German-Hellenic Chamber of Industry and Commerce
Ελληνογερμανικό Εμπορικό και Βιομηχανικό Επιμελητήριο

#PartnerForGrowth

Investment Guide 2020

An initiative of the working group «Law» of the German-Hellenic Chamber of Industry and Commerce

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PartnerForGrowth
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1. The activities of the German Chambers of Commerce

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1.1 The worldwide activities of the German Chambers of Commerce

Transportation links to every corner of the world and global networking have created what at first glance appears to be an open world market without limits. But taking a step on a foreign market is anything but easy. Unexpected issues may soon turn such a project into a risky and expensive adventure, especially for medium-sized companies. If you want to be successful in foreign markets, you need to know your market. This includes knowledge of legal and tax conditions as well as knowledge of the country's institutions. Apart from that it is also important to skilfully avoid the abundant stumbling blocks on the communication and trade routes of another culture.

The German Chambers of Commerce (AHKs) are the partners of the German economy when it comes to gaining access to foreign markets. They are the contact persons of the Chambers of Industry and Commerce (IHKs) and associations and offer their services to companies in every industrial sector. Thanks to the good cooperation of both bodies at home and abroad, company inquiries can be processed directly by local experts and answered with market-oriented solutions. Special national and regional events in the IHKs are prepared and carried out together with the respective AHKs, creating a direct link between the economy at home and abroad.

In addition to the important, individual services that are relevant for the individual AHKs, one of the most important services of the German Chambers of Commerce abroad is *inter alia*: Marketing advice:

- From the analysis of sales structures to the presentation of products to providing personal contacts.
- Market entry consulting: Analysis based on the macroeconomic and regulatory environment through competing market participants and to product positioning.
- Legal advice: Assistance in drafting contracts, founding companies and all country-specific legal procedures.
- Organization of appointments: Travel organization and agreement of business appointments as well as foreign language support.

At more than 140 locations in 92 countries with 50,000 members, the AHKs, delegate offices and representative offices of the German economy promote foreign trade relations. Many AHKs have been active in their countries for decades. Their 2,111 experts have extensive knowledge of the local economy, trade and legislation.

For example, the German-Greek Chamber of Industry and Commerce (DGIHK) has existed since 1924 and its 29 employees provide their services in Athens and Thessaloniki.

1.2 The services of the German-Hellenic Chamber of Industry and Commerce

For more than 95 years, the German Hellenic Chamber of Industry and Commerce (DGIHK) has been promoting trade and business relations of both countries through harmonized and diversified services and activities as part of the worldwide network of German Chambers abroad. The DGIHK, as the official representative of the German economy, is a competent partner for German companies particularly in the field of market development. For the development of a foreign market a precise strategic approach is required. Otherwise, there is a risk that the success will fall short of expectations despite high initial investment. Thanks to their many years of experience in Greece, the economic experts of the DGIHK are competent specialists: Their strength lies not only in an in-depth knowledge of the economic structure of the Greek market, but also in their personal contacts with industry experts and decision-makers in companies, associations and state institutions.

In doing so the Chamber offers various consulting services to ensure successful **market entry**.

By means of a market research (pre-market check) market-specific information can be summarized, on the basis of which it can be decided whether or what further steps should be taken to ensure successful market entry in Greece. An in-depth market study provides interested parties with a comprehensive overview of the current situation of the relevant Greek target market, the market potential of the product or service, the Greek industrial sector and the corresponding structure of the competition.
If the research results are positive, the Chamber can then take over the mediation of competent business partners and create contacts with potential sales representatives, trading partners, customers or manufacturers by means of comprehensive, target-group oriented research. The Chamber's extensive network within the Greek economy as well as its access to up-to-date databases and a variety of coordinated information sources guarantee a reliable choice. An experienced Chamber representative is available to the customer as a permanent contact person, who introduces national business practices and activates his network in the Greek market. Thus, a professional initial approach of the selected business contacts takes place in Greek. The use of a professional mediation between business partners offers both a cost saving by approaching potential business partners through DGIHK, as well as time saving through the schedule of appointments.

Furthermore, the Chamber offers consulting services in the selection of an ideal location for activities in the Greek market. The DGIHK is well-acquainted with the local conditions and helps prospective customers to find their way quickly in an initially unfamiliar environment. With its expertise, the Chamber also helps in the search for the most economically and strategically favourable sales or production location. The customer benefits not only from many years of expertise in the market, but also from the knowledge of location factors as well as from the existing cooperation of the DGIHK with local investment and organizations which support foreign trade.

Many export intentions fail not due to lack of market opportunities or a lack of business partners in the target market, but simply because of the prevailing social, commercial or tax-law conditions.

The **legal and tax** experts of the DGIHK can offer companies important help in assessing these conditions. The Chamber is the first point of contact for advice on entering the Greek market or for any problems that arise in this respect. Its legal services include information on Greek corporate forms in general up to company formation, tax advice or taking over debt collection cases. The DGIHK refers to specialized lawyers, tax consultants or accountants to answer complex questions. The interaction of Chamber employees and external, often German-speaking lawyers and consultants ensures optimal support. The Chamber also supports companies by avoiding time- and cost-intensive legal proceedings by means of its own Arbitration- and Mediation Center (AMC). In Greece, these are often associated with a number of disadvantages and problems for German entrepreneurs who have to resolve conflicts with Greek business partners: the court language is Greek, the court system is foreign and, in addition, the length of proceedings in Greece is particularly long. The DGIHK Arbitration and Mediation Center thus offers the opportunity to resolve disputes with business partners faster and more efficiently than in a Greek court proceedings. Detailed information related to the services of the DGIHK Arbitration and Mediation Center, such as the procedural regulations, the lists of arbitrators and mediators, dates of events and all other activities of the AMC and its two departments can be found on the website www.oddee.gr/en.

Another focal point of the Chamber's work is the **project business**. The DGIHK carries out public-sector projects from Germany and Greece, projects of the European Commission as well as self-initiated projects and has in-depth project experience. Thus, the DGIHK inter alia works successfully in the field of international export promotion and regularly organizes marketing assistance and export promotion projects for German products and services with the support of the Federal Ministry for Economic Affairs and Energy (BMWi). As the official representative of the German economy, the Chamber has a wealth of experience in conducting bilateral events, symposia, congresses and delegation trips. Delegations from Germany to Greece and vice versa are also successfully organized on a regular basis, making it easier for German technologies and services to enter the Greek market. DGIHK has also been promoting multilateral technology and know-how transfer in the European project business for many years, with the optimum implementation of the European project specifications being given the highest priority. In general, the projects carried out, whether as project promoters or as project partners, are consistent with the mission of the Chamber and thus strengthen German-Greek economic relations. Due to the comprehensive project work, the DGIHK employees have extensive project expertise as well as important contacts to relevant industry representatives, institutions and decision-makers at state and local level. The acquired expertise is maintained by the experienced staff and a compressed know-how pool, which can also benefit German and Greek companies. This allows demand-driven information on project participation options to be provided, project proposals to be evaluated and company-tailored solutions and recommendations for action to be offered.

With over 850 **members** in Germany and in Greece the DGIHK is one of the larger chambers in the network of German Chambers of Commerce abroad. Membership of a DGIHK is available to companies and offers a range of attractive benefits and perks, such as those associated with fee-based services. In general, the DGIHK offers its members a platform with which they can expand their network, exchange information and attend exclusive events. It also offers members active participation in sector-specific working groups, and thus the opportunity to address politics with a common voice. As part of DGIHK's Members4Members programme, their members benefit from discounts or special offers for services and products of other member companies. In the age of increasing digital communication and social media, the Chamber also offers its members

direct customer contact and excellent online positioning through online service and web presence opportunities. This provides the possibility inter alia of publishing company press releases on the homepage and social media channels of the Chamber or exclusive positioning in the online member directories.

Other activities of the chamber include **trade fair participation**. As the official representative of German trade fair companies in the Greek and Cypriot markets, the DGIHK acts as a one-stop shop for exhibitors and visitors. The following exhibition organizations are officially represented by the Chamber: Deutsche Messe AG, Hamburg Messe und Congress GmbH, Kölnmesse GmbH, Messe Berlin GmbH, Messe München GmbH, GHM Gesellschaft für Handwerksmessen mbH, IMAG GmbH, Meplan GmbH, Solar Promotion GmH, Spielwarenmesse eG - and works with AFAG Messen und Ausstellungen GmbH, the Landesmesse Stuttgart GmbH, Messe Essen GmbH and Reed Exhibitions GmbH. As a reliable and experienced trade fair representative, the DGIHK is responsible to attract exhibitors and visitors, providing information, advertising and press coverage in Greece and offers additional services, such as the organization of PR events. As part of this, the trade fair catalogue of German trade fairs is also published every year. For interested trade fair exhibitors or industry visitors to trade fairs in Germany or Greece, the Chamber supports the preparation, implementation and follow-up of the trade fair. In more detail, the range of trade fair services includes the provision of information on trade exhibitions and events, trade fair planning, advice on the transportation of exhibits and exhibition stand construction, the organization of trade show booths and B2B meetings, and general support in making the trip. Greek interested parties can inform themselves about the German trade fairs in the Greek language on the Chamber's trade fair portal "www.german-fairs.gr".

The **events** organized by the DGIHK enable the establishment or intensification of business contacts in Greece and Germany. The extensive programme of events is divided into major and specialised events. The annual main events include, inter alia, the New Year's receptions in Athens and Thessaloniki, the annual membership meeting, the summer party and the member brunch. The specialised events in the form of workshops, conferences and contact exchanges are regularly organized in a sector-specific manner on current topics in cooperation with member companies of the DGIHK. The Chamber also organizes project-related events (such as BMWi-sponsored conferences or workshops concerning the Dual Training Programme), often enriched by the active participation of experts from Germany and Greece and their expertise. Finally, the chamber organizes spontaneous ad hoc events with high-ranking politicians or business representatives on certain occasions. In general, the events organized and run by the DGIHK create an excellent platform for establishing and maintaining business contacts with decision-makers from business and politics and make an important contribution to promoting bilateral cooperation and know-how transfer.

Above and beyond this, the DGIHK is also active in **initial and further training** and trains young people in technical occupations in a practice-oriented manner. The chamber is also active in the "training of trainers" also by instructing trainers in the workplace principles and methodologies of dual vocational training and strengthening their role of qualified trainers within companies. Furthermore, the Chamber starts at an early stage with the further development of green professions. Here, for example, it successfully leads the European Energy Manager Seminar EUREM (European EnergyManager) as in-service, practical training in the field of energy-efficient technology for energy managers in companies. In addition, the "Energy Scouts" seminar, offered by the Chamber, enables young professionals to receive training in the field of energy and resource efficiency.

The future "Energy Scouts" are learning to identify saving potential for energy and resources in their companies and to increase their energy efficiency.

An important building block in education and training is the transfer of elements of the German dual vocational training to the Greek training market. The goal here is that, in addition to theoretical and scientific knowledge, concrete practical skills and competences in the training profession are acquired, so that a qualified skilled worker is trained with the help of a training plan. This training plan meets the German quality requirements for dual vocational training and is certified according to these.
Moreover, the DIHK offers the initiative "AHK academy", which aims at the constant development of today's executives through further training seminars. These seminars concern important branches of the Greek economy (e.g. food, tourism, business administration) and concentrate on technical further training and on the development of social skills (soft skills) of company executives.

The DGIHK offers dual vocational training courses for trainees and professionals in the fields of tourism as well as the brewing and malting industry (DUAL Hellas), the technical professions and the so-called "green" occupations (Graeducation, Young Energy Europe). Young entrants are thus offered the opportunity to undergo targeted, systematic vocational training in order to gain successful and sustainable access to the labour market. In this way, the DGIHK thus contributes to reducing youth unemployment in Greece and supports companies in identifying and recruiting a well-trained workforce.

As the German-Hellenic Chamber of Commerce and Industry, we strive to offer high quality and innovative services to achieve our goal: to continue successfully to promote the German-Greek cooperation.

2. Macroeconomic Overview of Greece

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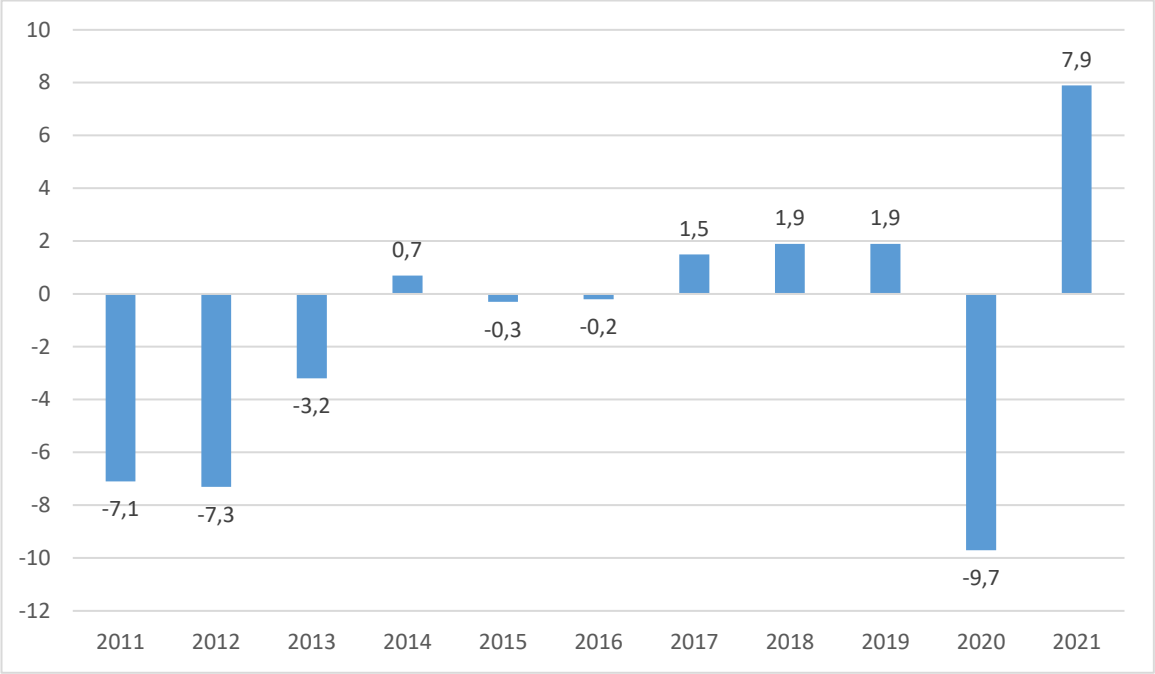
2.1 Overall economic outlook

Development of the Greek economy

Before the global Covid-19 pandemic brought the world economy to a standstill, Greece's economic recovery of recent years continued in 2019, with economic growth of 1.9% (Greek statistical authority ELSTAT). Greece's economic progress to date has also been confirmed by the European Commission, which assessed the economic outlook positively. In its winter forecast in February 2020, the Commission forecasted a further increase in GDP of 2.4% and 2.0% for 2020 and 2021.

The outlook for the Greek economy has deteriorated massively due to the Corona crisis. In particular, the pandemic is hitting the domestic economy comparably hard and highlights one of the structural problems of the Greek economy, namely its heavy dependence on tourism, which accounts for about 25% of Greece´s GDP. The European Commission therefore expects Greece to experience the worst recession among European countries in 2020. In this regard, the Greek economy is predicted to contract by around 10%.

Figure 1: Real GDP growth 2011 - 2021 (in %)



Source: European Commission, European Economic Forecast, Spring 2020

The country's debt level is expected to rise to almost 200% of GDP and unemployment to around 20%. The International Monetary Fund (IMF) even expects an unemployment rate of 22.3%. In February 2020 the rate was still 16.1%, the lowest rate for Greece in almost nine years.

Gross fixed capital formation is expected to collapse by about 30% and purchases of equipment by almost a third. The EU Commission is also forecasting a drop in private consumption of around 9% as a result of rising unemployment.
According to current data from the Greek statistical authority ELSTAT, Greek GDP in the second quarter of 2020 fell by 15.3% compared to the same quarter of the previous year, reflecting the fatal effects of the lockdown on the Greek economy. Compared with the same quarter of the previous year, consumer spending declined by 9.3% and gross fixed capital formation by 2.0% in the second quarter of 2020.

2.2 Foreign trade

In 2019, the Greek economy exported goods and services worth a total of around €33.8 billion (including petroleum products), according to the Greek statistical authority ELSTAT, which means that Greece's exports grew by around 1% compared to the previous year. The majority of Greek exports in 2019 were mineral fuels, non-ferrous metals, food products, pharmaceuticals and engineering products.

On the imports side, goods and services worth about €55.5 billion (including petroleum products) were imported into Greece in 2019, representing an increase of about 2.6% to the previous year.

Table 1: Evolution of Greek external trade 2017 - 2019 (in bn euro)

	2017	2018	2019
Imports	48,9	55,1	55,5
Exports	28,5	33,4	33,8
Balance	-20,4	-21,7	-21,7

**Source: Germany Trade & Invest 2020*

According to the Greek statistical authority ELSTAT, Greek imports of goods decreased by 15.4% in the first half of 2020 compared to the same period of the previous year. The aggregate value of imports (including petroleum products) amounted to EUR 23.6 billion in this period, compared to EUR 27.9 billion in the same period of 2019. Excluding petroleum products, Greek imports decreased from EUR 20.5 billion to EUR 18.9 billion in the first half of 2020, a decrease of 7.9%.

The total value of Greek exports (including petroleum products) in the first half of 2020 was EUR 14.8 billion, compared to EUR 16.8 billion in the same period of the previous year, which means a decrease of 12.1%. Excluding petroleum products, Greek exports decreased by 0.2% in the first half of the year.

According to EU forecasts, Greek imports of goods and services are expected to fall by 18.0 percent in 2020 due to the virus. Exports of goods and services are projected to fall by more than a fifth.

In the first quarter of 2020, Greek imports of goods fell by around 2.0 per cent year-on-year, according to the European statistics office Eurostat. Greek exports fell by almost 0.3 per cent in the same period.

Germany was Greece's most important trading partner in the first quarter of 2020, followed by Italy.

2.3 Economic relations with Germany

Imports from Germany

Foreign trade with Germany increased in 2019. With regards to imports, Germany retained its traditional place as the most important supplier to Greece. According to the Federal Statistical Office, German exports to Greece rose by 5.7% in 2019, so that Greece, as an export destination of German goods, was ranked 35th in the ranking of German foreign trade partners in 2019 (38th place in 2019).

However, in 2020, in the first four months (January - April), Greek imports from Germany fell by a total of 7.3% year-on-year, due to the corona crisis. According to the German Federal Statistical Office, this decline is smaller than the decline of other German trading partners in Europe (France: -18.2%, Spain: -18.1%, Italy: -15.3%).

In the first quarter of 2020, imports of motor vehicles from Germany fell by 4.4% in Greece compared with the same period of the previous year. Imports of electrical machinery fell by as much as 16.3%. However, imports of medical products (13.4%), dairy products (12.7%) and telecommunications equipment (8.1%) increased due to the pandemic.

Exports to Germany

In 2019 Greek exports to Germany grew likewise (+6.8%). In 2020, Germany was again Greece's second most important trading partner in the first four months (January - April). With regard to Greek exports, Italy was, as last year, the largest consumer of Greek products and services. According to the Federal Statistical Office, exports to Germany even increased by 7.4%, compared to the previous period. In the first quarter of 2020, in particular pharmaceutical products (13.38%) and milk and dairy products as well as fruit (8.38%) contributed to this increase.

Investments from Germany and the world

According to the Bank of Greece, net inflows of direct investment reached EUR 4.484 million in 2019 (the highest level since 2002), an increase of 33.3% over the previous year. This makes 2019 the fourth consecutive year in which foreign direct investments (FDI) inflows have increased. In previous years, the increase was 9.0% (from 2017 to 2018), 23.5% (from 2016 to 2017), 118% (from 2015 to 2016).

Foreign direct investments in Greece in the period 2009-2019 came predominantly from the Member States of the European Union, with Germany and France being the main source of investment, followed by Cyprus and Switzerland. According to the Bank of Greece, the "Top 10" of investment countries of the last decade also includes several non-EU countries, such as China (including Hong Kong), Canada and the USA.

Net FDI inflows were mainly in the manufacturing sector, in particular chemicals and oil products, food and beverage tobacco, pharmaceuticals, machinery and computers. Among the service sectors which have attracted greater investment interest over the past period are real estate and logistics.

Future developments

For next year, the EU Commission is forecasting economic growth of 7.9% and a rapid increase in gross fixed capital formation of 33%. It remains to be seen whether the improvement in the economic situation will actually occur so quickly. The further global course of the pandemic and especially the effects of the second corona wave at the end of 2020 will play an important role in this respect.

It should be noted that, despite the crisis, Germany remains the largest supplier and, in terms of Greek exports, the second largest trading partner of Greece. The German-Hellenic Chamber of Industry and Commerce supports interested companies in entering the Greek market and is happy to assist you in identifying potential business partners and distributors.

3. Economic Outlook - Greece

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3.1 Economy grows by about 2 percent

Athens (GTAI) - Greece's economy is expected to grow only moderately this year. Greeks elect a new parliament ahead of schedule in early July.

3.2 Major challenges for the new government

The European Commission predicts a 2.2 per cent growth in gross domestic product for 2019. Net exports are again likely to be the main driver. The moderate recovery is reflected in the unemployment rate, which has been falling steadily since 2015 and will reach 18.2 percent in 2019, according to the forecast of the EU Commission. In 2014, every fourth person in the country was still unemployed. However, unemployment has also fallen because half a million Greeks have left the country to seek work abroad.

Domestic demand for consumer and capital goods remains weak. Companies have hardly invested at all in the past year due to high financing costs and moderate growth prospects. Whether the forecast upturn in gross fixed capital formation will materialise this year, also depends on future political developments.

The Greek people will elect a new government in early July. The current Prime Minister, Mr Alexis Tsipras, has brought forward the parliamentary elections by three months after his governing party, Syriza, suffered a defeat in the European elections despite numerous electoral gifts. Syriza was some 9.5 percentage points behind the conservative party Nea Dimokratia (ND). ND also won the regional and municipal elections.

The economy has high hopes for a change of government. The ND party is considered pro-business. According to its programme, it wants to reduce the tax burden on companies, create subsidies for investments, promote privatisation and attract foreign investment.

In order for Greece to make a sustainable recovery from the crisis - the country has lost 21 per cent of its economic power in the past eleven years - the economy would have to grow by 4 per cent annually. Only such growth would enable Greece to meet its financial obligations to creditors.

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Economic development 2018 to 2020 in Greece (real change compared to previous year in percent)

	2018	2019 2)	2020 2)
BIP	1,9	2,2	2,2
Einfuhr (cif) 1)	4,2	5,7	4,1
Bruttoanlageinvestitionen	-12,2	10,1	10,8
Privater Verbrauch	1,1	1,3	1,2

1) goods and services; 2) forecast

Source: EU Commission "European Economic Forecast", May 2019

Key economic data for Greece

Indicator	2017	2018	Comparative data
Germany 2018			
GDP (nominal in Bn. EUR)	180,2	184,7	3.388,2
GDP per capita (EUR)	16.736	17.275	40.871

Sources: Greek Statistical Office Elstat; International Monetary Fund; Federal Statistical Office

3.3 Investments: Gross fixed capital formation to increase significantly in 2019

Despite optimistic forecasts, gross fixed capital formation fell by around 12 percent in 2018, according to the EU Commission. This was mainly due to the drop in demand for transport equipment. According to the Greek statistical office Elstat this fell by 44 percent. Although the EU Commission is assuming growth of around 10 per cent in 2019, it points out possible risks that could curb the momentum. These include, for example, the increase in minimum wages and uncertainty about the further course of reforms in view of the upcoming parliamentary elections at the beginning of July.

