taxable at 15%

(plus special solidarity contribution if applicable). Taxation of the benefit in question is deferred up to the time of sale of the free shares. In case of non-listed shares, the taxable benefit from the granting of free listed shares is computed based on the company's net asset value on the vesting date.

Is there taxation of profit sharing plans?

Given the broad definition of dividends as per the Greek Income Tax Code, any remuneration paid to the BoD members, managers and employees out of the company profits shall be considered as payment of dividends, taxable at 5% with exhaustion of beneficiary's income tax liability. Stamp tax may be also due upon payment of such amounts to BoD members.

Is there taxation of savings plans?

Lump sum payments in the context of pension plans are taxed at a 10% rate [20% for amounts exceeding Euro Forty Thousand (40,000)]. Annuities are subject to 15% withholding tax. The above tax rates are increased by 50% in case of early repayments.

K. Taxation of Benefits in Kind

What is the rate of taxation on benefits in kind (*e.g.* automobile, housing and utilities, education, etc.)?

In principle benefits in kind are treated as salary income and are therefore subject to Salary Tax and Social Security Contributions. However, the Income Tax Code provides for an exemption from income tax for benefits in kind not exceeding the amount of Euro Three Hundred (300) per employee on an annual basis, as well as for specific benefits in kind, such as food vouchers of Euro Six (6) per employee per working day, payment of health insurance premiums up to Euro One Thousand Five Hundred (1,500) per employee per year, payment of premiums in the context of collective pension plans.

L. Taxes on Dividends

Are dividends taxable regardless of their form?

A 5% withholding tax is imposed on dividends regardless of their form. The 5% tax exhausts the respective income tax liability of the recipient of the profits and is withheld by the distributing entity upon payment or credit of the profits under distribution. Similarly, inbound dividends received by Greek resident individuals are also taxed at a 5% withholding tax rate regardless of their form, with exhaustion of the recipient's respective income tax liability. Relevant withholding tax rate used to be 10%.

M. Tax on Income

What are the federal or national tax rates on income for residents?

Individuals are taxed either at a flat tax rate or on the basis of a progressive tax scale depending on the source of income they acquire (*Chapter XIII*, *Section 2*). More specifically, the progressive tax scale applicable to employment income (salaries and pensions) and business income (since applicable tax rates in both categories are equalised) has as follows:

Income bracket	Tax rate
0-10,000	9%
10,001-20,000	22%
20,001-30,000	28%
30,001-40,000	36%
40,001 adn above	44%

With regard to income from capital, please see the table below depicting the tax rates applicable in each case:

Income bracket	Tax rate
Rental income	15% up to Euro Twelve Thousand (12,000) 35% for income of Euro Twelve Thousand One (12,001) to Euro Thirty-Five Thousand (35,000) 45% for income exceeding Euro Thirty-Five Thousand One (35,001)
Dividends	5% withholding tax (with respect to income received as from 01.01.2020)
Interest	15% withholding tax
Royalties	20% withholding tax

What are the federal or national tax rates on income for non-residents?

Foreign tax residents who acquire income in Greece are taxed on the basis of the abovementioned tax rates; however, they receive no tax allowances with regard to employment income, with the exception of (non-Greek) individual tax residents in EU/EEA member states who acquire at least 90% of their worldwide income in Greece.

What are the municipal or local tax rates on income for residents?

One of the sources of revenue for municipalities is the cleaning and lighting duties payable by the owners or users of buildings, for the collection of litter and waste and the lighting of streets; the amount is based on the size of the building and is included in the electricity bill.

What are the municipal or local tax rates on income for non-residents?

As regards municipal taxes, there is no different treatment between resident and non-resident individuals (please refer to the answer just above).

N. Tax Treaties

Please refer to *Chapter XII*, *Section K*.

O. Territoriality Rules

The individual is in principle subject to tax at the place of his/her residence. If

he/she qualifies as a Greek tax resident, tax liability in Greece is calculated on the basis of his/her worldwide income. An individual's tax residence is to be determined based on the place of residence or habitual abode or vital interests in Greece or the number of days spent in Greece. In this context, an individual spending more than one hundred and eighty-three (183) days in Greece shall, with certain exemptions, be presumed to be a Greek tax resident. Moreover, Greek tax liability of foreign tax residents arises only with regard to their Greek-source income.

A limited number of executives working for "strategic" investments as per law 4608/2019 may maintain their tax residence outside Greece, as analysed above under *Chapter III*, *Section C*.