Major projects to be launched this year include the new airport at Kastelli in Crete and the construction of the ITUC natural gas pipeline between northern Greece and Bulgaria. These projects are expected to trigger further infrastructure projects in the regions.

3.4 Consumption: stimulus from higher minimum wages and lower VAT

The Greek government has adopted several measures in the election year 2019 to boost household income and thus consumption. In February 2019 the government raised the minimum monthly starting salary by almost 11 per cent to a gross income of 650 EUR. In May, it announced, among other things, a pension bonus, as well as the reduction of VAT on food and catering from 24 to 13 per cent.

For 2019, the EU Commission is forecasting growth in private consumption of 1.3 per cent. However, this growth could even be somewhat stronger, as some measures were adopted after the publication of the spring forecast.

3.5 Foreign trade: Germany no longer the most important trading partner

In the first quarter of 2019, Greek imports of goods rose by 5.8 per cent compared to the same period of the previous year. Exports increased by 1.6 per cent in the same period. In the 1st quarter of 2018, exports still grew by 13 per cent. The reason for the decline in deliveries this year is the lower exports of petroleum products as well as of iron and steel.

Italy replaced Germany as Greece's most important trading partner in 2018. Iraq and China followed in third and fourth place. Italy is the largest consumer of Greek products. Germany is in second place.

Germany mainly exports motor vehicles, power generators, dairy products, chemical products and pharmaceuticals to Greece. German exports increased by 9.9 percent in 2018. Greek deliveries to Germany increased by 4.2 per cent.

Greece's foreign trade (in millions of euros; change in percent)

	2017	2018	Change 2018/2017
Imports	50,342,9	55.187,6	9,6
Exports	28.877,1	33.456,1	15,8
Trade Balance	-21.465,8	-21.741,5	

Source: Eurostat

For further information (e.g. SWOT analysis, industry reports) http://www.gtai.de/Griechenland

4. Constitution and Government – EU A short introduction to Greek Constitutional and Administrative Law

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4.1 An introduction to the Greek Constitution

The current Greek Constitution was adopted in 1975, following the fall of the 7-year dictatorship, and has been amended 4 times ever since, in 1985/86, 2001, 2008 and 2019. The Amendment of 2001 was a massive one, since 79 articles changed, while the most recent Amendments of 2008 and 2019 were more limited. The Constitution is divided in 4 parts and basically covers two main areas: Structure, Distribution & Organisation of State Powers and Human Rights. The form of governance is parliamentary republic with president (with limited powers).

The Greek Constitution can be characterised as rigid, given that it establishes strict prerequisites for its amendment, namely the lapse of 5 years for the next amendment, two Parliaments (after elections) to vote and extraordinary voting majorities, whilst certain provisions thereof cannot be amended (ar. 110).

4.2 Structure, Distribution & Organisation of State Powers

- **The Fundamental Principles**

Principle of Democracy: The governance in Greece is founded on popular sovereignty. The members of the Parliament (currently 300 according to law) are elected by the Greek citizens every 4 years. Elections may be held earlier in certain cases, as specified in the Constitution (art. 41 par. 1 and 2).

The Constitution also provides for the free functioning of political parties (art. 29), two types of referendums (art. 44 par. 2), the citizen's legislative initiative by signature of 500.000 citizens with right to vote (art. 73 par. 6), elections for local government (art. 102 par. 2) and public sessions of the Parliament (art. 66).

Principle of Representation: The members of the Parliament represent the Nation, have a free mandate and are protected by certain provisions of the Constitution regarding their non-responsibility for any vote or opinion at their duties and their indemnity (criminal prosecution only upon the Parliament's permission) during their term of office (art. 61-62).

Principle of Parliamentarianism: The Government should enjoy the Parliament's confidence, namely of the absolute majority of the present members of the Parliament, which cannot be less than the two-fifths (120) of the total number of the members (art. 84 par.1 and 6). However, a wider majority is necessary in order to have the capacity to govern; in fact, a majority of 151

members is still considered fragile. The leader of the majority party is appointed as the prime minister. A procedure of no-confidence motion, requiring the approval by the absolute majority of the total number of the members, is also provided for (art. 84 par. 2 and 6).

Separation of Powers (Functions) (art. 26):

- In Greece, the **legislative power** is assigned to the Parliament and the President of the Republic, who is elected by the members of the Parliament every 5 years; the latter promulgates and publishes the acts of the Parliament, whilst, although the President has a right to refer a bill back to the Parliament, such right has not been exercised to date.
- The **executive power** is assigned to the President of the Republic and the Government, which consists of the cabinet of ministers, including the prime minister, and determines the general policy of the country. The Government and, especially the prime minister, hold a key role, particularly following the amendment of 1985/86, when some competences of the President of the Republic were limited. The acts of the President of the Republic, with some specific exemptions defined in the Constitution, need a ministerial undersigning (prosipografi) in order to have effect.
- The **judicial power** is independent. There are civil, criminal and administrative Courts, as well as the Auditor's Court and some special Courts (e.g. judging miscarriage of justice). Second instance is established by the law and not by the Constitution. Final appeals against judgments of lower Courts are examined by the Supreme Court (*Areios Pagos*) for the civil and criminal jurisdiction, and by the Council of State (*Simvoulio tis Epikrateias*) for the administrative jurisdiction.

There is no Constitutional Court in Greece, but every Court regardless of jurisdiction and instance should not apply any unconstitutional law. The review of the constitutionality is, thus, incidental and exercised by every Greek Court. Conflicts between the higher Courts regarding constitutionality, are addressed by the Special Supreme Court (*Anotato Eidiko Dikastirio or AED, art. 100*). AED is also competent to resolve disputes arising from elections.

- **Elections in Greece**

Voting is governed by the following principles: a) Universal voting for all those that fulfil the criteria set by the Constitution and specified by the law (age, no deprivation of political rights). b) Equality, meaning that every person has one vote and that all votes are legally equal; c) Direct voting, namely that no electors "intervene" between the voter and the deputy; d) Secrecy; e) Mandatory voting, although no penalties are provided for by the law; f) Voting by physical appearance and simultaneous voting throughout the Greek territory. Especially, as concerns Greeks living abroad, according to the Constitution (art. 51 par. 4), the law may provide for the postal vote and the simultaneous counting and announcing of the results, while the recent Amendment introduced detailed provisions on the content that the relevant law may have (see law 4648/2019).

The Constitution itself does not determine the electoral/voting system, which is defined by law. Any new law applies to the elections after the next elections, unless a voting majority of 2/3 (200 votes) has been achieved. Over the last decades, the electoral system in Greece has been characterized as "proportional", providing however for a bonus to the first party and, hence, it actually approached the "majoritarian" system.Law 4406/2016 established the simple proportional representation -by abolishing the above bonus- as well as the voting right at the age of 17, while recent law 4654/2019 re-introduced a, tiered, bonus in favour of the first party.

4.3 Human Rights

The Greek Constitution provides for the rule of law and, additionally, for the welfare state.

It also provides for the respect and protection of the human dignity being it the primary obligation of the State (art. 2).

Part 2 of the Constitution, specifically articles 5-25, refers to Individual and Social Rights.

Specifically, **equality** (art. 4) and the right to **free development of personality** (art. 5) are established, whilst the right to own **property** is also protected in article 17. Rights in personam are protected under the European Convention for Human Rights.

The Greek Constitution has been characterised as "economically neutral or open". It protects the free development of personality, including economic freedom, whilst it also includes provisions regarding the intervention of the State in private relations and free economy. The Greek Constitution also provides for the protection of personal integrity, free movement and protection of genetic identity (art. 5 paras. 3, 4 and 5), freedom of information and the Information Society (art. 5A), the sanctuary of every person's home (art. 9), personal data protection (art. 9A), secrecy of letters and free correspondence (art. 19), as well as for the freedom to association (art. 12) and peacefully assembling of people (art. 11).

According to art. 13 par. 1 thereof "***Freedom of religious conscience is inviolable*** […]". It is, however, noted that the Constitution characterises the Eastern Orthodox Church of Christ as prevailing religion in Greece.

It furthermore protects the **freedom of speech and press** (art. 14), whilst it includes provisions on the television, radiophone and other broadcasting means (art. 15), on art and science, research and teaching and detailed provisions on **education**, which constitutes a key mission of the State (art. 16).

Moreover, it establishes the right to **judicial protection** (art. 20) and to non-deprivation of the judge prescribed by law (art. 8), the principle nullum crimen nulla paena sine lege and the prohibition of tortures (art. 7) as well as some procedural guarantees for criminal cases (art. 6).

There are also provisions regarding **social rights**, such as the family, marriage, motherhood and childhood, families with many children, the poor and homeless, disabled people (art. 21), as well as health (art. 21 par. 3), work and social security (art. 22) and freedom to unionise and the right to strike (art. 23). The freedom to establish and participate in political parties is also protected (art. 29). Following the recent amendment of 2019, it is expressly provided in art. 21 par. 1 that "*The State takes care to ensure decent living conditions for all citizens through a system of minimum guaranteed income, as defined by law*".

Finally, the Greek Constitution provides for the protection of the **natural and cultural environment**, within the meaning of both social and individual right, and the **sustainable development** (art. 24).

Following the amendment of 2001, article 25 provides that "*1. The rights of the human being as an individual and as a member of the society and the principle of the welfare state rule of law are guaranteed by the State. All agents of the State shall be obliged to ensure the unhindered and effective exercise thereof. These rights also apply to the relations between individuals to which they are appropriate. Restrictions of any kind which, according to the Constitution, may be imposed upon these rights, should be provided either directly by the Constitution or by statute, should a reservation exist in the latter's favour, and should respect the principle of proportionality. 2. The recognition and protection of the fundamental and inalienable rights of man by*

the State aims at the achievement of social progress in freedom and justice. 3. The abusive exercise of rights is not permitted. 4. The State has the right to claim of all citizens to fulfill the duty of social and national solidarity."

It is also noted that the **European Convention for Human Rights (ECHR),** together with its ratified Protocols, which was ratified by Greece in 1953 and for a second time, after the restoration of democracy in 1974, as interpreted and applied by the European Court for Human Rights seated in Strasbourg, also apply in Greece and prevail over the provisions of the Greek statutes, but not over the Greek Constitution

4.4 Greek Administration

- **Central – Decentralised – Local and Specialised Government**

In Greece, there is **central-government and decentralised administration** (art. 101), as well as **local self-government** (art. 102).

Today, there are 18 ministries, each divided into secretariats, directorates and departments, whilst a series of public services is subject to each of them. The ministries belong to *the State as legal person*. The minister is the head of each ministry, whilst there are alternate ministers and deputy ministers.

Apart from that, there are also several **public legal persons**, which have their own legal personality, different from the State's, their own organs and property.

These are, at the first place, legal persons of public law (NPDD), with specified purposes and activities, e.g. social security funds, universities, bar associations, etc.

Moreover, a number of legal persons of private law (NPID), mainly sociétés anonymes, have been established having the Greek State as the sole or main shareholder. Most of these legal entities have mainly productive or business purposes, whilst some regulatory competences are often assigned to them, e.g. DEI S.A. (public power corporation), ERT S.A. (public television), OSE S.A. (railways). For the purpose of implementing certain statutory provisions, mainly regarding their internal function, such legal persons are usually regarded as belonging to the public sector.

Law 3852/2010 (*Kallikratis*) introduced some key changes to the architecture of **decentralised and local governance**.

Several administrative competences of the State are assigned to the Decentralised Administrations: Attica, the Aegean, Epirus-Western Macedonia, Thessaly – Central Greece, Crete, Macedonia – Thrace, Peloponnese – Western Greece & the Ionian.

As regards local self-governance, the Constitution (art. 102) provides for two levels (OTA). Today, the first level is the Municipality (dimos) and the second is the Region (perifereia); the country is divided into 13 regions: Attica, Central Greece, Central Macedonia, Crete, East Macedonia & Thrace, Epirus, Ionian Islands, North Aegean, Peloponnese, South Aegean, Thessaly, Western Greece, Western Macedonia.

The Constitution establishes a presumption that all local matters belong to local government, the members of which are elected **every 5 years**. Local governance is independent, although under the supervision of the central governance, which should also provide it with the necessary financial sources.

In Greece, there are also **Independent Regulatory Authorities**; the Constitution provides for the Ombudsman, the National Council for Radio and Television, the National Authority for the Protection of the Secrecy of Correspondence, the Supreme Council for Civil Personnel Selection and the Hellenic Data Protection Authority, whilst other Independent Authorities, such as the National Telecommunications & Post Commission and the Regulatory Authority for Energy, are established by the law.

- **Greek administration – A summary**

Public administration in Greece is based on the rule of law, from which the principle of legality derives. It could be summarised in the phrase that for the individual anything that is not explicitly forbidden is allowed, while for the administration anything that is not explicitly provided for is forbidden.

Public administration is hierarchically structured and consists of bodies (organs). Each body is subject to a superior (hierarchical control). It may consist of one (e.g. the city mayor) or more (e.g. the city council) natural persons. Each administrative body is entrusted with certain competences, from a territorial, material and time point of view.

People who are employed by the Greek State or by the legal persons of public law or by the public organisations enjoy the status of public servants. Public servants, holding an established post, according to the Constitution, are "permanent"; this means that, as long as their position exists, they cannot be laid off. However, they can be transferred to another place or service.

Some basic general principles which govern the public services include the following: continuity, adjustment, equality, proportionality and neutrality. It should be stressed that the most principles applying to public administration have arisen from the case-law; some of them have of course been incorporated in legislative texts (Constitution or laws).

The bodies of the public administration act in different ways: by issuing binding acts, by concluding contracts, by simple physical actions, by issuing non-binding acts etc.

- **Administrative acts**

An administrative act may be addressed to a specific individual (atomiki), however it may also be a statutory one (see art. 43 of Constitution), i.e. it may contain general rules, it may be favourable or unfavourable to the individuals, express or implied, etc. When issuing administrative acts, administration should necessarily observe the procedure provided for by the law. The procedure may, for example, include an opinion-giving stage (obligatory or otherwise), the issuance of several acts, each one of which is incorporated to the final one (sintheti dioikiti energeia), periods within which the body or the individual should act.

Any unfavourable act should be justified; the reasoning should be clear, specific and adequate.

The Greek Constitution (art. 10) and the legislation establish also the right to prior hearing; however, according to the case-law, in certain cases it is not necessary to observe it.

The administrative act is subject to legal remedies before the competent administrative Courts. In certain cases, law provides that in order to recourse to the Court the prior filing of α recourse before an administrative authority is necessary (endikofanis prosfigi); for instance, this applies today in tax disputes.

Unless the law (basic legislation: Law 2717/1999, Law 1406/1983, Law 702/1977) provides otherwise, the administrative act is subject to Petition for Annulment before the Council of State. In the context of a petition for annulment, the Court examines

the legality of the act and may declare it void. In some cases, the law provides for the legal remedy of the Recourse, in the context of which, in general, the administrative Court (of first instance or court of appeals) examines the legality and the merits. In this case, the Court may either announce the act void or even modify it. Such cases are, for example, the social security disputes.

Certain acts are characterised as governmental acts; these are issued by public bodies, e.g. a minister, however they are not subject to legal remedies before the Court, due to the fact that they refer to issues directly connected with the central public policy. For instance, according to the Greek Civil Procedure Law, in order for a final court decision against a foreign country to be executed against its property in Greece or abroad, the Minister for Justice should give their prior permit; the express or implied negative decision of the minister has been held to be a governmental act.

- **Civil liability**

Finally, individuals may bring at the administrative Court an action claiming compensation for any damages they suffered due to illegal acts (administrative acts or simple actions) of all bodies of the Greek State, of the legal entities of public law and even of legal entities of private law, if they act ad hoc as public bodies (art. 104-105 of the Introductory Law to the Civil Code).

- **Administrative and Public Contracts**

As already stated, public administration may also conclude contracts.

According to the Greek case-law, in order for a contract to be characterized as Administrative (i) it should be concluded by the Greek State or a legal person of public law, (ii) its subject should be related to public service or to a purpose of public interest, and (iii) it should include special clauses and rights in favour of the Greek State or the legal entity of public law apply with respect to its conclusion and execution.

On the other hand, a contract is characterised as Public, in the sense of the EU legislation, if it falls under the scope of the therein relevant criteria (thresholds etc.), regardless of the criteria set by the national case-law and theory for the characterization as Administrative.

All basic rules and principles of the EU regarding free movement of goods, freedom of establishment and freedom to provide services, as well as the principles deriving therefrom, such as equal treatment, non-discrimination, mutual recognition, proportionality and transparency, in the context of free competition, should be observed not only in the cases of Public contracts and relevant tenders, but also in the cases of Administrative contracts. That shall be ensured through the provided means of judicial protection.

4.5 Greece in the European Union

Greece expressed its intention to fully enter the Communities on 12/6/1975, with a letter of its prime minister, Mr Konstantinos Karamanlis. In July 1976, the negotiations for the entrance began and ended in May 1979 with the signing of the Treaty concerning the accession in Athens (Zappeio Megaro), which was ratified by the Greek parliament on 28/6/1979 and took effect on **1/1/1981**.

Today, there are 21 members of the European Parliament from Greece. Greece has held presidency of the Council of the EU five times until today, in 1983, 1988, 1994, 2003 and 2014.

The **EU legislation**, both the primary, i.e. the EU Treaties [Treaty on EU, Treaty on the Functioning of the European Union (TFEU)] and the secondary, i.e. the Regulations and Directives, prevail over the provisions of the Greek statutes; however, at least from a legal point of view, they do not prevail over the Greek Constitution. Today, a significant part of the Greek legislation refers to or arises from the EU legislation, aiming mainly to transfer and incorporate the EU Directives in domestic law. The Regulations apply uniformly in Greece, as in every EU member-state.

According to art. 28 of Greek Constitution (International law, Organisations, Treaties): *"1. The generally recognised rules of international law, as well as international treaties, from their ratification by statute and their getting into force according to their respective terms, shall be an integral part of domestic Greek law and shall prevail over any contrary provision of the law. The rules of international law and of international conventions shall be applicable to aliens only under the condition of reciprocity. 2. In order for an important national interest to be served and the cooperation with other States to be promoted, competences provided by the Constitution may, by treaty or agreement, be vested in bodies of international organisations. A majority of three-fifths of the total number of members of the parliament shall be necessary to vote for the law ratifying this treaty or agreement. 3. Greece shall freely proceed by law passed by an absolute majority of the total number of members of the parliament to limitations on the exercise of national sovereignty, insofar as this is dictated by an important national interest, does not infringe upon the rights of the human being and the bases of democratic government and is effected on the basis of the principles of equality and under the condition of reciprocity. Interpretative clause: Article 28 constitutes the foundation for the participation of the Country in the European in integration process. "*

EU citizens may freely move and reside **in Greece**, as long as they hold a valid passport and/or a national identity card. According to Presidential Decree 106/2007, if the EU citizens wish to reside in Greece for a time period exceeding three months and under the terms of the above Decree, they should acquire a registration certificate. If their residence exceeds five consecutive years, they establish a right for permanent stay, which is proved by an official certification. EU citizens, who reside in Greece, enjoy equal treatment with Greek citizens within the scope of the EU Treaty. They have the right to vote in the elections to the European Parliament and in municipal elections (art. 22 TFEU) under the same conditions as nationals, as soon as they have timely registered at the relevant electoral rolls; moreover, they also have the right to stand as a candidate in the above elections.

5. Trading Companies

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5.1 Types of companies – conditions and procedure of incorporation

5.1 Introduction – Basic Terms

The trading companies are the driving force for the modern economic life and entrepreneurship. The trading companies could be briefly described as an organized group of people and capitals under one mutual business scope. The basic characteristic of the companies is that they are legal entities, having thus legal independence against their members and self-sufficient legal capacity (legal capacity, ability to be declared bankrupt, ability to have and manage property rights such as goods, trademarks, real estate, reputation, clientele etc.).

The corporate form constitutes the vehicle through which the people can accomplish their business plans. The various corporate forms provided for by Greek legislation exclusively and the main types of them are the following: société anonyme (SA), private company (PC), limited liability company (Ltd), general partnership (GP), limited partnership (LP) and the joint venture.

These corporate types are divided to capital (SA, PC, Ltd) and personal companies (GP, LP, joint venture). In the personal companies the personal contribution of the partner is an essential aspect for the operation of the company. The corporate purpose calls, most of the times, the active participation of the partners. The corporate property but also the partners with their personal property are liable for the company's liabilities. Contrary to the personal companies, the essential aspect for the incorporation of a capital company is the capital raising, whereas any facts related to the partners do not affect the company. The management of the company is vested in specific administrative bodies, members of which do not need to be partners. Finally, for the capital companies' debts only the company is liable. In practice of course, the distinction between the capital and personal companies is not absolute, since the capital companies quite often have personal elements (especially in the case of PC) and vice versa.

Before we proceed with analyzing each corporate type it is of essence to review certain terms-keywords:

Capital: The amount corresponding to the sum of participations of the partners. The capital (in SA it is called share capital) differs from the corporate property since the corporate property includes any other property of the company (equipment, real estate, clientele, reputation etc.) and current assets (stocks, short-term claims etc). The capital is mandatorily referred in the articles of incorporation of the company and for any change of thereof, an amendment to the articles is required.

Shareholder / partner: The company's "owners". Depending on the type of company, the owners are called differently (SA: shareholder, other companies: partner).

Share/ corporate portion/ participation: The company's capital is divided in portions of same value, the corporate portions (or shares in the case of SA or participation in the case of OE/EE). Depending on the percentage of participation of each partner/ shareholder in the company, he/she receives the corresponding corporate shares.

Articles of Association: The document which sets the business purposes of the company and includes the terms of the company's operation and organization and also defined the company's relations with third parties and is a prerequisite for the incorporation of a legal entity. The Articles of Association are included in the incorporation act and its content is set by the law (it has to include certain mandatory terms, such as the corporate purpose, the corporate name, the share capital, the way of organization and representation etc).

Standard Articles of Association: The difference from the "classic" articles of association is that is contains the most necessary references and for the remaining issues they refer to the provisions of the relevant laws. In case standard articles of association are adopted, these can be made by virtue of private agreement. In any case the document will have to be notarially attested in case property is offered to the company for the transfer of which this type of act is required by law (e.g. offer of real estate).

Management and representation: The trading companies, as legal entities, take certain actions on their name, via the bodies which act on their behalf and represent them. The corporate management contains all the acts which are necessary for the operation and implementation of the company's purpose. At the personal companies the management and representation is effected by the partners personally, whereas at the capital companies the management can be assigned to third party – non partner. The people responsible for the management and representation of the company are called managers, except for the case of SA, where the body for management and representation is mainly the Board of Directors.

GEMI: General Commercial Registry.

One Stop Services (OSS): The physical person or legal entity qualified to commence, process and complete the procedures for the incorporation of companies and especially:

- the **Services of GEMI (S-GEMI)**
- the **notary publics of OSS and**
- the **electronic One Stop Service: (e-OSS).**

5.1.2 Capital Companies

A) The Société Anonyme (SA) [1]

Incorporators-shareholders: The SA can be incorporated by one or more persons or become a single member company in case all the shares are held by one person.

Name: It is formed either by the name of one or more shareholders or by the object of the company's purpose or by other verbal indications, it can be imaginary, contain the email address,and it can be stated in all or in part in latin characters. In any case the name has to contain the words "Société Anonyme" or "S.A.". In case the company is a single member one, its name has to contain the indication "Single Member Société Anonyme" or "Single Member S.A.". This last indication can be added or removed by filing at GEMI with the care of the board of directors, without amendment of the articles of association.

Articles of association-type: The SA is incorporated by notarial deed, which contains the articles of association, or by private document, in case the standard articles of association are selected. However, for any amendment in the articles of association no notarial deed is required. In the articles of association of the company the following provisions have to be stated at least: corporate name, purpose, registered office, duration (in case it is not indefinite), amount and method of payment of the capital, type, number and nominal value of the shares, calling, convention, operation and duties of the Board of Directors and General Meetings of Shareholders, auditors, shareholders' rights, annual accounts statements and distribution of profits, provisions for the dissolution of the company and liquidation of its property, amount of the paid capital which is payable at the time of incorporation, personal details of the incorporators and the total approximate amount of expenses made for the incorporation of the company.

Registered office: Die Gesellschaft hat ihren Sitz in der in der Satzung genannten Gemeinde, die sich in Griechenland befinden muss. Die AG kann Zweigniederlassungen, Agenturen oder andere Formen der Zweigniederlassung an anderen Orten Griechenlands oder im Ausland errichten.

Duration: duration of the SA can be definite or indefinite.

Share capital: The minimum share capital is in Euro. The amount of same is € 25,000. The payment can be made in cash or in contribution in kind of assets which can be monetary evaluated (excluding the claims arising out of the undertaking for carrying out works or rendering services). Within the first two months from the incorporation of the S.A., the payment of the share capital has to be certified either by an auditor or auditing company (other than the ones carrying out the normal audit of the company) or by the BoD.

[1] The law 4548/2018 was recently voted, most of its provision will be applied from 1.1.2019 and repealing the provisions of the previous L. 2190/1920 (with the exception of articles 64-89, which will remain in force as today). Taking into consideration that a newly established SA will have to implement the provisions of L. 4548/2018, this present analysis focuses only on the provisions of the new law.

Shares: The shares of the S.A. are mandatorily issued as registered shares[2]. The nominal value of each share cannot be less than four cents (€ 0.04) nor higher than one hundred euro (€ 100). In articles of association there can be a provision of the possibility of issuance of different types of shares, such as:

a) Common shares: The shares which do not fall into a special category. They provide voting right to their holder. The SA must mandatorily have at least one common share.

b) Privileged shares: Depending on the provisions of the articles of association, these shares can provide various types of privileges such as total or partial abstraction of dividend before the common shares, or possibility to receive dividend even if dividend was not distributed at the specific use, or the possibility to receive fixed dividend every year. The privileged shares could be issued with or without voting right or it can be provided that they can be converted to common shares.

c) Redeemable shares: The articles of association can allow the increase of the capital by the issuance of redeemable shares. These shares can be issued as privileged ones with or without voting rights. The acquisition is made by declaration of the company or the shareholder, according to the provisions of the articles of association, and is valid only upon payment of the value of acquisition.

d) Reserved shares: The transfer of the shares depends on the approval by the BoD or the General Meeting of Shareholders of the company, depending on the provisions of the articles of associations.

e) Convertible bonds: Even though they are not shares from the beginning, these are registered bonds (i.e. parts of bond issue of the SA) which can be converted to shares under certain conditions.

On the contrary, the incorporation acts are not shares. The incorporation acts provide the exclusive right of the incorporators to receive amounts in exchange of the actions they took for the incorporation of the company and cannot be more that the 1/10 of the number of shares if the company.

Board of Directors / Manager: The body of management and judicial and exta-judicial representation of the company is in principle the BoD. The articles of association should define that the number of the members of the BoD have to be at least 3 and not more than 15, whereas it can be stated that certain shareholders can appoint directly certain number of members of BoD. Alternatively, instead of the multi-member body of the BoD, the articles of association can have a provision for a single member administrative body of representation and management, the Director-Manager[3]. The Director-Manager is always is physical person and is elected by the General Meeting of the Shareholders. The duration of the term of the administrative body is defined in the articles of association and cannot be more than 6 years.

General Meeting of the shareholders: The General Meeting of the shareholders is the ultimate body of the company and is the only competent to decide on the amendments of the articles of association, election of the members of BoD/ Manager and auditors, approval of the total management and discharge from liabilities of the audit, approval of the annual financial statements, sharing of annual profits, approval of remuneration of the members of the BoD/Manager, merger, division,

[2] There is special provision in the new law for the SA regarding the conversion of the already issued bearer shares of a SA to registered ones.
[3] It is one of the innovative provisions of L. 4548/2018 (article 115).

transformation, reconstitution, extension of duration or dissolution of the company and appointment of liquidators, increase or readjustment of capital (in case the articles of association do not provide this authority to the BoD).

The General Meeting of the shareholders is convened at least once a year for every corporate use the latest until the 10th calendar day of the 9th month after the termination of the corporate use, in order to decide about the approval of the annual financial statements and the election of auditors.

Liabilities against third parties: In the case of the SA, the company is liable for its corporate liabilities with its capital. However, the people managing the SA (legal representatives, presidents, CEO, responsible for the administration, liquidators) and its shareholders with a percentage of participation at least 10% are liable, under certain circumstances, jointly and severally with the company for the latter's taxation liabilities, whereas the managers are liable jointly and severally with the company for the payment of the insurance liabilities present at the time of dissolution or merger of the company.

Auditors: The medium and large SA are mandatorily regularly audited for their financial statements whereas the small SA are audited voluntarily, if that is provided in the articles of association or resolved by the General Meeting of the shareholders, in accordance with article 2 para A, subpara A1 of L. 4336/2015. The regular audit is conferred on auditor or auditing company.

B) Private Company (PC)

Incorporators – shareholders: The PC can be incorporated by one or more people or become single member company in case all the shares are held by one person.

Name: It is formed either by the name of one or more shareholders or by the object of the company's purpose or by other verbal indications, it can be stated in all or in part in latin characters. In any case the name has to contain the words "Private Company" or "P.C.". In case the company is a single member one, its name has to contain the indication "Single Member Private Company" or "Single Member P.C.".

Articles of association-type: The PC is incorporated by private document containing the articles of association, whereas in case there are contributions in kind the type is mandatorily notarial. In the articles of association of the company the following provisions have to be stated at least: name and surname, residential address and any email address of the partners, the corporate name, the registered office, the purpose, the type of the company as a Private Company, the participations of the partners per category and the value of same, the capital of the company, to total amount of corporate portions, the initial number of the portions of each partner and the type of his/her participation these portions represent, the method of management and representation of the company and the duration of the company.

Registered office: The PC can have its registered address in Greece and its actual address abroad, whereas it can transfer its registered address in an EU country subject to the fact that the corporate law of this country provides for a relevant type of company. Furthermore, it can establish branches, agencies or other forms of secondary establishment in Greece or abroad.

Duration: The duration of the PC is definite, and if the duration is not defined in the articles of association, its duration is 12 years.

Capital: The capital of PC is freely determined by the partners without any limitation and it can be even zero.

Portions-Contributions: The corporate portions represent the contributions of the partners, whereas they can be represented in securities form as the shares of the SA. The contributions of the partners can be of three types:

a) Capital: They are contributions in cash or in kind which can be defined monetarily. The capital contributions constitute the company's capital.
b) Non Capital: They are contributions which cannot be part of the capital contribution, such as claims deriving out of undertakings for liability to perform a work or render services and they have definite or indefinite duration.
c) Guarantees: They consist of undertakings of liabilities by the partners against third parties for the company's debts until the amount defined in the articles of association.

Each corporate portion represents only one type of contribution. The numbers of portions of each partner is relevant to the value of his/her contribution. If the partners prefer the non-capital and guarantee contributions the company will have a personal character.

Managers: The PC is managed and represented by one or more managers. Manager can be only physical person, partner or not.

Partners' Meeting: The Partners' Meeting is competent to decide about the amendments of the articles of association, which include the increase and decrease of capital (unless it is provided that certain amendments or acts of increase or decrease of capital are made by the manager), the appointment and removal of manager, the approval of the annual financial statements, the distribution of profits, the appointment of auditor or the discharge from liabilities of the manager, the exclusion of partner, dissolution of the company or extension of its duration and the transformation and merger of the company.

The Partners' Meeting is convened at least once a year the latest until the 10th calendar day of the 9th month after the termination of the corporate use, in order to approve the annual financial statements.

Liabilities against third parties: In the case of the PC the company is liable for its corporate liabilities with its capital and any partners with guarantee contributions.

Furthermore, the people managing the company (manager, liquidators) and its partners with a percentage of participation at least 10% are liable, under certain circumstances, jointly and severally with the company for the latter's taxation liabilities, whereas the managers are liable jointly and severally with the company for the payment of the insurance liabilities present at the time of dissolution or merger of the company.

Auditors: The medium and large PC are mandatorily regularly audited for their financial statements whereas the small PC are audited voluntarily, if that is provided in the articles of association or resolved by the Partners' Meeting, in accordance with article 2 para A, subpara A1 of L. 4336/2015. The regular audit is conferred on auditor or auditing company.

C) Limited Liability Company (Ltd)

Incorporators – partners: The Ltd can be incorporated by one or more (physical or legal) persons or become a single member company in case all the portions are held by one person. Physical person or legal entity cannot be the sole partner in more than one Ltd, otherwise the company will be void. Furthermore, the Ltd cannot have as sole partner another single member Ltd, otherwise the company will be void.

Name: It is formed either by the name of one or more partner or by the object of the company's purpose or by other verbal indications and it can be stated in all or in part in latin characters. In any case the name has to contain the words "Limited Liability Company" or "LLC" or "LTD.". In case the company is a single member one, its name has to contain the indication "Single Member Limited Liability Company" or "Single Member LTD".

Articles of association-type: The Ltd is incorporated by notarial deed containing the articles of association, or private document if the standard articles of association are elected. In the articles of association of the company the following provisions have to be stated at least: name and surname, father's name, profession, residential address email address, Tax Registration Number and ID card number or passport number of the partners, the corporate name, the purpose, the type of the company as a Limited Liability Company, the registered office, the purpose, the duration, the capital, the participations, the per category and the value of same, the capital of the company, the amount of corporate portions, the more corporate portions of each partner and certification of the incorporators about the payment of the capital, the subject of the contributions in kind, the value assessment of these contributions and the name of the contributors total value of the contributions in kind and the method of management and representation of the company.

Registered office: The Ltd has its registered office in the municipality of Greece mentioned in its articles of association.

Duration: The duration of the Ltd is definite.

Capital: The capital of the Ltd is freely determined by the partners without any limitation and is constituted by cash or contributions in kind, which have to be financially valued.

Portions – Contributions: Each partner participates in the company with one portion of participation which consists of one or more corporate portions he has and have nominal value at least one (1) euro. For the portion of participation a certificate can be issued for proving the corporate ability, but this is not a security note. The transfer of portions is free, subject to the provisions of the articles of association and can be made only by virtue of notarial deed.

Managers: Unless otherwise agreed the management of the corporate affairs and the representation of the company is exercised by all the partners. The management and representation of the company can be assigned to one or more managers. Manager can be physical person, partner or not.

Partners' Meeting: The Partners' Meeting is competent for resolving the amendments of the articles of association, the appointment, the removal of managers and their discharge from liabilities, the approval of the annual financial statements and the distribution of profits, the filing of a lawsuit against the company's bodies or specific partners for compensation claims

arising out of acts or omissions upon incorporation or operation of the company, extension of the company's duration, its merger, dissolution and appointment and removal of liquidators and its restoration.

The Partners' Meeting is convened at least once a year the latest until the 10th calendar day of the 9th month after the termination of the corporate use, in order to approve the annual financial statements.

Liabilities against third parties: In the case of the Ltd the company is liable for its corporate liabilities with its capital. Furthermore, the people managing the company and its partners with a percentage of participation at least 10% are liable, under certain circumstances, jointly and severally with the company for the latter's taxation liabilities, whereas the managers are liable jointly and severally with the company for the payment of the insurance liabilities present at the time of dissolution or merger of the company.

Auditors: The medium and large Ltds are mandatorily regularly audited for their financial statements whereas the small Ltds are audited voluntarily, if that is provided in the articles of association or resolved by the Partners' Meeting, in accordance with article 2 para A, subpara A1 of L. 4336/2015. The regular audit is conferred on auditor or auditing company.

5.1.3 The personal trading companies

A) The General Partnership (GP)

Incorporators – partners: The GP can be incorporated by two or more (physical or legal) entities.

Articles of association-type: The GP is incorporated by private agreement containing the articles of association and in case there is a contribution in kind containing a charge on real estate then the type is mandatorily notarial. In the articles of association of the company the following provisions have to be stated mandatorily: the name and residential address of the partners, the name of the company, its registered address, the type of the company as a general partnership, the corporate purpose and the names of the representatives.

The GP is filed at GEMI with the consent of all the partners, and upon the filing it obtains legal personality.

Name: It is formed either by the name of one or more partners or by the object of the company's purpose or by other verbal indications and it can be stated in all or in part in latin characters. In any case the name has to contain the words "General Partnership" or "G.P.".

Registered address: The GP has its registered address in the municipality in Greece mentioned in its articles of association.

Duration: The duration of the GP can be definite or indefinite.

Capital: The capital is freely determined by the partners without any limitation, it can be nil and consist of cash contributions or contributions in kind.

Participation – Contributions: The participation of each partner corresponds to the percentage of capital it represents and cannot be represented in a security note. The participation of each partner is non transferable and non inherited, unless otherwise provided in the articles of association.

Managers: The legal management of the GP is individual, i.e. all the partners are managers and can act and bind the company acting independently without the consent of the others, unless otherwise provided in the articles of association. On the contrary, the authority of the partners to represent the company against third parties cannot be limited by the articles of association. It is noted that the managers can be only the partners and not third parties.

Liabilities against third parties: In the case of GP for the corporate liabilities the company itself with its capital is liable and all the partners with their property without limitations (and only to the percentage of their contribution or until specific amount) and severally, even for the corporate debts existing prior their participation in the company.

Auditors: The GPs have to be mandatorily audited for their financial statements when all the direct and indirect partners have limited liability due to the fact that they are SA, PC, Ltd or other legal forms comparable to these companies[4] , in accordance with article 2 para A, subpara A1 of L. 4336/2015. All GPs can ask for their financial statements to be optionally audited.

B) Limited Partnership (LP) and Limited by Shares Partnership (LSP)

Incorporators – partners: The LP can be incorporated by two or more (physical or legal) entities. One of the partners has to be general partner, liable unlimited, and at least one limited partner, liable limited.

Articles of association-type: The LP is incorporated by private agreement containing the articles of association and in case there is a contribution in kind containing a charge on real estate then the type is mandatorily notarial. In the articles of association of the company the following provisions have to be stated mandatorily: the name and residential address of the partners, the name of the company, its registered address, the type of the company as a limited partnership, the corporate purpose and the names of the representatives.

The LP is filed at GEMI with the consent of all the partners, and upon the filing it obtains legal personality.

Name: It is formed either by the name of one or more partners[5] or by the object of the company's purpose or by other verbal indications and it can be stated in all or in part in latin characters. In any case the name has to contain the words "Limited Partnership" or "L.P." or "Limited by Shares Partnership" or "LSP".

Registered address: The LP has its registered address in the municipality in Greece mentioned in its articles of association.

Duratioin: The duration of the LP can be definite or indefinite.

Capital: The capital is freely determined by the partners without any limitation, it can be nil and consist of cash contributions or contributions in kind.

Participation – Contributions: The participation of each partner corresponds to the percentage of capital it represents and cannot be represented in a security note. The participation of each partner is non transferable and non inherited, unless otherwise

[4] Example: Cypriot LTD.
[5] It is noted that in case the name of the limited partner is stated, this will result in the unlimited liability of his as general partner.

provided in the articles of association. In case of a LSP the corporate portions are represented in shares, according to the provisions for the SA.

Managers: The legal management of the LP is individual, i.e. all the general partners are managers and can act and bind the company acting independently without the consent of the others, unless otherwise provided in the articles of association. On the contrary, the authority of the general partners to represent the company against third parties cannot be limited by the articles of association. The limited partners are not entitled to represent the company as managers. The articles of association can provide that a limited partner can act as manager of the company. For any act of representation by the limited partner he is liable as general partner, unless the third party knew he was limited partner. In case of the LSP, for the management acts and the liability of the general partners as managers the provisions for SA apply.

Liabilities against third parties: In the case of LP for the corporate liabilities the company itself with its capital is liable and all the general partners with their property without limitations.

Auditors: The LPs have to be mandatorily audited for their financial statements when all the direct and indirect partners have limited liability due to the fact that they are SA, PC, Ltd or other legal forms comparable to these companies, in accordance with article 2 para A, subpara A1 of L. 4336/2015. All LPs and small LSPs can ask for their financial statements to be optionally audited.

C) The Joint Venture

It is the cooperation of two or more (physical or legal) entities in economic level with temporary character and for limited time and is incorporated by virtue of a joint venture agreement. The joint venture can have two different legal forms according to its operation:

A) Genuine joint venture: It is treated as civil association without legal personality. The cooperation of its members is limited to an internal level and no other external activity, apart from the one exercised by the members, is exercised.

B) Non genuine joint venture: It is a venture of persons with legal capacity and bankruptcy capacity if filed at GEMI or it is operating externally making transactions with third parties. In this type of joint venture the provisions for the GP are implemented.

By virtue of relevant provision in the joint venture agreement the parties involved can be liable severally for the liabilities of the joint venture against third parties.

5.1.4 Incorporation Procedure [6]

The time of the incorporation of a company, under normal circumstances, is two banking days. The criteria of choice of the competent OSS by the incorporators derive from the combination of the company to be incorporated and the form to be chosen.

[6] As set in L. 4441/2016 and Joint Ministerial Decision 63577/2018.

Specifically:

1. In case of choice of standard articles of association, then the incorporation of any corporate type can take place at any OSS.
2. In case the standard articles of association are not chosen then the incorporation of SA and Ltd is mandatorily made by notary public OSS, whereas the incorporation of GP, LP, PC can be made via S-GEMI or notary public OSS.
3. In case notarial deed is required (e.g. contribution of real estate) then the incorporation is mandatorily made by notary public OSS.

5.1.4.1 Incorporation procedure at OSS- GEMI and notary public

a) Filing of necessary documents at the OSS.

b) The OSS on the same working day or the working day after will review the documents filed and reserve, upon check, the name and distinctive title and produce proof of payment of the Duty for Companies' Incorporation.

c) On the same day, the OSS sends a notice for the company's incorporation to the Social Security Fund (EFKA) as well as the shareholders' details.

d) Creates a file and registry for the company at GEMI and grants the company GEMI numbers and passwords.

e) Grants the company temporary kleidarithmo.

f) Register the company at the competent Chamber.

g) Issue digitally signed copies of the Articles of Association/ Company's Agreement and the notice of the company's incorporation.

h) The Social Security Fund (EFKA) proceeds with the ascertainment of the insurability of the managers or/and partners and informs them accordingly regarding their obligations.

5.1.4.2 Incorporation procedure at e-OSS

This option is only available for companies which will choose the standard articles of association and a notarial deed is not required (e.g. no contribution of real estate property). In this case the interested parties:

a) provide authorization to the system in order to collect their details

b) file the information and documents required.

c) sign electronically the standard articles of association.

d) be re-directed to TAXIS in order to file the Tax Registration Number and GEMI number.

e) remit the Duty for Companies' Incorporation and, if required, the duty in favour of the Committee of Competition.

Respectfully, the e-OSS:

a) checks the documents;

b) proceeds with pre-check and reservation of the name and distinctive title;

c) grants GEMI number;

d) creates registry and file of the company at GEMI;

e) finalizes the registration at the taxation registry and the granting of Tax Registration number at the company and provides temporary kleidarithmo;

f) sends to the competent social security fund the company's details and the details of its partners and managers; and

g) provides proof of payment of the Duty for Companies' Incorporation

5.2 Acquisitions and Mergers / Motives

The companies and the businesses are economic organizations which constantly evolve within the constantly changing economic, taxation and investment system. The size and frequency of the companies' and business' transformation (if made in the context of healthy competition) are indications of a strong entrepreneurship. Some of the main types of transformation are the acquisition and mergers.

5.2.1 Acquisitions

The term acquisition reflects the acquisition of control of a company for certain consideration. The types of acquisition of control of a company can be divided in the following categories:

1. Sale of the assets of the company (asset deal): The sale of the total number or certain parts of the assets or liabilities of a company. In case of a composite undertaking, the sale of one or more undertakings is included, i.e. separate business activities, which can be separate economic exploitations.
2. Sale of participation rights to the company (shares deal): The other type of acquiring control indirectly is by acquiring the majority of shares of a legal entity. It is noted that the property of the company to be acquired is not incorporated to the property of the company which acquired but they continue to be separate

5.2.2 Mergers

On the contrary of the above case of acquiring a company where the corporate properties remain separate, in case of a merger the corporate properties are united without liquidation to follow. The property of the company being acquired is transferred to the acquiring company not by virtue of special succession but by virtue of quasi total succession.

The types of merger are the following:

A) Merger by absorption: In this type of merger one or more companies (being absorbed) transfer their total property (assets and liabilities) to another existing company (acquiring company). The companies being absorbed are dissolved without liquidation and their shareholders receive shares issued by the acquiring company and maybe certain amount for setting-off the shares they are entitled to.

B) Merger by incorporating a new company: In this type of merger two or more companies transfer the total of their property (assets and liabilities) to a company which is being incorporated the same time. The companies being merged are dissolved without liquidation and their shareholders receive shares issued by the newly incorporated company and maybe certain amount for setting-off the shares they are entitled to.

C) The case of acquisition assimilated to merger (only for SA)[7]: In this case one or more SA (being acquired) transfer to another company (acquiring) their total property (assets and liabilities) against delivering to the shareholders of the companies being acquired the refund for their rights. IN the subject acquisition it is crucial that the company being acquired-transferring is dissolved without liquidation, i.e. the legal personality no longer exists. If no dissolution and cancellation of the legal personality takes place, it is not a case of acquisition assimilated to merger. Another crucial point is that that shareholders of the company being acquired do not receive as refund shares in the company acquiring but a refund of their rights (usually financial gain).

It should be noted that the new Law 4601/2019 on business transformations provides for the merger of any company type.[8] On the contrary, under the previous legal framework, a merger was provided for only in relation to the corporate forms of Sociétés Anonymes, Limited Liability Companies and private companies and exclusively amongst them.

The regime of quasi-total succession, which is provided for in the business transformations and is particularly relevant in the mergers, results in the substitution of the acquiring company in all rights and liabilities of the acquired company, while any pending trials are resumed without interruption by the acquiring company. In addition, companies which have been dissoluted due to the expiry of their term can participate in a business transformation whereas the same applies for companies which have been declared insolvent. A prerequisite in that case is that after the declaration of the insolvency, the reorganization plan is approved by a final judgment or that all claims of the insolvency creditors have been settled and that the distribution of the liquidation outcome has not yet been initiated.

5.2.3 Motives

The transformation of the company's results in cost saving and economic expansion. Due to the fact of transfer or/and re-adjustment of value of the property of the companies, there may be various taxation consequences.

[7] Article 37 of L. 4601/2019.
[8] Article 2 of L. 4601/2019.

The Laws 1297/1972, 2166/1993 and 4172/2013 provide a series of tax incentives for the cases of companies' mergers, regarding issues such as: taxation of surplus value, taxation of sale and purchase of real estate, transfer of damages, tax/ duties/ stamp duties and duties in favour of Public Authorities and contributions or third parties' rights exemptions.