P. Wealth Tax

Except for the Unified Real Estate Tax ("ENFIA") which burdens individuals and legal entities holding Greek real estate property rights (see *Chapter XII*, *Section E*), there is no other wealth tax applicable to individuals. To be noted that since 01.01.2022 both private individuals and legal entities will experience changes in their ENFIA liability since zone value of their properties have changed. In particular, private individuals holding properties of a value exceeding Euro Four Hundred Thousand (400,000) per property, irrespective if such property is jointly held, will be burdened with an additional main ENFIA tax, *i.e.* the tax per total property value. Said tax is assessed to taxpayers owning properties of a total value exceeding Euro Three Hundred Thousand (300,000) (excluding plots outside town planning areas).

Q. Withholding Tax

Is salary subject to a withholding tax at the source?

Salary is subject to a withholding tax at source and is calculated separately for each employee on the basis of certain parameters (*i.e.* years of employment, current amount of salary, family members etc.).

What is the treatment of residents as compared to non-residents?

Strictly for Payroll Tax purposes, there is no different treatment between resident and non-resident individuals (provided the latter are employed by an employer being a Greek tax resident).

XIV. Tax on Other Legal Bodies

A. Allowances

What are the major allowances (*e.g.* capital cost depreciation)?

As of 01.01.2014, Greek tax law, in principle, has equalised the tax treatment of other legal bodies with that applicable to corporations. Therefore, please refer to our relevant answers in *Chapter XII*, corresponding sections. Pertaining to allowances regime, please refer to *Chapter XII*, *Section A*.

What are the major deductible items?

Please refer to *Chapter XII*, *Section A*.

What are the major expenses that are excluded from deductibility?

Please refer to *Chapter XII*, *Section A*.

B. Calculation of Taxes

How is the taxable base determined?

As of 01.01.2014, Greek tax law, in principle, has equalised the tax treatment of other legal bodies with that applicable in corporations. Therefore, please refer to *Chapter XII*, *Section B*.

C. Capital Gains

Please refer to *Chapter XII*, *Section C*.

D. Filing and Payment Requirements

Please refer to *Chapter XII*, *Section D*.

Legal bodies file their tax return within June of the following year.

The tax prepayment assessed in cases of legal bodies is 100%, as of year 2015 onwards.

E. Miscellaneous Taxes

Please refer to *Chapter XII*, *Section E*.

F. Registration Duties

Are there registration duties or fees due upon the setting up of the legal body?

Please refer to *Chapter XII*, *Section E*.

Are there registration duties due upon a transfer of assets?

Please refer to *Chapter XII*, *Section F*.

G. Sales Tax or other Turnover Tax

Please refer to *Chapter XII*, *Section G*.

Filing and payment requirements

Legal bodies that maintain single entry accounting books, as well as foreign taxable persons that are VAT registered in Greece, must file periodical VAT returns on a quarterly basis, until the last working day of the following month, irrespective of whether such VAT returns are debit, credit or nil.

VAT due can be paid in a lump sum by the time of the filing of the respective VAT return.

Alternatively, to the extent the amount of VAT due exceeds Euro One Hundred (100), it can be paid in two (2) equal instalments. The first one should be paid by the last working day of the month of filing of the VAT return and the second one by the last working day of the next month.

Legal bodies effecting intra-community supplies or intra-community acquisitions,

have the obligation also to file electronically recapitulative statements and Intrastat returns monthly, only however for those periods, where such transactions occur and irrespective of the category of the accounting books maintained.

H. Social Security and Welfare System Contributions

Please refer to our relevant answer with regard to Corporations under *Chapter XII*, *Section H*.

I. Special Tax Themes

Are there particular tax consequences of doing business in the country under the form of the particular legal body?

Yes, in terms of application of the Interest and Royalties Directive since the former applies with respect to corporations in the form of AE only.

J. Tax on Profits

What are the national income tax rates on profits?

Please refer to *Chapter XII*, *Section J*.

K. Tax Treaties

Please refer to *Chapter XII*, *Section K*.

L. Territoriality Rules

Please refer to *Chapter XII*, *Section L*.

M. Treatment of Tax Losses

How are tax losses treated?

See *Chapter XII*, *Section M*.

N. Wealth Tax

Is there an applicable wealth tax?

Except for real estate property taxes referred to in *Chapter XII*, *Section E*, which apply also to other legal bodies, there is no other wealth tax in force.

O. Withholding Taxes

What are the rates of withholding tax on the legal body's activities?

In respect of profit distributions and capitalisations approved as of 01.01.2014, the rate of withholding tax applicable on dividends and profit distributions or capitalisations by Greek corporations is also applicable to distributions by OEs, EEs (partnerships), civil law societies engaged in a business or profession, joint ventures and other entities classified as taxable under the same rules and keeping double entry books *i.e.* 5% (with respect to income received as from 01.01.2020).