The conditions for the companies being eligible to benefit from the provisions of these laws are summarily the following:

1. The Law 1297/1972 covers cases of transfer of business, merger by acquiring a company or by incorporating a new company for the types of SA, Ltd and PC. The requirement is that the companies have at least the following capital: the SA € 300,000, the Ltd and PC € 146,735. Also, in most cases the shares of the companies resulting from transformation have to be non-transferable at a percentage of 75% for 5 years.

2. The Law 2166/1993 covers cases of transfer of business, merger by acquiring a company or by incorporating a new company for the types of SA, Ltd and PC. The requirement is that the capital of the new company is at least € 300,000 for the SA and € 146,735 for the Ltd and PC, that the companies being transformed maintain double entry books and have issued at least one balance sheet before the transformation.

3. The Law 4172/2013 covers cases of transfer of business, merger by acquiring a company or by incorporating a new company for the types of SA, Ltd and PC. It is noted that it is the only law that provides the transfer of damages. The requirements are that the companies are SA, Ltd or PC, tax residents of EU and subject to taxes as profit-making legal persons.

5.3 Corporate Governance

The corporate governance is a system of principals and rules governing the relationships between the shareholders, the managers and anyone affected by the company's operation, in order to increase the economic value and preservation of the legal interests of everyone related to the company and especially the minority of the shareholders against the majority of shareholders. This system defines the way the corporate targets are effected, sets a system of monitoring and valuing the corporate dangers with the only purpose the transparency of the managing acts and in general the reliable organization, management and operation of the company.

In Greece the corporate governance is governed by L. 3016/2002, which introduces special issues of management and operation of SA already having or about to have their shares and other values introduced to stock market. More specifically, the issues regulated by this Law are the following:

5.3.1 Setting the interests and targets of the members of BoD and CEOs

The first measure setting the law is the setting of the interests and targets of the people managing the company, which have to be directed towards the continuing pursuit of the support of the long-term economic value of the company and protection of the general corporate interests. It is forbidden to the people engaged in the management of the company to pursue personal

interests against the company's interests and they have to disclose timely to the other members of BoD their interests which may arise during the transactions of the company.

5.3.2 Participation of non-executive and independent non-executive members in the Board of Directors

Firstly, **executive members** are the members engaged exclusively in the daily issues of management of the company, whereas non-executive members are the members engaged in the promotion of all corporate issued. Therefore, the non-executive members of BoD set the strategy and policy of the company and especially supervise the executive members. The number of the non-executive members cannon be less than the 1/3 of the total number of members.

Among the **non-executive members** there must be at least two independent members which are appointed by the Shareholders' Meeting of the company. The appointment of independent members is not obligatory when at the BoD there are appointed irrevocably and participate as members representatives of the shareholders' minority. The independent non-executive members of the BoD must not hold shares at a percentage of more than 0.5% of the share capital of the company and not be in dependency with the company[9] or related parties.

5.3.3 Obligation to keep internal rules of procedure (IRP) and service of internal audit (SIA)

A condition for the listing of shares and other movable assets of the company to on a stock exchange is the existence of IRP at the time of filing the application. The IRP is made by decision of the BoD and contains:

a. the services of the company, the objects and relation with the management of the company;
b. the responsibilities of the executive and non-executive members of BoD
c. the procedures of hiring the managers and the evaluation of their performance;
d. the procedures of monitoring:

- the transactions effected by people working for the company either by employment agreement or otherwise and who have access to privileged information, as well as people with managerial tasks and having close relations with them, movable assets of the company or related companies.
- other economic activities of the people with managerial tasks in the company which are related with the company and its main clients or suppliers.

9 Dependency exists when a member of the BoD of the company: a) Maintains a business or other professional relation with the company or related company and this relation affects its business activity, especially in case the member is significant supplier or client; b) is president of the BoD, CEO of the company or a related company or maintains employer-employee relation or paid order relation; c) is up to second degree relative or is husband/ wife of an executive member of BoD or CEO or shareholder holding the majority of the share capital of the company or related company.

e. the procedures of made publicly available the transactions of people with managerial tasks in the company and the people closely connected with them as well as all other people for whom the company has an obligation to make public announcements according to applicable legislation.

f. the rules governing the transactions between related companies, the monitoring of these transactions and their duly notification to the company's bodies and shareholders.

Regarding the internal audit of the company, this is carried out by special department of the company, the SIA. The auditors are independent, are not members of another body of the company and are supervised by 1-3 non-executive members of the BoD. They are appointed by the BoD of the company and are full time employed. For carrying out the audit, the auditors have to have access to all company's files.

5.3.4 Obligations derived from the increase of share capital by virtue of payment by cash

In case of company's capital increase by payment by cash the BoD has to file at the Meeting of Shareholders:

- Report containing the general directions for the investment plan of the company;
- An indicative time plan for its implementation; and
- Report for the use of the capital raised by the previous increase, in case less than 3 years have passed since that increase.

Difference in the use of the capital raised is allowed only by virtue of Decision of the BoD by qualified majority of ¾ of its members. The decision is announced to the Athens Stock Exchange Market, Hellenic Capital Market Commission and the Ministry of Development. The scope of this provision is to avoid the raised capitals being used for irrelevant purposes.

5.4 Consequences of violation of the obligations of corporate governance

In case of violation of the obligations provided by the above Law, the Hellenic Capital Market Commission may impose on the members of the BoD or on any other person (member or not) to whom the relevant obligations have been entrusted, reprimand or fine from € 3,000 to € 1,000,000. For imposing the fine it will be taken into consideration the nature of the violation, its consequences in the effective operation of the market, the danger causing damage to the investors' interests and other criteria.

Finally, it is noted that the Hellenic Federation of Enterprises, based on the provisions of l. 3016/2002, has drafted since 2011 the Code of Corporate Governance, which can be implemented voluntarily the SA of the stock market, with the purpose setting the best practice of governance for the Greek companies.

5.5 Startups: The new form of entrepreneurship in Greece

Startups are the new form of entrepreneurship of the last decade and have brought significant changes in the business foreground, by attracting an ever-growing volume of investors both from within as well as from outside the country. The core

of the startup is the innovative idea in combination with a groundbreaking and viable business plan, which allow for impressive growth rates in relation to their personnel as well as direct interaction with the international competitiveness.

In Greece, startups are growing mainly in the sector of technology, whereas great perspectives are also created in agri-food and tourist sector. In lack of a special legislative regime for establishing and running a start-up, the provisions of company law are applicable, depending on the selected corporate form [usually, the form of a Private Company (IKE) is selected, being more flexible].

5.5.1 Funding methods

Finding the proper funding method for accomplishing their business plan is one of the biggest challenges that a startup is confronted with. Apart from the classic funding methods, namely own-capital funding and bank lending, a variety of newly-emerging alternative methods is used such as 'crowdfunding' (otherwise called 'internet microcredit'), investment funds, Business Angels (BAs), i.e. private investors who invest their own capital in a company in return for company parts or capital shares and the Venture Capital (VC), which constitutes the most popular source of funding.

The VCs are organized investor funds engaging in high-risk investments in new start-ups, particularly in the sector of technology. Under Greek law, the VCs are in essence the capitals of a Société Anonyme which is established with the sole purpose of conducting the specific investment activity and is obliged to notify its establishment to the Hellenic Capital Market Commission. It is noted that the Venture Capitalists invest significantly more funds in comparison to the BAs; however, BAs invest in an idea, whereas the Venture Capitalists invest after the company has completed its first steps and is presented with growth and progress.

To secure funding of a startup through a VC, it is usual that a participation agreement is initially signed between the company, the founders and the investors, under a template which is called 'Simple Agreement for Future Equity' ('SAFE'), which –upon an initial contribution of a small amount of the investor to the company- provides a right to the investor to acquire company parts or capital shares in the future, when a specific investment event takes place.

The shares are not evaluated upon concluding the SAFE (contrary to the traditional share transfer), but the investor and the company are negotiating instead the mechanism and the terms, according to which the shares will be transferred or issued in the future, at which time the evaluation will also be conducted. Typically these terms include a valuation cap for the company and/or a deduction on the valuation upon the investment event. In that way, the investor profits from the potential rebound of the company generated between the time that the SAFE is signed (when the funds are channelled to the company) and the time the investment event occurs.

Although a seemingly simple mechanism, its application in the Greek company practice is confronted with difficulties due to the divergence between the legal system of Greece and other jurisdictions, the terminology and the special provisions of Greek company law for the entry and participation of investors in companies, the issuance of privileged shares etc. As a result, the compliance of SAFE with the Greek standards, the addition of compatible to the Greek law participation methods for investors, as well as an analysis of the rights and obligations of the parties, is deemed necessary for safeguarding the status thereof and the facilitation of the investment.

6. Distribution - Networks

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6.1 Agency Agreements

6.1.1 Applicable Law

The rules of the Presidential Decree No. 219/1991 (implementing the Agency Directive 86/653/EC, hereinafter, the "PD") as amended, govern the relationship between commercial agents and their principals.

According to Art.1(2) PD, the commercial agent is an intermediary with continuing authority to negotiate the sale or purchase of goods/services on behalf of the principal or negotiate and conclude such transactions on behalf of –and in the name of- that principal.

The following cannot be commercial agents:

- a person who (in his capacity as an officer), is empowered to enter into commitments binding on a company or association;
- a partner who is lawfully authorised to enter into commitments binding on his partners;
- an administrator appointed by a Court, a liquidator or a trustee in bankruptcy.

The PD is inapplicable to commercial agents whose activities are unpaid or operate on commodity exchanges or in commodity markets.

6.1.2 Requirements and duration

A commercial agent can be an individual or legal entity. According to L.3557/2007, such agreements can be written or oral. As per the Supreme Court, oral agency agreements (even pre-2007), were valid and benefited from the PD. Commercial agents must now register in the competent Tax Officeand insurance organization ("OAEE") as well as in the Chamber of Commerce and/or in the Commercial Department of the other chambers (L.4441/2016 amending the PD).

Commercial agency agreements can be for a fixed or indefinite period. The actual period is to be agreed between the contracting parties. Art. 8(2) PD states that: "A contract for a fixed period which continues to be performed by both parties after that period has expired, shall be deemed to be converted into a contract for an indefinite period." The Supreme Court ruled that agency agreements consisting of successive agreements for a definite period will be considered as indefinite period agreements where

the successive agreements' content and material provisions are identical/substantially similar and no negotiation was conducted.

6.1.3 Exclusive/Non-Exclusive

Subject to any competition law issues, a commercial agent may be appointed on either an exclusive or a non-exclusive basis.

6.1.4 Non-Compete

Art.10 PD states that an agreement restricting the business activities of a commercial agent following termination of the agency contract is valid only if:

- is concluded in writing;
- relates to the geographical area or group of customers and geographical area entrusted to the commercial agent and to the kinds of goods covered by its agency under the contract.

The non-compete clause shall be valid for no more than one year after termination.

6.1.5 Sub-Agents

Art.1(3) PD (as amended by L. 4441/2016) provides that a commercial agent can maintain sub-agents. For that reason, in case that the principal wishes to exclude that possibility, an explicit provision which restricts the freedom of the commercial agent to maintain sub-agents must be included in the agency contract.

6.1.6 Termination

6.1.6.1 Requirements

Neither the PD nor Greek civil law require compliance with any formalities in order to terminate an agency agreement. Nonetheless, termination notices should be given in writing. The general principles of civil law also apply to the termination of an agency agreement. Hence, the contracting parties are absolutely free to stipulate all the relative terms, except those regulated by the PD (as amended by L.3557/2007).

6.1.6.2 Notice Period

According to Art. 8(3) & (4) PD: "Where a contract is concluded for an indefinite period either party may terminate it by notice." The notice period is:

- 1 month for the contract's 1st year,
- 2 months for the 2nd year commenced,
- 3 months for the 3rd year commenced,
- 4 months for the 4th year commenced,
- 5 months for the 5th year commenced and
- 6 months for the 6th year commenced and subsequent years.

Art. 8(5) & (6) PD provide that if the parties agree on longer notice periods (than the abovementioned), then "the notice period to be observed by the principal must not be shorter than that to be observed by the commercial agent. Unless otherwise agreed by the parties, the end of the period of notice must coincide with the end of a calendar month."

The above provisions also apply to fixed period contracts which are converted under Art.8(2) into contracts for an indefinite period because of continued performance after expiry, subject to the provision that any earlier fixed period must be taken into account in the calculation of the notice period. Also, successive fixed term contracts will be treated as indefinite term contracts and must be terminated accordingly.

The agency contract may be immediately terminated in case one of the contracting parties fails to carry out all/part of its obligations or where exceptional circumstances arise.

6.1.6.3 Liability of Principal on Termination

According to Art.9 PD "The commercial agent, after termination of the agency contract, shall be entitled to a termination payment in the form of an indemnity if and to the extent that he has brought the principal new customers or has significantly increased the volume of business with existing customers and the principal continues to derive substantial benefits from the business with such customers and the payment of this indemnity is equitable having regard to all the circumstances and, in particular, the commission (profits) lost by the commercial agent on the business transacted with such customers".

Art.9(1)(b) PD, states that "the amount of the indemnity may not exceed a figure equivalent to an indemnity for one year calculated from the agent's average annual remuneration over the preceding five years and if the contract goes back less than five years the indemnity shall be calculated on the average for the period in question."

According to Art.9 (2) PD, "the agent shall lose their entitlement to the indemnity payment or to compensation for damages in the instances provided for above, if within one (1) year following termination of the contract they have not notified the supplier that they intend to pursue their entitlement".

Under Art. 9(3) PD the indemnity is not payable:

- where the principal terminates the agency contract because of default attributable to the agent justifying immediate termination;
- where the agent terminates the agency contract unless such termination is justified by circumstances attributable to the principal or on grounds of age, infirmity or illness of the agent as a consequence of which he may not reasonably be required to continue his activities; or
- where, with the agreement of the principal, the agent assigns his rights and duties under the agency contract to another person.

The grant of such termination payment, may not prevent the commercial agent from seeking damages he suffered due to the termination of his relations with the principal. Such damages may include costs incurred by the commercial agent because of the termination, e.g. statutory severance payments for employees dismissed due to the termination etc. If the circumstances surrounding the termination could be deemed a tort, damages for lost profits and damage to reputation could be compensated.

Entitlement to termination payment/compensation for damages also arises where the agency contract is terminated because of the agent's death.

The commercial agent may not be asked to derogate from the right to claim termination payment/damages compensation before the agency contract expires.

6.2 Distribution Agreements

6.2.1 Applicable Law

In relation to other kinds of distributors/dealers, until the enactment of Law 3557/2007, there was no specific legislation in Greece regulating the relationship between suppliers and distributors. The Greek Supreme Court confirmed (following the ECJ's Judgment (Case C-85/2003)) the application –by analogy- of the PD's provisions to commercial relationships which are similar in structure and function to a commercial agency.

According to the Supreme Court (Decision 139/2006), the conditions under which a commercial relationship may be considered similar to a commercial agency structure (hence, the PD applies) are the following:

- the distributor acts as part of its supplier's commercial organisation, occupying a weak position, having an intense dependence on the supplier, integrated to the same degree as a commercial agent in the supplier's distribution system;
- the distributor contributes to expanding the supplier's customer base by acting in a manner comparable to the commercial agent;
- the distributor undertakes a non-competition/exclusivity obligation;
- the supplier is aware of the distributor's customers and at the end of the business relationship the distributor's customers are forwarded to the supplier,
- generally, the distributor's financial activity and financial rewards (irrespective of their legal characterisation) are similar to those of a commercial agent.

The above conditions are indicative, not cumulative nor exclusive.

Following the PD's amendment (L.3557/2007), its provisions now expressly apply to service agents and exclusive distribution agreements, on the condition that as a result of the agreement, the distributor constitutes part of the commercial organisation of the producer/supplier. Further litigation questioned whether other types of distribution were covered by the PD.

The Supreme Court, re-affirmed (Decisions 15 and 16/2013. 1909/2013, 804/2015, 42/2015, 548/2015, 4/2015, 814/2019) its previous position that the PD will apply by analogy to downstream intermediary arrangements, irrespective of whether they are agency or reseller based, where the arrangement in question (ad hoc analysis) presents the basic characteristics of a commercial agency agreement and there exists a similarity of interests which creates the respective need for protection.

These conditions are deemed to exist where, in the case of exclusive distribution the criteria of Supreme Court Decision 139/2006 apply and in all other cases where the downstream operator:

- follows the instructions of the supplier as to the techniques for promotion of sales,
- has a non-competition obligation during and after the end of the cooperation,
- notifies its customer base to the supplier, and
- undertakes to maintain professional confidence.

It also seems that the Supreme Court, when confronted with a complex business relationship comprising agency and distribution, looks at the relationship as a whole instead of dissecting each function and examining whether the relationship as a whole fulfils the criteria of its Decision 139/2006.

6.2.2 Requirements and duration

The relevant agreements may be oral or in writing or may also arise impliedly from the parties' conduct. The distributor may be an individual or a legal entity.

The agreement's duration can be agreed between the contracting parties. Fixed period contracts which continue to be performed by both parties (after expiration period), are deemed to be converted into indefinite period – see also Part 6.1.2 above.

6.2.3 Exclusive/Non-Exclusive

Subject to any competition law issues, a distributor may be appointed on either an exclusive or a non-exclusive basis. Exclusive distribution means the supplier agrees to sell its products to only one distributor for resale in a particular territory (territorial exclusivity). If an exclusive distributor constitutes an integral part of its supplier's sales organisation, performing functions similar to those performed by commercial agents, the PD will apply. Non-compete obligations/single branding are in this sense circumstances which, if co-existent with territorial exclusivity, significantly increase the odds in favour of application of the PD by analogy.

6.2.4 Non-Compete

As noted the existence of a non-compete clause in an (exclusive or non-exclusive) distributorship relationship constitutes evidence that the distributor may be part of the producer's commercial organisation, increasing the likelihood of the analogous application of the agency provisions of the PD.

In case of an exclusive distribution agreement where the PD applies, the requirements and conditions of validity of post-termination non- compete clauses of the PD, notably the clause must be in writing and refer solely to the territory and the contractual products/ services (Art.14(4), L.3557/2007, Art 10 PD, implementing Art.20 Dir.86/653/EC), shall apply. In such circumstances a non-compete clause shall be valid for not more than one year after termination of the distribution agreement.

In case of non-exclusive distribution agreements to which the PD may apply by analogy, it is a matter of ad hoc assessment of the particular case whether the post-termination non-compete obligation is subject to same constraints and requirements.

6.2.5 Termination

6.2.5.1 Formal Requirements

Similar to Part 6.1.6.1 above.

6.2.5.2 Notice Period

Being unregulated, distribution agreements may be terminated for convenience at any time and with only a "reasonable" notice. What is reasonable depends on the circumstances of each case (duration; investments made; trade practices etc.)

Where the distributor is "economically dependent" on the supplier without viable economic alternative, the abrupt and unjustified termination of a long-standing distribution agreement may be deemed an abuse of economic dependency, (Art.18a, Law 146/14) and the distributor may request the cessation of such abuse and damages and also commence criminal actions against the supplier.

Where a distribution agreement fulfills the requirements for direct application of the PD (as in exclusive distribution) or analogous (in all other cases fulfilling the requirements of Supreme Court jurisprudence), there is lower court jurisprudence to suggest that the PD's termination provisions, especially those referring to notice of termination should be applied.

See further Part 6.1.6.2 above in relation to Art. 8(2), (3), (5) and (6) PD, in relation to termination by notice and the relevant periods.

Greek lower courts have ruled that these are mandatory law provisions.

The distributorship contract may be immediately terminated, (subject to any contrary provisions of the agreement) without the observance of the above-cited notice periods in case one of the contracting parties fails to carry out all or part of its obligations or where exceptional circumstances arise.

6.2.5.3 Liability of Supplier on Termination

Normally, in cases of lawful termination of distribution agreements to which the PD does not apply, no liability arises from termination other than (subject to any contrary provision), to reimburse certain expenses incurred as a result of the termination, including product stock.

Where the distribution agreement is subject to the PD, either directly (in case of exclusive distribution) or by analogy (in case of distribution agreements fulfilling the Supreme Court's jurisdiction criteria), the PD's provisions on goodwill indemnity shall apply.

See further the discussion in Part 6.1.6.3 above.

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7. Greek Employment Law Framework and Greek Social Security System

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7.1 The Greek Employment Law Framework

7.1.1 Introduction to the Greek Employment Law Framework

The Greek Employment Law Framework is regulated by the Constitution, the Labor legislation, collective bargaining agreements (CBAs) as well as company's rules and regulations regarding e.g. disciplinary, health and safety provisions etc.

7.1.2 Recruitment (Pre – employment checks and Offers of employment)

Employers may carry out background checks at any stage during the hiring process, but he must act 'proportionately' in selecting personal information through background checks according to the data protection Law.

The employment contracts can be made even orally, except in the case of part-time or rotation contracts, for the renewal of a fixed-term employment contract, temporary employment contracts or the provision of part-time employment after the third-country nationals have been recruited (Law 4251/2014), therefore the employment contract is necessarily submitted in a written form.

In any case, the employer is required to provide a written statement giving details of specific terms and conditions of the employment relationship within two months after the hiring. In addition, he must electronically submit the Unified Recruitment Form via the "ERGANI" system, at the latest on the same day of hiring and in any case before the employee takes up service. New employers, who are hiring employees for the first time, as well as those employers who are setting up branches with new recruitment, can submit the E3 Single Recruitment Announcement Form electronically within (3) working days from the inventory to the e-EFKA (former IKA-ETAM) Service.

7.1.3 The employment relationship

Key indicators of 'employee' status are the employer's control over the performance of work in terms of place, manner and time, the employee's compliance with the employer's instructions and his integration into the employer's undertaking.

Independent contractors are those who are regarded as self-employed. They fall completely outside the scope of employment protection legislation. There is however specific legislation that **establishes a presumption of employee status, when the individual offers his services to the same employer on a constant basis for 9 consecutive months.**

There are 2 types of employment contracts: **the indefinite-term contracts and fixed-term contracts, each possibly for full or part-time work.**

A contract of indefinite duration exists when its duration is not defined by the employer-employee agreement.

Fixed-term employment must be justified by the nature and purpose of the employment or the operational needs of the organization. Any renewal of fixed-term employment must be in writing and must include reasons justifying the renewal..

A fixed-term employment contract will convert into an indefinite-term contract, if:

- it cannot be justified by the nature and purpose of the employment or the operational needs of the organization.
- The employee has been employed for three years or more on a series of successive fixed-term contracts. As successive are considered if fewer than 45 days have elapsed between each contract.

Part-time employment may be fixed-term or indefinite term and requires to be in writing and notified to the Labor Inspectorate electronically via the ERGANI system. Failure to comply with the above, may trigger the employment relationship to turn into full-time employment status.

Temporary employment contract: The employee is associated with two employers, the direct and the indirect one having as his contracting party solely the direct employer, namely the Temporary Employment Agency, which hires the employee to provide (lend) him to the indirect employer-with whom he has previously entered into a relevant contract- for a certain period of time that cannot exceed 36 months.

Job rotation is defined as a flexible form of employment and consists of fewer days a week or fewer months a month or fewer months a year or a combination of these and full-time working hours. This employment relationship may either be agreed between an employer and a worker or be unilaterally imposed by the employer following consultations with employees' representatives and whether they do not exist with all staff for a maximum of nine (9) months in the same calendar year, in case that their business activities are decreased and should be notified to the Labour Inspectorate...

7.1.4 Terms and conditions of employment contracts

Employment may be subject to a probationary period. Only the first year of employment might be considered as probationary period by Law. During this period employees are not entitled to a redundancy payment.

Remuneration is consisting of the basic salary and the pay accessories, such as allowances, benefits, bonuses, etc. The minimum basic salary is defined either Law or by CBAs under preconditions. Employers are free to decide on the **type and size of**

bonuses offered. However, if the employer has not reserved the right to revoke them, the bonuses will be regarded as salary. **Allowances** granted as exchange for the employment constitute **part of the remuneration**, e.g. family allowance. Additionally, in case an employee **works on Sunday or on a public holiday**, he is entitled to a 75% wage premium, if he works on Saturday, he is entitled to a 30% on his daily wage, and if he works during the night hours (22.00 - 06.00), he is entitled to an extra 25% over his legal wage.

7.1.5 Leaves

Employees who work a five- or six-day week are entitled to a paid **annual leave** that can be up to 20 (for 5-day work) or to 24 (for 6-day work) working days after continuous employment for at least twelve months. This leave is extended by one working day for each year of employment in addition to the basic time up to 26 working days for employees with a six-day work system and for employees with a five-day work system up to 22 working days. The employer is obliged to grant this leave before the end of each year, otherwise he is subject to sanctions.

Salaried employees may be absent from their work for temporary periods due to sickness **(sick leave/sick pay)** without this being considered as a ground for termination of their employment.

There are many situations where an employee would be entitled to take a **leave of absence under certain conditions** (e.g. leave for the education of trade unionists, maternity leave of 17 weeks in Greece etc.)

7.1.6 Working Time

The legal working week in Greece is 40 hours. Work more than 45 hours per week is treated as overtime. Two types of overtime work are recognized: overwork and overtime.

Overwork is work rendered between 41st – 45th hours and should be paid with a 20% premium on the hourly wage. **Overtime work** namely work exceeding the maximum daily limit of 9 hours and beyond 45 or 48 hours per week is allowed only for specific reasons. For the realization of overtime, the employer should notify electronically the Labor Inspectorate via the electronic system "ERGANI", otherwise penalties may be incurred. If overtime is legal then the employee is entitled to a 40% on the hourly wage. If the employer has not abided by the above procedure, then overtime is considered illegal and an 80% on the hourly wage should be paid.
Article 59 of Law 4635/2019 on the protection of part-time employment, stipulates that when there is a need for additional work in addition to the agreed, the part-time employee is entitled to wage with an increase of 12% on the agreed fee for each additional working hour and until the completion of the full daily schedule of the comparable employees in the company.

7.1.7 Employee relations

- **Trade Union**

Twenty or more employees in the same employer/same sector/same profession can establish trade union, who can negotiate CBA at company-level. There are the **first level unions** (e.g. professional associations), the **secondary unions** (e.g. the Federations and Labor Centers) and the **higher trade unions** or other Confederations (e.g. associations either of unions and Labor Centers or of one union and one Labor Centre, e.g. the General Confederation of Workers of Greece.

- **Work Councils**

In companies with at least 50 employees, work councils can be formed. In case no trade union exists at the company, work councils can be formed if there are at least 20 employees.

The work council has the authority a. of co-deciding with the employer regarding ways of ameliorating the working environment, b. of submitting proposals for ameliorating the working conditions, c. of being informed about crucial managerial decisions etc. In case no trade union exists, the work council has also the authority to participate in the consultation procedure for collective dismissals as well as in any other kind of consultation procedure is provisioned by law between employees and employer.

- **Employee's Committee for OHS matters**

Employers should allow the creation of **committees of employee representatives** for the health and safety of employees in companies with over 50 employees. In companies with over 20 employees, the employees have the right to elect representatives for matters of OHS. In companies with less than 20 employees, the employees may consult and elect a representative for OHS matters.

- **Collective bargaining**

The Collective Bargaining among the social partners can lead to the conclusion of Collective Bargaining Labour Agreements. There are the following kind of CBLAs: a. company's CBLAs concluded between the employer and the company's trade union (s). It covers all personnel and is binding for the specific company only. b. Sectoral CBLAs concluded between second or first level trade unions and the organisation of the employers that are activated in the same sector of business, c. National or regional CBLAs of the same profession concluded between second level or first level trade unions of the same profession and employers' organization of a wider or Panhellenic/regional range., d. CBLAs of Group of Companies that are similar to company's CBLAs but only these are for the mother company and its affiliates and e. National General CBLAs that provide the legal minimum provisions for the employees all over the country regarding their non-salary terms binding for employees and employers that are members of the third level organizations that conclude them.

All CBLAs are concluded for a certain period and can be terminated either with the elapse of the agreed period or with termination of it by either party or by express or tacit abolishment of the CBLA by a newer CBLA.

7.1.8 Termination of employment

- **Termination of fixed-term contracts**

When the predetermined duration of the contract elapses, the employment contract expires automatically, with no need of previous notice and no need for the employer to pay severance. The parties retain the right to prematurely terminate the contract (extraordinary termination) if facts which constitute an 'significant reason' occur (e.g. unconventional behavior of the employee, force majeure etc.).

- **Termination of indefinite time contracts**

In principle, termination of the contract of indefinite duration is unjustified, with some exceptions exclusively mentioned in the law, which presuppose the existence of an important reason (eg termination of the employment contract of trade union executives, pregnant women, etc.).

Law 4359/2016 that integrates the Revised European Social Charter in Greek legislation, indicates certain criteria based upon which the courts must evaluate the abusive exercise of termination of the employment contract.

In particular, Article 24 of Law 4359/2016 states that in case of termination of the employment relationship, the parties undertake to recognize: (a) the right of all workers not to terminate their employment relationship without a valid reason that is connected with their ability or their behavior, or be based on the operational requirements of the undertaking, business or service; b) the right of workers whose employment relationship is terminated without cause, to receive adequate compensation or other appropriate reparation.

In order for the termination of the employment relationship to be considered valid it must be in writing, the applicable severance pay must be paid and the employment of the dismissed must have been registered in the EFKA's (formerly IKA) salaries books or the dismissed person must have been insured.

In case of a termination with immediate effect, ie a termination without notice, the employee is entitled to severance pay for a specified number of months of "tactical wages" depending on the duration of his service and provided that he has completed 12 months of employment. In case of a termination with notice (maximum 4 months) which also depends on the time of service, the mandatory severance pay is half the amount of severance pay applicable in case of termination with immediate effect.
For both the termination of an employment contract of indefinite duration and the termination of a fixed-term contract or a work contract, as well as for each case of voluntary dismissal of an employee, the employer must notify by electronic submission of the relevant forms provided in Ministerial Decree 29502 / 85 / 01-09-2014 (B'2390) as amended by MD 302143 / Δ1.11288 / 2018 and then with the MD 29147 / Δ1.10258 / 2019 in the information system of the Ministry of Labor, Social Security and Social Solidarity "ERGANI", at the latest four (4) working days from the date of termination of the employee or termination of the contract of employment of indefinite duration or of the termination of the fixed-term contract or work, respectively.

The declaration of voluntary resignation of the employee must be accompanied either by an electronically scanned form signed by the employer and the employee or by an extrajudicial statement of the employer to the employee, informing him that he has left voluntarily and that it will be announced. information system "ERGANI". In the latter case, the extrajudicial declaration

of the employer shall be served on the employee no later than four (4) working days from his voluntary departure and the announcement shall be made on the next business day from the service of the extrajudicial declaration. If the employer does not comply with the obligations of voluntary resignation in time, including the submission of the accompanying documents hereof, the employment contract shall be deemed to have been terminated by an erroneous termination by the employer.

- **Protection from dismissals (maternity, employees' representatives, etc.)**

The employer is prohibited from dismissing employees with a special protection. Within this protective framework are included e.g. pregnant working women, both during pregnancy and for a period of eighteen (18) months after delivery or in their absence for a longer period of time, due to illness due to pregnancy or childbirth, unless there is a good reason for complaint, men in military service, employees during the annual leave, compulsorily recruited with the provisions for the protection of people with disabilities, large families, warriors, National Resistance fighters, etc. and members of the council of trade union organizations without a decision of the competent authority.

If these employees are dismissed, then their dismissal is automatically considered invalid under certain preconditions.

7.1.9 Prerequisites of a lawful termination

In principle, the employer can proceed with a lawful dismissal after notifying the employee in writing about the dismissal and paying the applicable severance pay. In certain cases, though, the employer must take into consideration other facts as well. In a redundancy for economic-technical reasons, the employer should start a consultation with employees' representatives to explore ways of avoiding or mitigating its consequences and should select employees for redundancy on objective grounds, taking also into consideration certain social criteria such as the age of the affected employees, marital and familial status etc. The employer should also consider offering redeployment possibilities while in cases of poor performance, he should warn the employee and give him time to improve or offer him another job corresponding to his abilities. In cases of misconduct the employer should follow the applicable disciplinary procedures etc.

7.1.10 Collective redundancies

Collective redundancies are triggered whenever a company, employing at least 20 employees and for reasons related to the employer dismisses*: a. over 6 employees for organizations or establishments with 20 – 150 employees and b. over 5% of the personnel, up to a max of 30 employees, for organizations or establishments with over 150 employees.*

If the preconditions and the specific process that are required by Law are not met, the **dismissals are invalid**, and the employees can file a lawsuit against the employer requesting the annulment of their dismissal as well as salaries in arrears.

7.1.11 Dismissal rights

The employee may claim that his dismissal was invalid since the employer did not follow the dismissal procedure or may claim that the dismissal was abusive due to e.g. vengeful or other reasons on the part of the employer. In all cases, the dismissed employee may claim for reinstatement in his/her job, wages in arrears as well as for moral damages. The claims of the employee should be raised within 3 months from the dismissal (if s/he alleges the invalidity of the dismissal or within 6 months if s/he claims for additional or for the payment of the severance pay, without regarding the termination as invalid).

7.2 Greek Social Security System: General Provisions, Figures & Employment Policies

7.2.1 Introduction to the Greek Social Security system

The Greek social security system is a rather complex model of social protection maintained through the application of three different techniques: social insurance for persons within the labor market, social assistance for needy uninsured people and a national health scheme for all persons living within the Greek territory.

Supervisory body is the Ministry of Labor and Social Insurance, while health-care and welfare policies are monitored by the Ministry of Health and Social Assistance.

7.2.2 The 3 insurance pillars

The social security system is the basic cornerstone of the domestic social security model. Its function, as developed since the 1950s, aims at covering social risks of workers and employees through the provision of cash benefits and services, which address problems related to the reduction or loss of income gained through employment. The system is based on three insurance pillars:

The first pillar corresponds to the public schemes of **compulsory main and supplementary insurance**, which function through legal entities supervised by different ministries, the second pillar is an **occupational pillar** and the third pillar refers to **voluntary individual private plans.**

The Occupational Pension Funds (OPF) were initially introduced in Greece in 2002 forming the second pillar, aiming to extend the protection of insured persons and to strengthen the adequacy of insurance benefits (Law 3029/2002). Furthermore, with the New Law 4680/2020, the Greek legislator incorporated into Greek legislation the Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of the institutions for occupational retirement provision (IORPs).

7.2.3 The new main and auxiliary insurance Funds

Numerous insurance funds were -until recently- competent for the attribution of pensions, depending on the insured individuals' profession, resulting to a complex and often overlapping legal and normative framework. To be noted that the main insurance is mandatory based on the conditions stipulated by Law.

According to the new Law on social security reform Law 4670/2020, the Legal Entity under Public Law (N.P.D.D.) under the name "Unified Social Security Agency (EFKA)" is renamed. from 1.3.2020 to "Electronic National Social Security Agency", hereinafter referred to as "e-Ε.Φ.Κ.Α.". In the e-Ε.Φ.Κ.Α. is included from 1.3.2020 the Single Fund for Auxiliary Insurance and One-Time Benefits (E.T.E.A.E.P.). The Legal Entity under Public Law (N.P.D.D.) under the name Single Fund for Auxiliary Insurance and One-Time Benefits (E.T.E.A.E.P.) is also abolished and the e-Ε.Φ.Κ. Α. becomes his quasi-universal successor. The e-Ε.Φ.Κ.Α. includes the Auxiliary Insurance Branch and the One-Time Benefits Branch of E.T.E.A.E.P. with full financial, accounting and property independence each. The e-Ε.Φ.Κ.Α. aims at the insurance coverage of all persons subject to the insurance of E.T.E.A.E.P. for the insurance risks provided by the relevant legislation, and the granting of the benefits of E.T.E.A.E.P. "

All the existing main social security organizations, namely the Social Insurance Institution - Unified Employees' Insurance Fund (I.K.A. - E.T.A.M.), the Unified Mass Insurance Fund of Mass Media Personnel (E.T. .P. - Media), the Single Fund for Independent Employees (E.T.A.A.), the Organization for the Insurance of Freelancers (O.A.E.E.), the Organization for Agricultural Insurance (OGA)), in addition to the Agricultural Home Account, Maritime Retirement Fund (N.A.T.), including the West Headquarters and the Maritime Unemployment - Illness Fund (K.A.A.N.), the Insurance Fund for Bank Employees and Public Benefit Enterprises (T.A.Y.T.E.K.O.) and the Single Bank Employees Insurance Fund (E.T.A.T.))
Subject to mandatory social security with the above organization are the already insured individuals of the integrated social security bodies, as well as those who will undertake for the first time (from the start of operation of the new organization and henceforth) insurable work or acquire an insurable professional capacity based on the general or special or statutory provisions regulating each former social security body.

7.2.4 Social Security Contributions

Every employee, pensioner and dependent member of their family in Greece owns a unique identification number for work and social insurance called **AMKA**.

With regards to a dependent employment relationship, both employee and employer participate in paying the associated insurance contributions.

Since publication of Law 4670/2020, the maximum limit of employment earnings (cap) for the calculation of the **monthly social security contributions**, which applies to employees and employers, is set at € 6,500, adjusted from 01.01.2023 to 31.12.2024 per year by an act of the Minister of Labor and Social Affairs, at the rate of change of the average annual general consumer price index of the previous year. Further reduction starts with social security employer contributions for companies participating in government programs that employ employees under the age of 25. In case of a negative price of the above percentage, the amount of the insurable earnings remains at the levels of the previous year. From 01.01.2025 onwards, the maximum insurable salary is increased annually by the salary change indicator. The total contribution rate of the main pension of an insured employee and employer is set at 20% on all types of employees' salaries, with the exception of socially emergency benefits due to marriage, childbirth, death and severe disability. The above percentage is distributed by 6.67% to the detriment

of the insured and by 13.33% to the detriment of employers, including from 01.01.2017 and the State and legal entities under public law.

From 01.06.2016 until 31.05.2019, the amount of the monthly contribution for the supplementary insurance in E.T.E.A. of all employees, insured before and after 1.1.1993, is calculated at a rate of 3.5% for the insured and at a rate of 3.5% for the employer on the insurable earnings of the employee, as defined in article 38 of Law 4670/2020. From 01.06.2019 until 31.05.2022, the amount of the monthly contribution to E.T.E.A. of all employees, insured before and after 01.01.1993, is calculated at a rate of 3.25% for the insured and at a rate of 3.25% for the employer on the insurable earnings of the employee, as specified in Article 38. After the end of six years, the percentage of the monthly contribution returns to the amount that was valid on 31.12.2015.

Another change of the previous regime still in force, concerns the distinction of **freelancers** who issue invoices for their services vs. **employees** and the respective **calculation of contributions**. The exclusivity of service provision is justified when the income derives from a systematic -and not opportunistic– exercise of an occupational activity and only when services are rendered to one or max. two persons (natural or legal). Insured employees, related to one or two employers, are required to make monthly reference on their invoices of their dependent employment relationship.

The wording of the new provision is highly problematic, as it doesn't establish a safe criterion to distinguish between permanent and temporary employment. Furthermore, it creates discrepancy between the identification of the relationship from an employment law perspective compared to the view of the social security authorities of EFKA who are competent to "ratify" the nature of employment, to make the correct classification and attribution of contributions.

Secondly, the above measure causes a discord in the relationship between employer-employees, given that if, for whatever reason, an employer refuses to register an employee in the **Analytical Periodic Report** (e.g. because he/she disagrees with the permanent nature of the relationship, or doesn't want to bear the cost of social security contributions), the employee should notify EFKA, which authorities shall rule accordingly in due time.

Following the recent changes that occurred with Law 4670/2020 regarding social security contributions for self-employed and self-employed, the amount of social security contributions is completely disconnected from the individual's monthly income. From 01.01.2020, six (6) insurance categories are formed and each individual must choose one category of pensions according to which he/she will be insured for the next year. Under this system, the higher category is linked with higher amount of monthly contributions due, which will lead to a higher pension entitlement in the future. The insured will be subject to the same category of health insurance.

In case of no choice, the insured will be automatically subject to the 1st (lowest) insurance category.

Finally, there are special provisions for "new" policyholders and those who have not completed more than 5 years of practice, as they can pay 93 euros monthly for social security contributions.

At the same time, as far as the social security contributions for health care are concerned, from 01.01.2020, the health insurance contributions for self-employed and self-employed are determined at a fixed amount depending on the selected insurance category.

In order for an employee or freelancer to have access to health insurance (in natura), he must have completed a minimum amount of working days in the previous year or in the last 12 months before the risk of social security appears. The minimum days required for this purpose are reduced (a) for employees, from 75 to 50 working days and (b) for self-employed from 3 months to 2 months.

Furthermore, with regard to social security contributions for a lump sum allowance, three (3) insurance categories were introduced, corresponding to a certain amount of contributions to be paid for all insured persons (employees, self-employed), regardless of insurance condition. Every person entitled to such insurance coverage is free to choose the respective category to which he will be subject.

For the insured who have more than one professional activity with the new law, it is stipulated that in case an insured person is subject to the insurance of more than one Social Security Fund (eg EFKA for employees and EFKA for non-employees) the contributions will be paid for a single professional activity, as these contributions exceed a minimum legal amount provided in each case

7.2.5 Qualifying conditions for acquiring pensions

After the recent social security Laws, the following must be noted: Pension entitlements consist of two parts, i.e. **the national pension** and **the contributory pension**. The national pension is a fix amount to all beneficiaries eligible, while the contributory pension is calculated based on the **pensionable salary**, the **pension years** and the **substitution percentages for each pensionable year.**

National pension: Beneficiaries eligible for full national pension shall be entitled to full pension by the Social Security Institution and have at least 40 years of residence in Greece since age 15 and 20 years of contributions.

The national pension amount ranges **from 345,60 Euro to 384 Euro (full pension)** depending on the applicable criteria.

Contributory old-age pension: The retirement age varies, according to the insured's age when the beneficiary reaches a given contribution threshold. For those insured **before 1.1.1993**, the age for a full pension is gradually rising to age 67 by 2022 for individuals with at least 4.500 days of contributions (at least 5.500 days of contributions for mothers and widowers with a dependent child); to age 62 by 2022 for individuals with at least 10.500 days (rising to 12.000 days in 2022) of contributions (at least 7.500 days if caring for a dependent, disabled child, spouse, or sibling). Special conditions apply for employed persons in arduous or unhealthy professions, including construction.

Regarding the reduced pension (if first insured before 1.1.1993), by 2022, beneficiaries eligible should be 62 years old with at least 4.500 days of contributions, including at least 100 days a year in the last five years. Special conditions apply for employed persons in arduous or unhealthy professions, including construction.

Different provisions apply for those insured **after 1.1.1993**, depending on their insurance history.

In particular, as a result of the insurance reform, on the basis of the general provisions and in the absence of special cases of retirement, all insured people and in particular new insured people(subject to insurance after 1.1.1993), apply as a general rule, the right to full pension if they reach the age of **67 or 62 years with 40 years of insurance and the right to a reduced pension if they reach the age of 62 years.**

At this point, another critical change brought about by L. 4670 / 2020, is the regulation according to which in case of parallel employment of a pensioner his pension is reduced from 60% provided by Law 4387/16 to 30%.

This reduction does not apply to farmers and retired workers in government agencies, including those transferred to ministries and government positions.

7.2.6 Disability pensions

Beneficiaries eligible for disability benefits will receive 75 percent of the national pension for disability calculated at between 67 and 79.99 percent, while 50 percent of the national pension rate will be allocated for disability between 50 and 66.99 percent.

7.2.7 Application of social security schemes to individuals moving within EU

Within the framework of the harmonization of Social Insurance systems in the EU Member-States, following the EU Insurance Regulations on migrant workers, employed people, self-employed people and members of their families who have conducted insurable work in EU Member States, countries of the European Economic Area EEA (Norway, Iceland, Liechtenstein) and Switzerland, can count the set pensionable periods towards their entitlement to pension (for retirement, disability and survivors) as well as for calculating the amount of pension in Greece.

7.2.8 The repercussions of the debt crisis

Greece was the first of the EU countries engulfed in the so-called **sovereign debt crisis**. It has been argued that austerity measures and the deregulatory, pro-market, policy reforms prescribed by the ECB/EU/IMF and pursued by consecutive Greek governments have culminated into an anti-social policy that has done nothing to alleviate the crisis.

Furthermore, the limited resources made available for social expenditure do not reach those that should benefit from them. Indicatively, the poorest 10% of the population receives 6.6% of social transfers (excluding pensions), whereas 12.5% goes to

medium income brackets and 7.4% to the richest 10% of the population. This obviously does not ensure a minimum living standard for the poor and the underprivileged households, while the fragmented and bureaucratic social expenditure system is prone to create de facto discrimination among the various categories of beneficiaries.

7.2.9 Social benefits

Social benefits include the social assistance, a lump-sum payment to poor households in mountainous and disadvantageous areas, allowances for children under 16 years old who live in poor households, allowances to repatriates, refugees, persons released from prison, drug-addicts, alcoholics, allowances to long-standing unemployed aged 45–65, benefits to households that faced an earthquake, flood, etc.) and allowances, such as family, unemployment, sickness, disability/invalidity benefits /allowances, as well as the education allowances. Pensions include old-age pensions and survivor's pensions and benefits.

Despite the limited distributional impact of social benefits in Greece, it has improved in recent years. The reduction of poverty because of total social expenditure came to just 23.5 percentage points, compared to an EU average of 27.3.

7.2.10 Employment policies and the role of OAED

Employment policies are mainly supervised by the Ministry of Labor, in coordination with other Ministries for matters of education, financial incentives of job demand, etc.

Organization for the Employment of the Labor Personnel - OAED is the competent authority for workforce technical and vocational education and training, networking services to link supply with demand, provision of various benefits, such as conditional subsidies for the unemployed and supplementation of pregnancy and maternity benefits.

The social services offered by OAED seem to exceed the framework of the social-insurance institution. However, they are examined with the other social-insurance benefits in kind, because they share common characteristics. To be noted that Social Insurance Law and Social Law, in general, are not only consisted in 'regulatory' rules of specific rights and obligations. They are also composed by the so-called 'institutional' regulations, which entrust the solving of social problems to social services without specific legal conditions. This second method reflects in the labor mediation for the job demanding and for the career consulting, provided by the competent OAED organs. Labor mediation services aim at fighting unemployment and mitigating its risks.

From the applicable regulations, a triangle of **legal obligations** emerges: (1) the individuals' obligation to declare their unemployment to the OAED branches in the district of their residence, (2) the employers' obligation to search for registered unemployed or to announce in due time the free employments, and (3) the obligation of OAED to propose for employment qualified persons following the priority of their registration. For the fulfilment of the abovementioned obligations and for the estimation of possible infringements, the organs of OAED have been delegated to control the manpower policies at the places of work.

The financial help to the employers for creating new jobs is significant not only in relation with their labor charges, but also with their social-insurance charges. Employers hiring new staff, among the special unemployment benefit receivers, are entitled to a subsidy for the total of their contributions in favor of the employed persons' social-insurance organization (Law 1892/90).