As regards withholding taxes on payments of royalties and interests, please refer to *Chapter XII*, *Section O* which applies also to other legal bodies.

XV. General Tax Considerations

A. Taxes Generally

Is there a generally accepted way of structuring the company or other entity so as to insure the desired tax consequences?

Please refer to *Chapter XII*, *Section I* regarding the Special Tax Schemes.

Is there an advance tax ruling that can be used to validate or invalidate the chosen form of doing business?

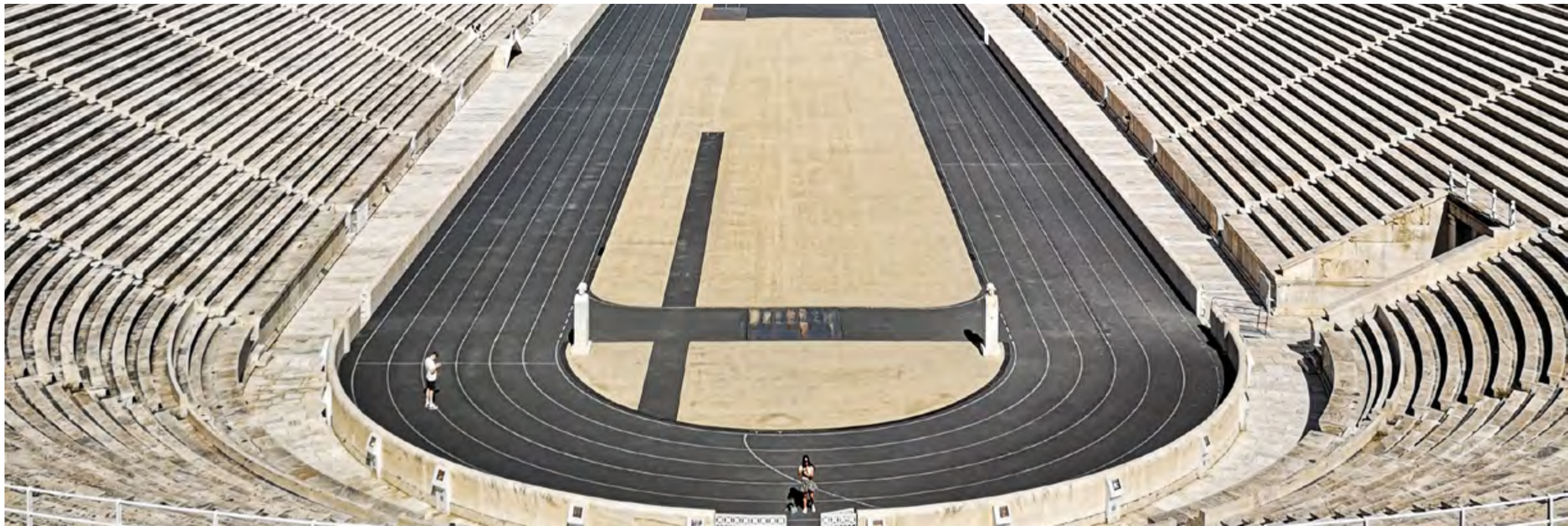
Please refer to *Chapter XII*, *Section I*, with respect to APAs.

Is there a general anti-tax avoidance system?

A General Anti-Abuse Rule ("GAAR") first introduced with effect as of 01.01.2014 (please refer to *Chapter XII*, *Section K*) was recently amended to incorporate part of the EU Anti-Tax Avoidance Directive into Greek domestic law. There are also various provisions in the Greek legislation that aim to tackle tax-avoidance schemes such as transfer pricing rules, earning-stripping rules, CFC legislation, rules for transactions with entities located in non-cooperative countries and countries of preferential regimes, property taxes on specific real estate holding structures, rules countering hybrid mismatches and rules on intra-group dividend payment of EU qualifying entities.

The Tax Procedures Code also tackles tax evasion. In 2017, the Independent Authority for Public Revenue released official guidance on the definition of tax evasion. The guidance clarified that the assessment of corporate income tax of an amount exceeding Euro One Hundred Thousand (100,000), does not constitute tax evasion, to the extent that such assessment results from transfer pricing readjustments. The guidance also refers to fictitious transactions, as an example of an intentional concealment of taxable income that may be treated as tax evasion, within the scope of the Greek Income Tax Code.