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8. Corporate Taxation

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8.1 Corporate income tax; taxable base

Enterprises which are tax resident in Greece are subject to Greek income tax in respect of their worldwide income. Enterprises which are not tax resident in Greece are in principle only taxed on income derived from Greek source.

A legal person or entity is considered as a Greek tax resident according to domestic tax residency rules if it is incorporated, seated or effectively managed at any given tax year in Greece. Effective management is perceived as being exercised in Greece on the basis of the factual background and circumstances of each case, taking into account i.a. the place of:

- exercise of day-to-day business;
- strategic decision-making;
- annual shareholders' meetings;
- books and records keeping;
- BoD's or other executive governing body's meetings;
- residence of BoD or other executive governing body's members

The residence of the majority of shareholders may potentially also be considered along with the above mentioned factors and circumstances.

In general, taxable income of legal entities consists in the sum of revenues , after deduction of business expenses, depreciation/amortization and bad debt provisions. Revenues from the business's transactions also include revenues from the sale of business assets and liquidation proceeds. Income in the aforementioned sense includes also capitalized or distributed profits for which no corporate income tax had been paid.

Intercompany dividends are exempt from income tax if qualifying under the dividends participation exemption regime. The scope of the said regime covers dividends earned by any Greek resident legal entity or branch of other EU Member state and distributed by EU Parent-Subsidiary Directive qualifying subsidiaries resident in EU/EEA jurisdictions (including Greece), in the capital, shares or voting rights of which the former holds a minimum 10% participation for a minimum consecutive 24-month period.

Capital gains earned from 1 July 2020 onwards by Greek resident legal persons are exempt from income tax if arising from the transfer of shares in EU Parent-Subsidiary Directive-qualifying subsidiaries in which the transferor holds at least 10% participation for a minimum holding period of 24 months.

In principle, all expenses are deductible, provided they serve the business purposes of the enterprise, correspond to an actual transaction and are properly recorded in the company's books. Qualifying R&D expenses are deductible at a 130% rate under certain conditions.

Furthermore, the Income Tax Code provides for a limited list of non-deductible expenses. This includes i.a. payments to entities tax resident in non-cooperating or preferential tax regimes; payments for the supply of goods and services exceeding 500 EUR if not performed through banks; loan interest, other than interest on bank loans, interbank loans or bonds issued by corporations to the extent the rate exceeds statistical thresholds provided by the Bank of Greece.

Expenses related to participations yielding tax-exempt dividends and capital gains are not tax deductible.

Moreover, pursuant to earnings-stripping rules, subject to a de minimis threshold of EUR3 mil¬lion annually, the portion of the, otherwise deductible, bor¬rowing costs of a company which exceed taxable interest revenues and other economically equivalent taxable revenue is deductible only up to 30% of the company's EBITDA. Interest which exceeds said thresholds may be carried forward indefinitely. This limitation does not apply to several types of financial undertakings determined in the relevant rules, such as credit institutions, insurance companies and specific insti¬tutions for occupational retirement

8.1.1 Mergers and acquisitions

Significant tax exemptions may be available for company restructurings, e.g. mergers, spin-offs and divisions, under a number of alternative available tax regimes.

8.1.2 Utilization of tax losses

Under the general rules, tax losses are fully carried forward for a period of five years. No carry back is available. Furthermore, the right to carry forward tax losses ceases to apply if direct or indirect ownership or voting rights change within a fiscal year by more than 33% and in addition the company's business activities change by more than 50% of its turnover in the same and/or next fiscal year from the transfer of ownership. In case of a merger, losses of the entity being absorbed may be lost depending on the regime to apply for the merger. Tax losses generated from a permanent establishment in another EU/EEA country can in principle be set off.

8.1.3 Corporate income tax rate

The standard corporate income tax rate is 24% for the income of fiscal years 2019 onwards with the exception of credit institutions which are in principle subject to a rate of 29%.

8.1.4 CIT return filing and schedule for tax payments

The CIT return filing deadline lapses in principle on the last working day of the sixth month following the legal entity's fiscal year end.

Upon filing a CIT return, a prepayment against the next year's CIT liability is also in principle assessed. This is 100% of the CIT due minus the amounts of withholding taxes reported in the tax return. For new enterprises, the tax prepayment is reduced by 50% for the first three years.

8.2 VAT/ Indirect Taxes

The standard VAT rate is 24% and applies in principle to most of the taxable supplies of goods and services. A reduced rate of 13% applies to specific goods and services, e.g. certain food products, medical equipment, hotel accommodation, etc., whereas a super reduced rate of 6% applies to books and printed material, pharmaceuticals and entries to theatres. The above rates are reduced by 30% under conditions regarding supplies of goods and services made in certain islands of the Aegean Sea until 31.12.2020. Agricultural goods and services are subject to special treatment.

Corporations must file periodical VAT returns electronically on a monthly basis. Corporations effecting intra-community supplies or intra-community acquisitions, have the obligation to also file electronically recapitulative statements and (in case specific thresholds are exceeded) Intrastat returns monthly, only however for those periods, where such transactions occur.

8.2.1 Stamp duty

Stamp duty is levied on transactions, documents and contracts signed or performed in Greece which do not fall under the VAT regime. This includes i.a. rentals which are subject to 3.6% stamp duty (with the exception of commercial leases which can be subject to VAT if the owner is a VAT registered person and has opted to apply VAT on the rentals). Furthermore, commercial loans and interest may be subject to a 2.4% stamp duty, however with exemptions e.g. for bank loans and bond issues.

8.2.2 Real Estate Transfer Tax ("RETT")

The transfer of real estate by means of a sale is in principle subject to RETT. By way of exception, the transfer of new buildings by constructors is subject to VAT. RETT is imposed on the higher amount between the statutory value of the property and the actual transfer value agreed at 3% and is borne by the purchaser. An additional 3% municipality tax is also imposed on the amount of RETT due.

8.2.3 Listed Shares Sales tax

A 0.2% sales tax applies on sales of listed shares and over-the-counter stock lending.

8.3 Tax on Capital

8.3.1 Capital Accumulation Tax

A 1% tax applies on certain capital accumulations - generally upon capital increases or capital contributions. Subscription of initial capital of newly incorporated entities is exempt from capital accumulation tax. When these transactions are effected by a Greek Société Anonyme (AE), a special duty of 0.1% is to be paid additionally in favour of the Greek Competition Committee.

8.3.2 Unified Real Estate Tax ("ENFIA")

As from 1 January 2014, ENFIA burdens annually individuals and legal entities holding Greek real estate property rights and comprises the main and the supplementary tax.

The main tax applies on each property separately and is computed based on a formula which varies depending on the type of the real estate asset (i.e. building, land within or outside the city planning), on its location and on other parameters such as buildings' construction age, proximity to the sea, ability to develop, use in cases of plots etc. The main tax is computed by multiplying the main tax with various coefficients provided in the law. The main tax is determined based on the tax value of the area where the property is located and ranges for buildings from 2 to 13 EUR per square meter, for plots within the city planning from 0.0037 to 11.25 EUR per square meter, while for land outside the city planning the main tax is set at 0.001 EUR per square meter.

The supplementary tax applies on the total value of the real estate held by the taxpayer and is computed on the statutory value of the properties. For legal entities 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 supplementary tax at the rate of 0.1%.

There are various exemptions from and/or reduced tax rates for both the main and the supplementary tax that apply to specific categories of properties and/or taxpayers (e.g. non for profit entities, Real Estate Investment Companies).

8.3.3 Special Real Estate tax

Legal entities holding Greek property are subject on an annual basis to a Special Real Estate tax ("SRET"), unless they fulfill the requirements for an exemption. SRET applies at a 15% rate on the statutory value of the immovable property as of January 1 of each calendar year. SRET constitutes an anti-avoidance rule which aims to tackle non-transparent structures that own Greek real estate. Therefore, there are various exemptions including i.a. companies that generate in Greece higher amounts of

business income than rental income; listed companies; all companies, except if 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 listed entities or qualify as institutional investors such as credit institutions and insurance companies as well as regulated funds .

8.4 Transfer Pricing

Taxpayers engaged in intra-group transactions and business restructurings involving associated enterprises are required to comply with the arm's length principle established and interpreted by the OECD . In addition, enterprises and permanent establishments operating in Greece must report and document intra-group transactions or dealings on an annual basis. However, taxpayers with an annual volume of controlled transactions not exceeding 100,000 EUR are exempt from transfer pricing documentation requirements. The threshold rises to 200,000 EUR for enterprises generating an annual turnover above 5,000,000 EUR.

Penalties are assessed for failure to report, delayed reporting or inaccurate reporting of controlled transactions, under certain circumstances, as well as for delayed submission of TP files to tax auditors. Violations of the arm's length principle lead to the readjustment of taxable profits and the assessment of corresponding corporate income taxes and penalties.

8.5 Double Taxation Avoidance Treaties

Greece has entered into fifty-seven (57) tax treaties including treaties with Germany, Austria and Switzerland. In general, Greece follows the OECD Model Treaty and commentary in its treaty policy and interpretation.

8.6 Tax avoidance- Tax evasion

Greece has endorsed to a great extent the principles devel¬oped and the measures recommended by the OECD/G20 BEPS action plan against tax avoidance strategies. And more specifically, being an EU Member State, Greece has transposed or is about to transpose into domestic law the measures of the EU Anti Tax Avoidance Package which includes the Anti Tax Avoidance Directive and the Directive on Administrative Cooperation in direct taxation in the EU. Apart from the already mentioned interest expense limitation, CFC rules and a general anti-avoidance provision are part of these measures.

8.6.1 Controlled foreign company (CFC) rules

Pursuant to the CFC rule, enacted with effect as of 1 January 2014, undistributed profits earned by a CFC must be added to the taxable profits of the shareholder under the following conditions: (i) the shareholder holds, severally or jointly with other affiliated persons and directly or indirectly a more than 50% participation in the capital or profits or voting rights of the foreign entity; (ii) the actual corporate tax paid on the CFC's profits is less than the difference between such actual corporate tax and the corporate tax that would have been charged on such profits in Greece; and (iii) more than 30% of the CFC's net income is

classified as passive income (e.g. interest, royalties, dividends, income from financial leasing, insurance, banking and other financial activities as well as income from non-value-added resellers to associated enterprises).

CFC rules do not apply in respect of CFCs in EEA Member States, if engaged in substantial economic activities.

8.6.2 General anti-avoidance provision

The General Anti-abuse rule (GAAR), firstly introduced as of 1 January 2014 as part of the measures to combat tax evasion, allows tax authorities to disregard non-genuine arrangements which have as their main purpose or one of their main purposes the obtaining of a tax advantage that defeats the object or purpose of the applicable tax law. In such cases the tax authorities calculate the tax liability as if arrangements did not exist.

Specific anti-avoidance provisions are included both in the Greek Income Tax Code (e.g. in relation to restructurings) and in separate pieces of legislation (e.g. the special real estate tax applicable to companies holding Greek real estate).

8.6.3 Tax evasion

If a company fails to pay VAT or withhold other taxes (e.g. salary taxes) or fails to pay income tax or unified real estate tax, the managers of the company are personally and jointly (i.e. jointly with the company) liable to pay such taxes. Therefore, Greek authorities may take enforcement measures for the collection of the above taxes against the private property of the management team of the company, if the latter fails to pay taxes that have been withheld.

In addition to personal liability, subject to certain thresholds, criminal charges can be pressed against the management of a Greek company for tax evasion or the non-payment of the company's tax debts. The individuals who are normally charged are the Managing Director of the company and the President of the BoD as well as other individuals who were involved in the management of the company (e.g. individuals who bind the company with their signature).

9. Competition Law
Basic guide on L.3959/2011 on the "protection of free competition"

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9.1 The law on free competition

Greek and EU competition law contain similar provisions. Art.1 of L.3959/2011 corresponds to Art.101 TFEU and Art.2 of L.3959/2011 to Art.102 TFEU. Merger evaluation is similar to Reg.139/2004, although the thresholds differ.

- **Art.1 of L.3959/2011 (Art.101 TFEU)**

"Prohibited collusion"

1. Without prejudice to paragraph 3, all agreements and concerted practices between undertakings and all decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition in the Hellenic Republic shall be prohibited, and in particular those which:
   - **a)** directly or indirectly fix purchase or selling prices or any other trading conditions;
   - **b)** limit or control production, distribution, technical development or investment;
   - **c)** share markets or sources of supply;
   - **d)** apply dissimilar conditions to equivalent trading transactions, especially the unjustified refusal to sell, buy or otherwise trade, thereby hindering the functioning of competition;
   - **e)** make the conclusion of contracts subject to acceptance, by the other parties, of supplementary obligations which, by their nature or according to commercial use, have no connection with the subject of such contracts.
2. Any agreements and decisions by associations of undertakings which come under paragraph 1 and to which paragraph 3 does not apply shall be automatically void.
3. Agreements, decisions and concerted practices which come under paragraph 1 shall not be prohibited, provided that they cumulatively satisfy the following preconditions:
   - **a)** they contribute to improving the production or distribution of goods or to promoting of technical or economic progress;
   - **b)** at the same time, they allow consumers a fair share of the resulting benefit;
   - **c)** they do not impose on the undertakings concerned restrictions which are not indispensable to the attainment of these objectives and
   - **d)** they do not afford the possibility of eliminating competition or eliminating competition in respect of a substantial part of the relevant market.
4. EU Regulations on the application of Article 101(3) TFEU … (block exemption Regulations) shall apply mutatis mutandis to the implementation of paragraph 3…

- **Art.2 of L.3959/2011 (Art.102 TFEU)**

"Abusive exploitation of a dominant position"

1. It is prohibited for one or more undertakings to abuse their dominant position within the national market or in a part of it.
2. It is prohibited for one or more undertakings to abuse their dominant position within the national market or in a part of it.
   - **a.** directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
   - **b.** limiting production, distribution or technical development to the prejudice of consumers;
   - **c.** applying dissimilar conditions to equivalent trading transactions with other trading parties, especially the unjustified refusal to sell, buy or otherwise trade, thereby placing certain undertakings at a competitive disadvantage;
   - **d.** making the conclusion of contracts subject to acceptance, by the other parties, of supplementary obligations which, by their nature or according to commercial practice, have no connection with the subject of such contracts.

- **Furthermore, Article 3 states that:**

1. "Agreements, decisions and concerted practices which come under Article 1(1) and do not satisfy the conditions of Article 1(3) shall be prohibited, without the need for a prior decision to that effect.
2. Agreements, decisions and concerted practices which come under Article 1(1) and satisfy the conditions of Article 1(3) shall not be prohibited, without the need for a prior decision to that effect.
3. Abuse of a dominant position in accordance with Article 2 shall be prohibited, without the need for a prior decision to that effect."

9.2 The implications

- **Dealing with competitors (horizontal agreements, e.g. between same product producers/suppliers)**

Art.1 of L.3959/2011 (and Art.101 TFEU) refers to agreements between 2 or more undertakings (i.e. any legal or natural person that has economic activity). All kinds of prohibited agreements are caught no matter how or where they are achieved/concluded (direct or indirect; written or oral; in Greece or abroad etc.). Similarly, the law 'catches' decisions by associations of undertakings (e.g. decisions; the 'constitution' or rules of an association; etc.). It also 'catches' informal cooperation/alignment in the market (concerted practices).

The law 'catches' agreements which either have the object (price-fixing, market-sharing etc.) or the effect to restrict competition (the context of operation must be examined). Art.1 applies also to collaborators/facilitators. No market power requirement for Art.1 to apply if hardcore restrictions exist.

Problematic conduct (main concerns):

- *Direct (or indirect) price-fixing:* concerns the fixing of the price or its elements/components; of setting a minimum price to be followed; of setting a price increase mark-up (%); of setting boundaries within which to keep prices; of agreeing to follow price-lists or any other signaling etc. Indirectly, it can concern discounts, terms, charges and other payments or allowances affecting the price of the product/service.
- *Limiting or controlling production or investment:* concerns the limitation/control of production levels (hence affecting also price) or investments. It will also cover agreements to coordinate investments.
- *Market sharing:* concerns the sharing of markets in terms of territory or customer or in any other.
- Fixing trading conditions
- *Information exchange (price/non-price information*): concerns the exchange of sensitive commercial information, e.g. prices, discounts, rates or elements of pricing such as costs, profits etc. Non-pricing information exchange (e.g. clientele/customers' terms of cooperation) may be problematic if it reduces strategic uncertainty, which affects competitive behaviour. Exchange of aggregated historical information is lawful.
- *Bid-rigging:* concerns co-ordination to abstain from competing in an attempt to affect the outcome of a bid. This may take the form of cover (symbolic) bidding; bid suppression; bid rotation; market allocation.
- Joint purchasing or joint selling / boycotts: concerns agreements to fix purchasing prices or other practices such as boycott particular customers).
- *Discrimination*: concerns the application of dissimilar conditions to equivalent transactions.
- *Advertising*: e.g. restrictions imposed by Associations upon their members as to conducting advertising; as to common advertising campaigns with uniform prices or trading terms etc.
- *Technical / design standards / certifications*: concerns may also relate to standard setting agreements which may operate as entry barriers or agreements which prevent the creation of alternate standards.

9.3 Dealing with others (vertical agreements)

Art.1 of L.3959/2011 applies alongside the EU BER 330/2010 (see p.2 above). Agency agreements are mostly not affected. Vertical agreements providing simple sale-purchase terms are usually fine. The BER focuses on vertical restraints imposed in such agreements.

9.3.1 Problematic conduct (main concerns):

If hardcore restrictions exist, the agreement is void:

- *Price fixing:* restricting the buyer's ability to determine its sale price. Suppliers can impose maximum sale prices or recommend sale prices, provided that they are not fixed or minimum sale prices as a result of pressure from, or incentives offered by, any of the parties;

- *Territorial and/or customer restrictions*: restricting the territory in which or customers to whom, a buyer party to the agreement (without prejudice to a restriction on its place of establishment) may sell the contract goods or services. However, there are certain exemptions to this rule:

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i. the restriction of active sales into the exclusive territory or to an exclusive customer group reserved to the supplier or allocated by the supplier to another buyer, where such a restriction does not limit sales by the customers of the buyer,

ii. the restriction of sales to end users by a buyer operating at the wholesale level of trade,

iii. the restriction of sales by the members of a selective distribution system to unauthorized distributors within the territory reserved by the supplier to operate that system, and

iv. the restriction of the buyer's ability to sell components, supplied for the purposes of incorporation, to customers who would use them to manufacture the same type of goods as those produced by the supplier;

- *Activ/Passive Sales*: restricting active/passive sales to end users by members of selective distribution system operating at the retail level of trade. Prohibiting a member of the system from operating out of an unauthorized place of establishment can be allowed. Internet sales are considered as passive sales, therefore cannot be prohibited. However, individual restrictions in relation to the use of internet, such as third-party platform bans, may under certain circumstances be considered lawful.

- *Cross supplies*: restricting cross-supplies between distributors within a selective distribution system, including between distributors operating at different level of trade;

- *Spare-parts*: restricting a supplier of components (incorporated into a product by the buyer) not to sell them as spare-parts to end users or independent repairers/service providers.

If non-exempted restrictions exist, the relevant clause is void:

- Non-compete obligation: Direct/indirect obligations (beyond 5 years) requiring the buyer not to manufacture, purchase, resell competing goods and/or an obligation to purchase 80% or more of total purchases from the supplier/designated source.

- Post termination non-compete: Direct/indirect obligations requiring the buyer not to manufacture, purchase, sell/resell after termination of the agreement. Exemptions exist, e.g. 1-year restriction, regarding competing goods, sales from same point of sale, protect know-how.

- Product sales restrictions: Direct/indirect obligation to a dealer in a selective distribution system from selling products by a specific supplier. The rationale is to avoid collective foreclosure of a specific supplier by an entire network. Otherwise, the combination of selective distribution and non-compete obligation is tolerable.

9.3.2 Outside the protection of the BER

If the agreement is outside the BER (by reason of higher market shares or restrictions) then an individual and specific assessment of the agreement would have to be made under Art.1 and Art.2 L.3959/2011 (Art.101 and 102 TFEU) to determine whether it restricts competition. Art. 1(3) can be applied to a practice that is considered falling within the scope of Art. 1(1).

9.4 9.4 Acting alone (abuse of dominance)

Article 2 of L.3959/2011 (and 102 TFEU) usually refers to unilateral practices, by one undertaking, which holds a dominant position in the relevant market (presumption of dominance exists if market share is 50% or over, but other factors are also considered). Certain practices which amount to abusive conduct are listed, e.g. exploitative (targeting consumers e.g. high prices) or anticompetitive (targeting competitors, e.g. below cost prices), but this list is not exhaustive, since abusive conduct is an objective concept. In light of this, any company in a dominant position has a special responsibility not to allow its conduct to impair competition on the market. An objective justification may be claimed by the dominant undertaking as a defense for its conduct.

Examples of abusive conduct (usually an infringement may involve more than one practice):

- *Price discrimination:* refers to the practice of applying dissimilar conditions to equivalent trading transactions with other trading parties.
- *Margin Squeeze:* Margin squeeze occurs where a –dominant- vertically integrated undertaking supplies a crucial input to rivals at such price levels that competitors who purchase it do not have a sufficient profit margin on the processing to remain competitors on the market for the processed product.
- *Price exploitation/excessive pricing*: refers to the exploitative abuse of placing significantly high prices in relation to the costs incurred. This practice directly affects consumers since it attempts to exploit them.
- *Below cost/predatory pricing*: refers to the situation where the dominant undertaking deliberately charges prices below cost so that competition is foreclosed, and subsequently raising prices to recoup its losses.
- *Rebates:* when a dominant undertaking ties purchasers — even if it does so at their request — by an obligation or promise on their part to obtain all or most of their requirements exclusively from that undertaking in consideration of the grant of a rebate or applies, either under the terms of agreements concluded with these purchasers or unilaterally, a system of loyalty rebates, that is to say, discounts conditional on the customer's obtaining all or most of its requirements from the undertaking in a dominant position and the application of that system has the effect of foreclosing an as efficient competitor.
- The abusive nature of rebates depends primarily on the effects produced in the relevant market, however historically were developed 3 categories under which the rebates scheme may fall.
    i. Firstly, quantity rebates linked only to the purchases' volume made from a dominant undertaking are not considered problematic, since if increasing the quantity results in lower costs, the supplier is entitled to pass on that reduction to the customer. Quantity rebates reflect efficiency gains and economies of scale and the customer is not obliged to cover its needs only from that supplier.

    ii. Secondly, rebates granted on condition of obtaining all or most of the requirements from the dominant undertaking ('exclusivity rebates') are often considered as abusive, since they are not based on an economic transaction which justifies this burden/benefit but are designed to restrict the purchaser's freedom to choose his sources of supply and to deny other producers access to the market. Through the grant of a financial advantage, these rebates often prevent customers from obtaining their supplies from competing producers.

iii. Thirdly, other rebates where the grant of a financial incentive is not directly linked to a condition of exclusive or quasi-exclusive supply, but where the mechanism for granting the rebate may have a fidelity-building effect ('3rd category rebates'). For these rebates, it is necessary to consider all the circumstances (e.g. criteria and rules for granting the rebate, their duration and amount, the share of the market covered by the challenged practice) and determine whether the grant of that rebate has the effect of foreclosing an as efficient competitor.

- Tying/Bundling: the abuse occurs when making the "conclusion of contracts subject to supplementary obligations..." (see Art.2(d). Tying takes place where product A is sold only together with product B (but B can also be purchased alone). Pure bundling takes place where two products are only sold jointly in fixed proportions. Mixed bundling takes place where the products are also sold separately, however, the sum of the prices (of the separate products) is higher than the price of the bundle.
- *Refusal to supply/deal (e.g. in relation to the supply of a product) / refusal to provide access to essential facilities / refusal to license IP Rights*

9.5 The fines

Breach of competition rules attracts both civil and criminal liabilities.

• ***Civil liability***: Fines imposed for Art.1 or Art.2 infringements may reach 10% of the infringing undertaking's turnover in the current or preceding year (of the infringement). In case of group of companies, the aggregate group turnover is considered. If the economic benefit enjoyed by the undertaking can be measured, the fine cannot be less than that benefit (even if exceeding the 10% threshold).

Individuals involved in violations of Art.1 or Art.2 face a two-fold personal liability: they are jointly liable together with the undertaking for the fine; and a separate –personal- fine between €200,000 to €2,000,000 if proven that they participated in the preparation, organization and commitment of the undertaking's infringement.

Administrative fines may also be imposed if obstructing the HCC's investigations or if refusing to provide information/copies of books and records. These fines range between €15,000 to 1% of annual turnover.

Other fines and/or periodic penalty payments may also be imposed in case where compliance with the HCC's Decisions is not achieved. In case of non-compliance with a Decision requiring to end an infringement, the HCC may impose penalty payments of up to €10,000 per day, calculated from the date appointed by the Decision.

In order to compel the undertakings involved to comply with a Decision ordering interim measures which are either taken ex officio or upon request of the Minister of Development, a penalty payment not exceeding the amount of €5,000 per day may be imposed.

• ***Criminal liability***: Criminal sanctions can be imposed on partners/owners, on executives or other personnel. These sanctions can amount to imprisonment (at least 2 years) as well as criminal penalties ranging from €100,000 to €1,000,000 for infringements of Art.1 (and Art.101).

Criminal penalties ranging from €30,000 to €300,000 are introduced against those who implement an abuse of dominant position contrary to Art.2 (and Art.102).

According to Article 44(3) L.3959/2011, if in the cases of articles 25 and 25a liability is admitted by the accused person and the respective fine is paid in full, or it is exempted from the imposition of fine due to its participation in leniency program, then no criminal liability shall arise out of the infringement.

9.6 The Leniency Programme

The HCC operates a leniency programme in relation to violations of Art.1 L.3959/2011 and 101 TFEU. The important features are:

a) The programme applies to both undertakings and natural persons.

b) The programme offers total immunity or fine reduction in case of significant contribution to the HCC. Such contribution must assist the HCC to detect cartels. For natural persons, a total immunity will absolve them from criminal liability; fine reduction will be seen as a mitigating circumstance.

Total immunity or fine reduction depends on a number of factors:
a) the actual time of the leniency application;

b) the usability of the leniency application in uncovering and establishing competition law infringement;

c) the completeness and gravity of information and evidence in the application;

d) additional and probative value of the evidence in assisting to identify and establish the critical facts of the offense.

The HCC's Leniency Program comprises three types:

- ***Type 1A*** offers full immunity from fines to the first to offer sufficient evidence that will allow the HCC to initiate its inspections. This evidence should not be in the HCC's possession prior to the submission.
- ***Type 1B*** offers full immunity from fines to the first to offer evidence allowing the HCC to establish the cartel infringement—in case the HCC evidence was insufficient.
- ***Type 2*** offers a reduction from fines following the provision of evidence for a cartel formation. The information must be of significant added value to the information gathered by the HCC.

Undertakings which coerced other undertakings to participate in the cartel are not considered for leniency, however, individuals acting for these undertakings can be considered. Further, oral statements are acceptable. Access is possible after the S.O.B. is

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served to the parties. Finally, a "marker" system also operates, whilst advice prior to official evidence submission is offered by the HCC.

9.7 Settlement Procedure

According to Article 25a of Law 3959/2011 (which was added to Law 3959/2011 with Article 105 of Law 4389/2016), HCC can introduce by decision a settlement procedure for undertakings or associations of undertakings which voluntarily and at their free will make a clear and unequivocal acknowledgement of participation and liability in relation to their participation in horizontal agreements (cartels) by breaching Article 1 of Law 3959/2011 or/and Article 101 TFEU. By its Decision No. 628/2016 HCC, as supplemented and consolidated by Decision 704/2020, the HCC established the terms and conditions of the settlement procedure in cartel cases, according to the provisions of Articles 25a and 14(2) of Law 3959/2011. As a result, undertakings participation in settlement procedure can obtain a reduction of the imposed fine by 15%, provided that certain conditions are fulfilled.

The key parameters of the new Settlement Procedure are as follows:

- **Requirements for settlement**

Undertakings (or associations of undertakings) must unequivocally acknowledge participation to an infringement and accept their liability in relation to the infringement. In addition, the parties must confirm that, in view of the above, they do not request, under certain conditions, full access to the file or an oral hearing before the HCC's Board.

- **Suitability of cases**

The HCC enjoys full discretion in determining whether a case is suitable for settlement, weighing a number of factors in that respect, inter alia:

- The number of businesses involved in the investigation and the number of business potentially and genuinely interested in settlement
- The number and nature of the alleged infringements
- Whether procedural efficiencies and resource savings can be achieved
- Any aggravating circumstances

- **Commencement of settlement procedure**

Settlement discussions may commence on the parties' initiative at any stage of the investigation. However, procedural efficiencies are less likely to accrue if a statement of objections (S.O.B.) has been already addressed to the parties concerned.

- **Bilateral discussions between the parties and the HCC**

Bilateral meetings aim at presenting each business considering settlement with the necessary information regarding the case, namely the material facts of the infringement and their legal assessment, the duration and gravity of the infringement, the liability of each undertaking, evidence pointing to violation of competition law, calculation of the fine to be imposed.

- **Submission of the settlement proposal**

The official settlement proposal by each implicated business shall contain, as a minimum:

- Acknowledgement of the parties' participation and liability for the infringement;
- Acceptance of the maximum amount of the fine that may be imposed by the HCC;
- The parties' confirmation that they have been informed of the HCC's finding of an infringement and that they have been given the opportunity to make their views known to the authority;
- The parties' confirmation that, in view of the above, they waive their right to obtain full access to the HCC's file or to be heard in an oral hearing;
- Waiver of the right to challenge HCC's jurisdiction and the validity of the procedure followed for the imposition of fine.

- **Confidentiality of cartel settlement discussions and information**

Submissions and other statements made by the settling parties in the course of settlement discussions are considered confidential and access to them is restricted. Moreover, they cannot be disclosed or used in the context of another judicial or administrative proceeding (incl. follow on damages actions). Penalties are envisaged for any breach of those access rules and of the ensuing confidentiality obligation by any party.

Equally, information and documents shown by HCC to the parties during the course of bilateral discussions are confidential and cannot be disclosed to a third party without the written approval by the President of HCC.

- **Calculation of the reduced fine imposed with the HCCs decision**

The reduction of the fine amounting to 15% due to settlement will be deducted from the fine that a company would normally have to pay according to the provisions of the current HCC's guidelines on fines.

- **Interplay of Leniency and Settlement procedures**

The leniency policy and the use of settlements are not mutually exclusive – it is possible for a leniency applicant to settle a case and benefit from both leniency and settlement discounts.

- **Calculation of fine when a company has also applied for the Leniency Program**

When applicable, the reduction of fine given under the settlement's procedure will be cumulative with the reduction of fine under the leniency program.

- **Interplay of Commitments and Settlement procedures**

The Settlement procedure is wholly distinct from the Commitments procedure.

In particular, settlement decisions establish the existence of an infringement (serious cartel infringement), setting out all the relevant parameters thereof, require the termination of the infringement and impose a corresponding fine.

On the contrary, commitment decisions do not establish an infringement, nor do they impose a fine, but instead bring an alleged infringement (not pertaining to cartels) to an end, by imposing on companies the commitments offered to meet the HCC's concerns.

9.8 HCC's Enforcement Priorities & Point System

According to Article 14(2,n,i) and (2,o) of Law 3959/2011, HCC can determine the criteria for the examination of cases by priority and its strategic goals and to quantify, by application of a point system, the established by it criteria and to determine the details of its application.

Within that frame, HCC initially issued Decision 616/2015 which determined the criteria for the application of the Point System. Then, HCC issued Decision 696/2019 which updated the Point System. According to that Decision, for the determination of these criteria HCC took, among others, into account the following:

- the need to update the criteria for the examination of cases by priority, as they were set out in HCC Decision 525/VI/2011 and quantified with HCC Decision 616/2015, as well as the experience gained after four years of implementation of the prioritization system of Decision 616/2015,
- the need to emphasize the investigation and examination of cases with an estimated systemic effect in critical sectors of the economy,
- the likely effects of the investigated practices on the functioning of effective competition (taking into account, inter alia, the nature of the alleged breach, the products and/or services to which it relates, and the scope of the investigated conduct), as well as the need to enhance ties with consumer protection agencies within the framework of the exercise HCC competencies,
- the fact that, in the context of its activities, HCC is not obliged to give the same degree of priority to complaints it receives, and that the gravity and significance of the cases in relation to the public interest differs,
- the developments that have taken place under Directive 2019/1 of the European Parliament and the Council (ECN +) concerning the provision of competencies to the Competition Authorities of the Member States in order to enforce more effectively the rules of law related to free competition, as well as
- the fact that based on the human resources available or available to HCC it is objectively impossible, but also ineffective, to be spent on investigation on comparatively insignificant cases or cases, in which the probability of substantiation of the violation is reduced, especially due to the low evidential value of the data in the file.

9.8.1 Point system:

On the basis of the above criteria HCC proposes as the axis for the formulation of the Updated Point System for the prioritazation of cases the following described methodology for measuring efficiency (cost-benefit analysis), on the basis of which high efficiency cases, those which maximaze the likely benefits and minimize the costs for the achievement of these results are preferred to be investigated. In this context, the score of each case is defined as the ratio of its impact on time and resource savings achieved based on the value of the available relevant evidence. In particular, in the cost-benefit analysis model, the impact of the alleged infringement on market and consumer is set as a numerator of a fraction, and the time and human resources savings required to establish the infringement are set as denominators. In order to clearly separate the

important cases, the impact of which on critical sectors of the economy is stronger than other sectors, the sum of the score of the criteria related to the impact of a case is doubled when the above sum, taking into account any likely negative score, exceeds number 3.

If there are certain strict conditions that are considered to negatively affect the impact of each case under investigation, the sum of the score of the criteria related to the impact of the case shall be reduced by taking a negative grade (-4), while for cases close to the limitation period a "Factor of Upcoming Expiry of Limitation Period" (x 2) will apply, with which the score of the case is multiplied.

The highest score that a case can get based on the Updated Point System is 14. If the Score of the case is equal to or less than 3, the case is filed under Article 14 par. 2 (h) of Law 3959/2011 due to low score by the President, or after any authorization, by the Vice President of HCC.

The main difference between the previous and the current Updated Point System lies in the methodology of prioritizing cases. Under the previous system, the final score was based on the sum of a series of criteria, while under the updated system, the score is basically the quotient of the impact of a practice under investigation to the time and human resource savings in the light of the enhancement of the operative efficiency of HCC.

For the determination of the point system the following criteria are applied:

TABLE A	
A. IMPACT OF THE ALLEGED INFRINGEMENT	**GRAVITY OF CRITERIA**
Criterion A.1.: Type / nature of infringement	
A.1.1. Horizontal Agreements	
a. Horizontal cartel agreements or concerted practices between undertakings, which fall within the scope of Article 1 Law 3959/2011 and / or Article 101 TFEU b. Decisions by associations of undertakings which are related in particular to price-fixing, market-sharing, production limitation or sales restrictions	3
c. Agreements within the scope of horizontal co-operation agreements	2
d. Agreements under point c. when a complaint is submitted by a consumer's union with which HCC has signed a Cooperation Memorandum	3

A.1.2. Abuse of Dominant Position	3
A.1.3. Vertical Restrictions of Competition a. Vertical agreements or concerted practices which include severe restrictions of competition and/or vertical agreements with cumulative effect	2
b. Vertical agreements or concerted practices which include severe restrictions of competition in the context of a franchise system	1
c. Agreements or concerted practices under point A.1.3.a. when a complaint is submitted by a consumer's union with which HCC has signed a Cooperation Memorandum	3
Criterion A.2.: Essential goods or services	
Cases related to markets for goods or services which are essential, of key importance or of particular interest for the society, taking into account: (a) their weighting factor in the formulation of the Harmonized Index of Consumer Prices (HICP); (b) their percentage of participation in the gross national product (GNP) and c) the degree of demand elasticity in relation to price	1
Criterion A.3.: Scope - Impact of practice	
Practices that extend to another EU Member State or cover all or a substantial part of Greek territory	1

Criterion A.4.: Importance of the legal matter/legal certainty – educational role/deterrent effect - cooperation/uniform enforcement across the ECN Network	
A.4.1 When it concerns a case related to clarification of novel or contemporary legal issues	2
A.4.2 When it concerns a case for which a Liniency application has been submitted which fulfills the terms and conditions for entering the Liniency Program.	
A.4.3 When it concerns cases affecting the cooperation with other members of the European Network of Competition Authorities (ECN) and/or are prioritized as a joint action within this Network, to ensure in particular coherent application of existing EU case law**.**	
Criterion A.45: Negative Points	
Fulfillment of one or more of the conditions included in **Table C**	-4

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TABLE B	
B. SAVINGS IN TIME AND HUMAN RESOURCES	**GRAVITY OF CRITERIA**
Criterion B.1.: Probative value - degree of completeness of evidence - Probability of successful outcome of the case	
B.1.a. Cases in which a **minimum** amount of data exists, which lead **at first sight** to the finding of the investigated infringement.	2
B.1.b. Cases in which data with **high evidential value** exist regarding the existence of the investigated infringement, and in general cases in which the **probability of proof of the infringement is high**	1

TABLE C **Criterion A.5: Negative Points** **(factors that lead to the non-initiation or non-continuation of the investigation, if it concerns a pending investigation)**
Criterion C.1: Cases for which HCC does not have the power to impose sanctions due to the statute of limitation for the violation at the time of filing the complaint or initiating the ex-officio investigation (art. 42 and 50 par. 6 L. 3959/2011).
Criterion C.2: Cases for which HCC's intervention would be ineffective and the collection of any fines imposed extremely difficult due to the investigated companies or business associations being dissolved, having gone into liquidation, declarating bankruptcy, being included in a conciliation process, bankruptcy settlement or other similar procedures, if: a) all the companies/associations of companies involved were in the above situation at the time of submission of the complaint or the beginning of the ex-officio investigation or came to this situation within 3 years from that time, b) there are no successors or parent company to which the infringement can be attributed and c) the case does not meet Criterion A.4. of the point system
Criterion C.3. Cases related to vertical agreements that do not contain hardcore restrictions or do not have a cumulative-multiplying effect, provided that criterion A.4 of the point system is not met.
Criterion C.4: Cases related to likely infringements, which have ceased at the time of filing the complaint or the initiation of any ex-officio investigation, even if the limitation period for imposing a sanction has not expired, provided that the facts under investigation provide HCC justifiably the possibility to consider that any likely harmful effects to competition are not maintained and that the case does not fulfill Criterion A.4 of the point system..
Criterion C.5: Cases, in which any likely distortions of competition can either be lifted due to their nature or have already been lifted without the intervention of HCC, such as, for example, through a legislative initiative, or can be lifted or have already been lifted through advisory opinions or regulatory interventions of HCC.
Criterion C.6: **C.6.1** Cases for which the conditions of the general principle "ne bis in idem" are fulfilled. **C.6.2** Cases in relation to practices, for which the existence or non-existence of a violation has already been established through a decision of HCC, even if these practices concern a different period of time and/or a different relevant market than the one examined by HCC's

decision, under the strict condition that **the companies involved and, in principle, the other facts and evidence** on which the existence or non-existence of the violations was based, are identical In the case of **established** violations, the additional condition must be met that the facts under investigation provide to HCC the ability to justifiably assume that the behaviors of the companies involved have ceased or are shifting towards a direction that solves potential competition problems.
Criterion C.7: Complaints, mainly concerning private law disputes, and not the protection of public interest, although they also raise issues related to a likely breach of the rules of free competition, regardless of whether or not a similar action is pending at the time of filing the complaint before a national court.
Criterion C.8: Complaints, in cases where the identification of the complainant/s is impossible (for example, due to a change to the contacts details provided), despite the relevant substantiated efforts of HCC.

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10. Intellectual Property

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10.1 Greek Trademark Law

10.1.1 The applicable legislation

The applicable law in Greece for obtaining a trademark and regulating its protection is L. 4679/2012 (hereinafter "Greek Trademark Act").

10.1.2 Definition and conditions for the protection of a trademark

There is no legal definition of what is a trademark. This may be defined as the absolute economic right granted on a sign which is able to distinguish goods or services of a business from those of other businesses and is capable of being represented on the Registry in a manner which enables the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

The essential condition for the granting of protection is that the trademark must be distinctive, at the time of the filing of the application but also throughout the entire term of its protection. In the event that a trademark loses its distinctiveness, that is, if the trademark, after its registration, becomes descriptive or the usual commercial name of a product/service, due to the behavior of its right holder or his inactivity, then any interested party may file a petition for its deletion, since in this case the trademark will no longer be capable to fulfill its function as a source identifier. No claim for revocation may filed however, in the case that the trademark owner has taken steps to defend his trademark against competitors who have used it in a descriptive manner.

10.1.3 Functions of the trademark

The essential function of the trademark is to identify the origin of the goods or services it distinguishes; that is the capacity of the trademark to distinguish the goods and/or services as originating from a specific business. Another recognized function is the advertising function of the trademark; that is ability to use the trademark as an advertising means. However, the quality function; that is the guarantee of the quality of the goods or services which are distinguished by the trademark, is not recognized.

10.1.4 What may be registered as a trademark

Words, names of private individuals or legal entities, depictions, designs, letters, numbers, sounds, as well as the shape of a product or its packaging may be registered as trademarks, as long as they present sufficient distinctiveness.

10.1.5 What may not be registered as a trademark – absolute grounds of refusal

The protection of a sign as a trademark is excluded for grounds, which are divided into absolute and relative grounds of refusal. The Trademark Office proceeds ex officio to the examination of absolute grounds only, during the examination of the trademark application.

The absolute grounds of refusal relate to grounds which have been established in favor of the public interest. Signs which are devoid of any distinctive character may not be registered since in this case they cannot fulfill their essential function, distinguishing the origin of the goods/services. Likewise, signs may not be registered if they consist exclusively of descriptive elements, or have become customary in the current language or in the bona fide and established practices of the trade (generic signs) or if they consist of the shape which results from the nature of the goods themselves or the shape which is necessary to obtain a technical result. Moreover, signs which are contrary to public order or to the accepted principles of morality, those which are deceptive or which have been applied for in bad faith, also fall within the absolute grounds of refusal. Finally, signs which include or consist of geographical indications or designations of origin protected by the EU legislation may also not be registered as trademarks, as well as signs of great symbolic value.

10.1.6 What may not be registered as a trademark – relative grounds of refusal

Relative grounds of refusal relate to the private interests that holders of previous rights have in blocking the registration of a trademark, as per the principle of priority. In contrast to absolute grounds for refusal, relative grounds have to be raised by the proprietor of the earlier mark by filing an opposition.

If an earlier trademark exists and the signs are conflicted the registration of the later application may be refused for the following reasons:

a. if the trademark application is identical with the earlier trademark and the goods or services distinguished by both trademarks are also identical,

b. if the trademark is identical with or similar to the earlier trademark and the goods or services distinguished by both trademarks are identical or similar, resulting to a likelihood of confusion of the public.

c. if the trademark is identical with or similar to an earlier trademark which has reputation, even if the goods and services are not similar. Die Eintragung einer Marke kann auch dann verweigert werden, wenn sie im Widerspruch zu anderen älteren Rechten wie gewerblichen Schutzrechten, Urheber- und Persönlichkeitsrechten steht.

The registration of a trademark may also be refused if it is in conflict to other earlier rights such as industrial rights (other than trademarks), copyright and personality rights.

10.1.7 Examination of the trademark application

The trademark is granted after the filing of an application at the Directorate of Commercial and Industrial Property (Trademark Office) of the Greek Ministry of Development and Investments.

The Auditor of the Trademark Office checks the application for any formal ommissions.

The Researcher carries out an inspection for any earlier rights the holders of which will be informed in order to file an opposition if they are interested.

The Examiner of the Trademark Office is tasked with determining whether any absolute grounds for refusal exist. Should he consider that the application fulfills the formal requirements the relevant decision is published online, on the website of the Trademark Office, otherwise the applicant is informed of the deficiencies.

The Trademark Office's decisions which reject in all or in part an application are subject to appeal within 60 days from the date of communication of the decision.

Against the decision which accepts an application of a trademark, an opposition may be filed by any interested party, within 3 months from its publication. The opposition is filed before the competent Trademark Service and is examined by the Greek Administrative Trademark Commission.

10.1.8 Content of the right

The trademark constitutes an absolute right and grants an exclusive use right to its holder. It confers the right to affix the trademark on the goods it distinguishes, to offer the relevant services, to affix the trademark on the packaging of the goods, to use it on business forms and advertising material of any kind, as well as any other printed material and to use it online or through audiovisual means.

It also confers the right to its holder to prohibit third parties from using in the course of trade without his permission:

a. any sign which is identical to the trademark for goods or services for which this is registered,

b. any sign, where, because of its identity or similarity with the trademark and the identity or similarity with the goods or services for which this is registered, a likelihood of confusion on the part of the public exists,

c. any sign which is identical or similar to the trademark which has acquired reputation

The registration of the trademark confers a broad range of powers upon its owner who may prohibit the:

- use of the sign on goods/services
- affixing of the sign to goods or to the packaging thereof which the proprietor intended to put on the market as no-name products;
- removal of the sign from genuine products

- offering of the goods or putting them on the market, or stocking them for those purposes, under the sign, or offering or supplying services thereunder;
- importing or exporting the goods under the sign;
- using the sign as a trade or company name or part of a trade or company name;
- using the sign in advertising and on social media;
- using the sign in comparative advertising.

10.1.9 Obligation to genuinely use the trademark

The Greek Trademark Act provides for a grace period of 5 years as of the registration of the trademark after which the trademark owner is required to put this to genuine use. In order for any use to qualify as genuine, this must relate to the distinguishing of the relevant goods and services in the course of trade and should not merely serve the purpose of circumventing the law.

If, within the 5-year term from its registration, the right holder has not genuinely used his trademark, or if he disrupted its use for 5 continuous years, then any interested third party may file a motion for its deletion. However, the period of non-use is suspended for as long that the right holder had valid reasons for its non-use. Moreover, the relevant ground of revocation is not applicable if the right holder commences or resumes the genuine use of his trademark at least three months before the filing of the relevant motion. If the trademark is used for only a part of the goods and services for which it has been registered, then the trademark may be partially revoked and thus partially deleted.

10.1.10 Limitation of the effects of a trademark

The trademark does not confer the right to its holder to prohibit the use of one's own name or of descriptive elements of the trademark, nor the use of the trademark in order to indicate the intended purpose of a product or service.

Finally, third parties are allowed to use the trademark for goods on which this has been affixed and have been put on the market within the EU by the right holder or with his consent (exhaustion of the rights).

10.1.11 Exploitation of the trademark

The trademark may be transferred or licensed for all or part of the distinguished goods and services. The transfer is not subject to any formalities, but in order for this to be invoked against third parties; it must be published on the trademark registry. Trademarks may also be given as security, be the subject of rights in rem (i.e. pledge) or levied in execution.