It should also be noted that Greece recently transposed Council Directive (EU) 2018/822 amending Directive



2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC6). In accordance with the new rules, Greek intermediaries and taxpayers must report to the tax authorities, information about certain broadly defined, potentially aggressive cross-border arrangements. Member states must subsequently automatically exchange relevant information. Taxes excluded from the scope include VAT and customs duties. The law allows a waiver from filing information to intermediaries who operate within the limits of the Greek laws that define the lawyer profession, where reporting would breach the attorney-client privilege under Greek law. In such cases there is an obligation to notify other intermediaries or relevant persons involved (taxpayers) of their filing obligations. A deferral of the time limits for filing and exchange of information, allowed under Council Directive (EU) 2020/876 adopted on 24.06.2020 is also being introduced. As a result, tax reporting and information exchange dates fall after the beginning of 2021. However, the new rules entered into force on 01.07.2020 and the scope of reporting includes arrangements implemented as of 25.06.2018.

Can the chosen form of business be treated as a deferent form for tax purposes?

Until recently the prevailing principle of Greek administration practice was that form prevails over substance. Nevertheless, since 01.01.2014, when a GAAR was first incorporated in the Tax Procedures Code, tax auditors are entitled to disregard the form of arrangements between taxpayers and reclassify them for tax purposes taking into account their economic substance. The Greek tax authorities have only recently started to apply the GAAR and thus legal precedence is limited in this respect. Greek Income Tax Code treats all corporations/entities, irrespective of their legal form or legal personality, as separate taxpayers for income tax purposes (opaque entities).

XVI. Immigration Requirements

A. Immigration Controls-Visas

Restrictions exist with respect to the movement of persons originating from outside the EU. Pursuant to Law 4251/2014 "Code of Immigration and Social Integration" (which will be replaced by Law 5038/2023 as of 01/01/2024), all third-country nationals who enter Greece must hold a valid travel document which must also bear a visa, if so required by the applicable provisions. A non-EU citizen who is not required to bear a visa can stay in Greece for a period not exceeding ninety (90) days within a one hundred eighty (180)-day period. However, if foreigners wish to stay in Greece either as employees or as investors they must enter Greece with a special (non-tourist) visa issued by the Greek consulate of their place of residence stating that purpose.

B. Immigration Requirements/ Formalities

As far as work and residence permits are concerned, a distinction must be made between EU and non-EU citizens. Citizens of EU member states and EFTA countries are free to stay in Greece for a period of three (3) months, and for longer periods provided that they 1) are employees or freelancers in Greece, 2) have adequate financial means to support themselves in Greece, or 3) study in Greece. After three (3) months, they are obliged to register with the competent police authorities following a rather simple procedure provided in the law.

According to Law 4251/2014 (which will be replaced by Law 5038/2023 as of 01/01/2024) restrictions exist with respect to citizens of non-EU member states. After entering the country by virtue of a valid visa, third-country nationals who wish to be employed in Greece are required to obtain a residence permit that allows access to the Greek employment market. The standard process for the issuance of

such permit, which is a burdensome and rather time consuming process, is the following:

- Every two (2) years a special Ministerial Decision is issued setting out the maximum permissible number of third-country employees and the position they may hold per geographic area of Greece (according to new Law 5038/2023, this Ministerial Decision will be issued every year).
- Employers who wish to employ third-country personnel must submit an application to the authorities, in the framework of the above Ministerial Decision, requesting the employment of specific third-country national(s).
- If the application is accepted by the authorities the file is forwarded to the competent Greek Consulate.
- The Greek Consulate invites the interested third-country national to appear in person at the Consulate in order to obtain the visa.
- Upon entry in Greece the visa-holder must appear before the authorities and submit the required supporting documentation for the issuance of the residence permit.

Another, less burdensome option provided in the law is the issuance of a special-purpose permit for foreign managerial personnel *i.e.* for individuals that assume corporate offices (*e.g.* members of the Board of Directors) or managerial roles (*e.g.* General Managers or managers) in Greek companies. However, this option will not be available as from 01/01/2024 since new Law 5038/2023 does not include this category.

Other types of residence permits include the "EU Blue Card" for highly qualified employees, the residence permit for intra-company transfers ("ICT") of senior managers, specialists or paid trainees from a non-EU entity to an affiliated entity in Greece and the special permit for seasonal work.

The validity of the initial residence permit is for two (2) years and the duration of each renewal is three (3) years. However, as of 01/01/2024 the validity of the initial residence permit will be increased in three (3) years, unless the law regulates differently (*e.g.* EU Blue Card).

Finally, special provisions are included for investors in real estate according to which residence permits can be granted to third country nationals (and members of their families), who proceed to the purchase of real estate property in Greece, the value of which exceeds Euro two hundred fifty thousand (250,000) or five hundred thousand (500,000), depending on the geographic area, under the so-called "golden visa program".

In addition to the above, foreigners must acquire a tax registration number, following a relatively simple procedure.

XVII. Expatriate Employees

A. Cost of Living and Immigration

How does the cost of living compare to that in the investor's home country?
What is the rate of inflation?

The cost of living in Greece is equivalent to the average cost of living in any western European country. Although the rate of inflation had been declining following the fiscal crisis and last years' recession, as of 2017 the inflation rate has been positive. More specifically, the inflation rate in February 2018 was 0.1%.

B. Drivers' Licences

All EU and the vast majority of other countries' validly issued driver's licence entitle the expatriate employee to legally drive in Greece. As a general rule, however, the issuance of a driver's licence involves an examination, both practical and written. The cost involves fees for all relevant courses and the final examination.

C. Education

The expatriate employee has a choice between Greek State schools which are free of charge or Greek or international private schools for which tuition fees apply. Without prejudice to rules setting the minimum age for enrollment no other restrictions apply.

Can the investor or company receive a tax benefit?

Tuition fees can by no means be treated as an allowable expense if shown as incurred by a Greek-incorporated company. Expenses in general are eligible for deduction only to the extent that they are certain (*i.e.* provisions and contingencies are not deductible) and in general contribute to the financial results of such taxpayer company ("productive" character of the expenses). In that sense, tuition fees may be deductible only if they constitute part of the salary of the employees of the foreign investor and only if the corresponding social security contributions have been paid.

An investor/individual is not entitled to any allowance for Greek income tax purposes with regard to tuition fees of an investor's children or tuition fees or expenses that relate to foreign languages courses, private lessons at home and afternoon lessons in private institutes, with the exemption of (non-Greek) individuals tax residents in EU/EEA member states that derive at least 90% of their worldwide income in Greece.

It should also be noted that the criteria according to which it can be determined whether a certain expatriate qualifies as a Greek tax resident normally boil down to a requirement for one hundred and eighty-three (183) days minimum duration of residence in Greece and the existence of vital interests in the country. The existence of a Double Taxation Treaty ("DTC") should also be taken into consideration for tax residence determination purposes.

In light of the above, the actually allowable amount is nil.

D. Housing

A foreign investor may acquire and own property at any time before or after entering the country. In case of real estate property situated at border areas, a special regime applies for non-EU investors necessitating relevant regulatory approvals.

E. Importing Personal Possessions

If the expatriate employee has been residing in an EU member state before moving into Greece, no import duties are due at the Greek border, as there is free movement within the Customs Union.

Where the expatriate employee originates in a third country, personal belongings shall bear customs duties except if s/he furnishes a Certificate of Immigration, issued by the Greek Consulate of his country of residence, to the Greek Customs Authorities.

F. Medical Care

Greece has a national health care system but a person may also chose to obtain additional private medical care insurance. In most cases the foreign employee will be obligated to obtain medical care insurance or prove that s/he and her/his family members are adequately insured by another State or private health care insurance carrier in order to obtain a visa or a residence permit.

G. Moving Costs

No tax allowance is provided by Greek law in relation to moving costs.

H. Tax Liability

Expatriates, being non-Greek tax residents, are taxable in Greece only on their Greek-source income. In principle, they are not entitled to any allowance, normally granted to Greek tax residents for income tax purposes.

Expatriates that become Greek tax residents are subject to tax on their worldwide income in Greece and enjoy full relief entitlement (for more details on the major allowances, please refer to *Chapter XIII*, *Section A*). For the criteria according to which an expatriate may be treated as a Greek tax resident, please see under *Chapter XIII*, *Section B*.

A limited number of executives working for "strategic" investments as per law 4608/2019 may maintain their tax residence outside Greece, as analysed above under *Chapter III*, *Section C*.

Are there any applicable tax treaties?

Tax treaties concluded by Greece in principle contain a provision on Income from Employment, which is scheduled pursuant to Article 15 of the OECD Model. Such provision sets out three (3) criteria pursuant to which employees receiving employment remuneration in a country other than that of their residence are taxed on the respective revenues only at residence. The aforementioned criteria are as follows:

i. Employees shall be present in the country of source for less than one hundred and eighty-three (183) days;

ii. The employer that pays the remuneration shall not be resident in the State of source; and

iii. The remuneration shall not be borne by a permanent establishment which the employer maintains at source.

I. Work Contracts

In the case of expatriate employees, particularly non-EU nationals, a written employment contract may be required for their residence permit process.

J. Work Permits

Please see our answers under *Chapter XVI* above.

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