10.1.12 Term of protection and expiration of the right

The trademark lasts for 10 years starting from the day following that in which it was filed and may be renewed for an unlimited number of decades.

10.1.13 Expiration and revocation of the right

A trademark expires on the lapse of its term of protection, if this is surrendered by its owner or in the case of a legal entity if this is winded up or liquidated.

Moreover, a trademark shall be declared to be revoked due to non-genuine use or due to its transformation into a generic term, but also due to its deceptive use, or its registration in violation of the absolute and relative grounds of refusal. In order for this to occur a decision from the Greek Administrative Committee, has to be issued following the filing of a relevant motion by any interested party. However, the right holder of an earlier trademark may not oppose the use of a later trademark for goods and/or services for which this has been used if he has willingly acquiesced to the use of the later trademark for a period of 5 continuous years, unless the filing of the trademark was made in bad faith.

10.1.14 Judicial protection

Trademarks are judicially protected via civil and criminal provisions. Extra-judicial actions such administrative sanctions (fines and seizures) imposed by the police and the custom authorities in case of counterfeit products may also extend additional protection to trademarks.

In case of a trademark infringement, the right holder may in the course of a court action seek the cessation of the infringement and its omission in the future, the seizure and /or destruction of the counterfeiting goods or of the materials used for the infringement, whether they are found under the possession of the infringer or any other party. He may also claim the payment of damages, as well as moral damages. Lawsuits are brought before the Single Member Court of first Instance, or before the Multi Member Court of first Instance if other claims, such as those deriving out of unfair competition provisions are raised as well.

The trademark owner may also file a petition for interim injunction, seeking for the interim seizure of the goods or their provisional surrender in order to prevent them from entering the market. If the infringement takes place on a commercial scale, and provided that certain other circumstances are met as well, the competent court may order as an interim measure the provisional seizure of property of the infringer, as well as the freezing of his bank accounts.

Following the latest amendment of the Law, the defendant has the right to raise a counter-claim for invalidty of the trademark, which if accepted leads to the cancellation of the mark.

It is also provided for, for the Court to order the defendant to hand over to the trademark owner materials proving the infringement which are in his possession, or to disclose information regarding the origin of the products or the network used by the infringer or any other intermediary in the infringement. Moreover, in the case of an infringement on a commercial scale, the disclosure of banking, financial or other commercial documents, which are in the possession of the other party, may be sought as well.

Regarding the criminal sanctions, the right holder may file a complaint and seek the punishment by imprisonment and / or the payment of a monetary fine by the infringer.

10.1.15 Protection against counterfeit goods prior to their entering the market

Trademark owners enjoy protection against counterfeit products both before these enter Greek territory as well as once these have been put on the market. Customs authorities are tasked with the identification of counterfeit goods and preventing them from entering the country. However, in order for Customs authorities to intervene, the submission of an application requesting

the intervention according to Regulation 608/2013 is required. Should this be the case, when customs officers identify products, which they deem to be counterfeits, during the course of random inspections they carry out, then will notify the right holder asking him to confirm their authenticity or counterfeit nature. If such application for intervention has not been submitted, then the customs authorities will typically invite the interested parties to submit such an application by informing them simultaneously about the violation.

Once the procedure has been initiated, it will result either in the destruction of the goods or, in case the recipient opposes such destruction, in the trademark owner initiating legal proceedings in order to establish the infringement.

Under the current regime, the holder of the trademark is entitled to prevent all third parties from bringing goods, into the country, without being released for free circulation there, where such goods, including the packaging thereof, come from third countries and bear without authorisation a trade mark which is identical with the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

10.1.16 Protection against counterfeit goods which have already been put on the market

Counterfeit goods, which have been put on the market, spotted by customs authorities, the Coast guard or the Police during random inspections may be seized and destroyed on the spot provided that their holder does not object. Such inspections are either carried out routinely (i.e. markets, warehouses etc) or in coordination with the right holder, should the latter be in possession of information regarding the place and date of their entrance to the market.

10.2 Greek Copyright and Related Rights Law

10.2.1 The applicable legal framework

Copyright in Greece is governed by Law 2121/1993 (hereinafter “Greek Copyright Act”). Greece is also a Contracting party of the Berne Convention for the Protection of Literary and Artistic Works, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, as well as of the TRIPS Agreement.

10.2.2 Content of Copyright

Copyright is divided into two further, independent set of rights, namely moral and economic rights.

The first is distinguished by its personal character and intends to protect the personal link that exists between the author/creator and his work as it provides him with the right of publication of the work, the right of recognition of his paternity, the right of integrity, the right to access and the right to rescind a contract in the case of a literary or scientific work.

The second is of economic value and it regulates the exploitation of the work, it is transferable in contrast to moral rights which always remain with the author even after the transfer of the economic rights. Economic rights grant the author with the right to authorize or prohibit:

- the recording and reproduction of the work,
- the translation of the work,

- the alteration in any kind of the work,
- the distribution of the work,
- the rental and public lending of the work,
- the importation of the work,
- the communication to the public of the work,
- the public performance of the work and
- the broadcasting by radio and television of the work.

Another right granted to the author is the resale right (droit de suite), which applies to works of art.

10.2.3 Subject matter of Copyright

Protected by copyright are works that present an original intellectual literary, artistic or scientific creation, regardless of the form in which they are expressed. The two main characteristics of the work which are protected, are the form (and never the idea behind it) and originality, meaning that protection is granted only if the creation is statistically unique or presents a level of creativity which differs from the already known and expected works.

The Greek Copyright Act contains an indicative list of several categories of works which are protected provided that they present originality. In contrario, it also mentions works which cannot be protected, even if they are original. These are: the official texts expressive of the authority of the State, the expression of folklore, the news information or simple facts data.

10.2.4 Protection requirements

Copyright protection is granted without the need to go through any formalities, nor the submission of any kind of application. The right is granted automatically upon the creation of the work.

10.2.5 Subject of Copyright

The initial subject of copyright is the author of the work, defined as the natural person who created it. A presumption of authorship is provided to the person whose name is written on the physical carrier of the work.

An exception to the above rule applies to anonym or pseudonym works, for which, the person who lawfully made them available to the public is presumed to be their author (even it is a legal entity), until of course their real author is made known.

Regarding works created by an employee in the execution of an employment contract, the general rule applies in connection to moral rights, whereas it is provided that the economic rights which are necessary for the fulfillment of the said contract are

ipso jure transferred to the employer, unless otherwise provided for by the contract. For public sector employees, all of their economic rights are automatically transferred to the State, unless otherwise provided for by their contract.

10.2.6 Works with two or more authors

Certain special rules apply for works which are created by more than one author. There are three categories of such works:

- Works of joint authorship: the definition includes any work which is the result of the direct collaboration of two or more authors. In this case, the right holders of the moral and economic rights on the joint work are the co-authors of that work, in principle with equal shares.
- Collective works: the definition includes any work which is created with the independent contributions of several authors under the intellectual direction and coordination of one natural person. In this case, the said natural person is the initial right holder of the moral and economic rights on the collective work, whilst the authors of the contributions remain the right holders of the above rights on their contributions, provided that these may be exploited on their own.
- Composite works: the definition includes any work which is composed of parts created separately and the authors of each separate part remain the right holders of the moral and economic rights on their parts accordingly, provided that the above may be exploited on their own.Bei audiovisuellen Werke ist der Regisseur der Urheber.

Finally, specifically for audiovisual works, their principal director is deemed to be the author.

10.2.7 Exploitation of the work

The economic rights of a work are freely transferable by the author and inheritable (mortis causa), whereas, moral rights may not be transferred during the author's life but are passed on to his heirs following his death. The granting of a consent by the author for acts or omissions, that would otherwise constitute an infringement is binding for him.

The sole transfer of the physical carrier of the work does not lead to the transfer of the economic rights upon the work. In order to protect the author, the Greek Copyright Act provides that any agreement regarding the exploitation of a work must be concluded in writing (as a requirement for its validity), whilst it also provides some rules of interpretation regarding the term, the place, the purpose, the scope and the exploitation means of the work. Agreements concerning the totality of the works which will be created in the future or which refer to future means of exploitation of the work are prohibited.

10.2.8 Limitation of the economic right

Economic rights are subjected by Law to some limitations, which apply provided they do not contravene the normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder (three step test). These limitations are:

- reproduction for private use, for which a fair compensation is collected
- quotation of extracts
- school textbooks and anthologies

- reproduction for teaching purposes
- reproduction by libraries and archives for the creation of a copy
- reproduction of cinematographic works with the purpose of their preservation
- reproduction for judicial or administrative purposes
- reproduction for informational purposes
- reproduction of images of works sited in public places
- public performance or presentation on special occasions
- Display and reproduction of fine-art works by museums
- reproduction for the benefit of blinds and deaf-mutes
- temporary acts of reproduction which are transient or incidental and which aim at avoiding technological limitations

Even though the Greek Copyright Act does not expressly provide for a parody exception, it is generally accepted that such is guaranteed and applied via the constitutional right of freedom of expression.

10.2.9 Orphan works

Orphan works are defined as those whose author has not been identified, or even if he has, it was not possible to locate him, despite the diligent efforts of the orphan work's beneficiaries. In such case, the right is granted to publicly accessible libraries, educational establishments or museums, archives or film or audio heritage institutions, as well as to public-service broadcasting organizations established in a Member State of the European Union, to render orphan works which they have in their collections, accessible to the public and reproduce them for the purpose of digitizing them, making them available to the public, indexing, cataloging, preserving or restoring them.

In the event that the right holder of an orphan work is finally found, he is entitled to half of the remuneration which he would have been awarded, should a license for the exploitation of the work had been granted to its beneficiary.

10.2.10 Term of protection

Protection afforded by copyright lasts for the entire life-span of the author plus 70 years following his death. After the end of the term of protection, the work falls into the public domain. The above rule does not apply for the moral rights of paternity and integrity of the work, which survive even after the term of protection and are exercised by the State.

The date as of which the 70-year-term starts, differs for works of joint authorship (the term begins on the date of death of the last remaining author), anonymous and pseudonymous works (term of protection begins on the date the work was made available to the public, unless in the meanwhile the identity of the author of the work has been revealed), works published in volumes or issues etc, as well as audiovisual works (the term starts following the death of the last surviving between the following persons: principal director, author of the screenplay, author of the dialogue and the composer of the music of the work).

10.2.11 Collective Management

Authors may assign the management and/or protection of their economic rights or parts thereof to Collecting/Collective Protection Societies which control the use of works in the market, collect the relevant remuneration and distribute it among the authors they represent. Collecting/Collective Protection Societies are by law the competent body for the collection of the fair remuneration due to private copying.

10.2.12 Protection of databases

Databases are expressly protected by copyright, provided that by reason of the selection or arrangement of their content, they constitute the author's intellectual creation. This protection does not extend to the content of the database.

A sui generis right to the creator of a database is also provided for by the Greek Copyright Act. The said right intends to protect the content of the database against the extraction and / or re-utilization of the whole or of a substantial part (evaluated qualitatively and/or quantitatively) of the database and/or of the contents of the database, as well as against the repeated and systematic extraction and/or re-utilization of small parts of the content of the database. This sui generis right of the maker of the database expires 15 years following the 1st January of the year following the date of completion of the database.

10.2.13 Computer programs

Following the implementation of the Directive 95/10, computer programs are categorized by the Greek Copyright Act, as literary works. Copyright of the program grants its author the right to prohibit the reproduction in any form, of his program by a third party, without his previous consent. However, some limitations to the said right are also provided for by Law. It is thus allowed to:

- reproduce, translate, adapt, arrange or proceed to any other alteration of a computer program, without the author's previous consent or the payment of any remuneration, provided the said acts are necessary for the use of the program by the lawful user pursuant to its intended purpose,
- the user to make a backup copy, without the previous consent of the author or the payment of any remuneration, provided that such act is necessary for the use of the program,
- observe, study or test the functioning of the program in order to determine the ideas and principles which underlie any element of the program, provided that such acts are made by the lawful user of the program,
- decompile or reverse engineer, i.e. reproduce, translate, adapt, arrange or proceed to any other alteration of the computer program, when such acts are indispensable in order to obtain the information necessary to achieve the interoperability of an independently created computer program with other programs

10.2.14 Related rights

Special rights are granted to also persons who perform a work protected by copyright. The above may in some cases allow or prohibit some use of their performances or executions of the protected work. They are also awarded the moral right of paternity

and integrity of their performance. Related rights are also granted to the producers of phonographic work producers and to producers of audiovisual works who may thus allow or prohibit the use of their work's physical carriers. Radio and television broadcasters are also granted the right to allow or prohibit the use of their broadcasts.

The Greek Copyright Act also provides for a fair remuneration to performers as well as the producers of phonographic works, when the physical carrier which embodies a work is used for a radio or television broadcast or for the communication to the public in general.

Publishers are also granted the related right to allow or prohibit the reproduction in any form of the typesetting and pagination format of the works published by them.

Finally, a related right is granted to the person who first publishes a work, of which the term of copyright protection has expired.

10.2.15 Enforcement of Copyright and related rights

In case of infringement of copyright or other related rights, the right holder may file a civil claim (lawsuit) against the infringer, requesting the cessation of the infringement and its omission in the future, but also the seizure, the removal from circulation and even the destruction of the infringing goods. He may also request that the judgment be published in newspapers.

In urgent matters, where danger for the protected work is imminent, the right holder may file a petition for a preliminary injunction. The judge may order any measure he deems necessary and appropriate depending on the special circumstances of each case, e.g. the temporary seizure of the goods or their removal from circulation etc.

The infringer may also be subject to criminal prosecution facing the penalty of imprisonment or the payment of a fine. Moreover, infringing goods may be seized by the police and customs authorities who also have the authority to impose fines on the infringer.

Finally, the protection of copyright and related rights is further guaranteed through the provision in the Law of preventive measures as well as through the explicit protection of the technological measures themselves, which in turn intend to protect a copyright protected work or object of related rights against acts which have not been authorized by the right holder.

10.2.16 Protection of Copyright on the internet

In cases of copyright or related rights infringement on the internet, the rights holder have the option of filing a petition (in person or online) before the Committee for the Notification of Copyright and Related Rights Infringement on the Internet requesting the cessation of the infringement, by filling in the special form that is found on the Hellenic Copyright Organization's website (www.opi.gr).

A basic requirement in order for the petition to be accepted is that, before submitting the application, the rights holder has to have made use of the relevant procedure (if any) provided for by the Internet Service Provider (ISP), which failed to produce results, notwithstanding the fact that it was concluded within a reasonable timescale.

Within ten (10) days from receiving the Petition, the Committee shall decide whether it will continue the proceedings or not. Should the Committee conclude that an infringement does indeed take place, it will invite the infringers to remove the infringing content or interrupt access to it as well as to take any other measures necessary that shall lead to the cessation, avoidance or prevention of the infringement in the future.

In cases of large-scale infringements, the Committee may order, instead of the removal of the content, the termination of access to it, as well as any other measure necessary. If the infringing website, is hosted in servers outside of Greece, the Committee shall invite the Internet Service Provider to terminate the access to the content as well as to take any other measure ti deems adequate in order to prevent the infringement in the future.

The decisions handed down by the Committee may forsee fines of 500 – 1.000 € per day of non-compliance and they can be appealed before the Adminsitrative Court of Appeals within sixty (60) days from their notification.

10.3 Greek Industrial Designs Law

10.3.1 Applicable legislation

In Greece, the provisions of The Hague Agreement regarding the International Protection of Industrial Designs are applicable since its ratification by Law 2417/1996 and have been implemented by Presidential Decree 259/1997. The Presidential Decree also contains provisions concerning the national protection of designs. The Locarno International Classification for industrial designs and models has also been ratified by virtue of Law 2697/1999.

10.3.2 The definition of designs

Under Greek Law, a design is defined as the outward visible appearance of an entire product or part thereof as a result of its specific features and in particular of, the lines, the contours, the colors, the shape or form and/or the materials of the product itself and/or its ornamentation.

Subsequently, a product is defined as any industrial or handcrafted product, including parts that are intended to be assembled into a complex product, the packaging, the getup, graphic symbols and typographic typefaces. Computer programs are excluded. Moreover, as complex products are defined those, which comprise of multiple components, which can be replaced, permitting their disassembly and reassembly. The components of the complex product should remain visible after the assembly of the product and during its intended use.

10.3.3 What does not qualify as a design or model?

Any object that does not include the external appearance of a product or a part thereof cannot be registered as a design, since it is the design itself and not the diagram that is protected. Architectural drawings of an apartment cannot be protected as a design. Excluded from protection is also whatever not the result of handcraft is or is not an industrial project and anything natural.

Designs must be distinguished from works of art. The difference lies in their quality and not in quantity. Works of art entail a higher level of creativity, originality and artistry.

10.3.4 Classification of industrial designs. Characteristic examples

Under the Locarno International Classification system, a catalogue of 32 classes of designs has been created, which cover any type of design. Each class is further divided into subclasses and also contains instructions regarding the classification of the products.

Characteristic examples of products, which are often protected by industrial designs, include furniture, product packaging, jewelry, bottles, car rims, motor vehicles and their spare parts (hood, roofs, lights, doors, etc).

10.3.5 Conditions for the protection of industrial designs

An industrial design shall enjoy protection if the following requirements are met, cumulatively. So it has to:

- be new,
- have an individual character,
- be visible on the product or even on a part thereof
- addaspecialaestheticappearanceto the product,
- serve practical human needs
- be industrially exploitable.

A design shall be considered to be new if no identical design has been made available to the public in the past.
A design shall be considered to have an individual character if the overall impression it creates on the informed user differs from the overall impression created on such a user by any design, which has been made available to the public before the date of the application for registration. A design is considered to have been made accessible to the public when it has been published after registration or if it has been put on the market or if it has been made public in any other way.

A design should be visible on the product or even on a part thereof. Graphic symbols and typefaces, which are protected separately, are excluded although they are not part of the product.

It is not required for the design to present an “aesthetic progress” or a certain “creative style”. It is sufficient if the average consumer finds that the design is aesthetically interesting and it is therefore not a prerequisite to be perceived as being nice.
It is further required that designs are industrially exploitable, since the reason for their protection does not relate to their artistic contribution but rather act as an encouragement towards businesses to improve the appearance of their products and to invest in their aesthetic element as well. The capacity of industrial exploitation implies merely the possibility to reproduce the designs, without necessarily meaning that the industrial production is actual or imminent. Thus designs that may be addressed only to a single user may be protected too.

Lastly, a design shall not be protected, if its appearance is dictated exclusively by its technical function. Likewise designs, which are contrary to public order or to the accepted principles of morality, shall be registered.

10.3.6 Community Designs

Regulation (EC) No 6/2002 provides for the coexistence of Community (CDRs) and national designs. The registration, transfer, cancellation and use of the Community Design shall cover the whole area of the Community.

The Regulation provides for the protection of Unregistered Community Designs for a period of three years from the date on which the design was first made available to the public within the Community. In order for an unregistered Community Design to enjoy protection this must have been published, exhibited, used in trade or otherwise been disclosed so that it has become known to the relevant expert circles of the sector concerned, in the Community (e.g. the design of car rims should have been known to the car rims producers in the Community). On the other hand, in order to obtain a design registration this has to be registered with the European Union Intellectual Property Office or the locally competent national authorities. For Greece, the Hellenic Industrial Property Organization (OBI) is responsible for the registration of designs

10.3.7 Design owner

Design protection is granted to its designer. If two or more persons have jointly developed a design, they shall enjoy a joint right. If, however, two or more persons created independently one from another substantially similar designs, the right vests in the person who first applied for the registration or in the person that enjoys a right of international priority. In practice, designs are usually created by employees who work under the instruction sand on behalf of their employer. In such cases, the right to the designs and models invariably vests in the employer.

In Design, as in Patent Law, the first-to-file principle is applied, meaning that the person/entity to first file the application for registration is deemed to be the designer of the design. If this presumption, in favor of the applicant, doesn't correspond to the actual facts, then it may be reversed provided that the plaintiff can prove that the real designer is another person.

10.1.1 Registration procedure

In order to obtain a Certificate of Registration for a Design, an application has to be filed with the Hellenic Industrial Property Organization is accompanied by the designation of the products on which it is intended to incorporate the design.

The filing of multiple applications is also possible; provided that the designs shall not exceed a total of 50 and that the relevant products all fall under the same subclass or to the same set or composition of items. If the application is not complete, O.B.I. will refuse to register the application. A petition before the Conseil d' Etat can be filled against the rejection.

10.3.9 Claiming priority

The priority right shall be judged according to the date of filing the application. If an application is duly filed in a State member of the International Union for the Protection of Industrial Property, the applicant or the owner of the application shall enjoy for

the purpose of filing an application in respect of the same design in Greece, a right of priority of six months from the date of filing the first application.

10.3.10 Certificate of Registration – Publication

Four months after the filing date of the application and provided that the application for registration is regular and complete, O.B.I. shall issue a certificate of registration of the Design. Designs shall be registered in the Registry of designs and utility models, which is maintained by O.B.I. Registration at the Registry is required in order to obtain the right and it is from the registration date onwards that protection commences.

10.3.11 Scope of protection

The protection afforded is not limited to accurate copies of the design but also extends to variations of the elements which form it, such as color, dimensions etc., provided that these variations are not sufficient in order to create upon the informed user a different overall impression. In assessing the scope of protection, the degree of freedom of the designer in developing the design or the model in relation to the technical requirements, shall be taken into consideration.

Protection extends also to the imitation of parts of the Design, provided that these are new and have an individual character. Moreover, the protection afforded is not limited to specific products or categories but includes all the products, even if these were not included in the application.

The right holder cannot oppose the use of the Design when a third party reproduces it for private, experimental or research but not commercial purposes.

10.3.12 Exhaustion of right

The right conferred with the registration of the Design cannot be enforced when a product has already become available to the market by the holder of the right or with his consent.

10.3.13 Term of protection

The term of protection of a registered design shall be five years from the date of filling the application. The term of protection may be renewed for periods of five years each up to a total term of 25 years, provided that the respective renewal fee is paid. Upon expiration of the period of protection the protection for the registered design shall end and any third party shall be entitled from that point onwards to use it.

10.3.14 Infringement of the right

Use of the Design by any third party without the right holder's consent shall constitute an infringement. The reproduction of identical products, their import or export or merely the putting on the market of products bearing the design also constitute infringements. Against an ongoing or imminent infringement, the holder of the right may request the cessation of the infringement and its omission in the future. In particular the right holder may request

a. the removal from circulation of the goods that were found to be infringing the right and the materials used in the creation or manufacturing of these goods,
b. the final withdrawal of these goods and materials from the market
c. the destruction of these goods and materials.
d. damages, in the case that the infringement was intentional

10.3.15 Invalidity of a design or model

A registered design shall be declared invalid by means of a court decision if:

a. the holder of the registered design is neither its designer nor its successor.
b. the design does not meet the requirements of protection (new, individual character etc.)
c. its exploitation or its publications is contrary to public policy or to the accepted principles of morality.
d. the design is in conflict with a national or Community Design or model which claims priority.

The decision of invalidation declares the retroactive invalidity from the granting of the right which means that it is considered that protection was never afforded to the Design.

10.3.16 Action for declaration of invalidity of the design or model

Any design which does not meet the requirements of the law may be disputed by any third party with legitimate interest. The claimant must invoke and prove that either the substantial elements of the design or the requirements of protection, do not exist. The overall impression produced by the design must be compared with the overall impression produced by any of the prior designs which are invoked by the claimant in the proceedings. No deadlines or preparatory requirements are provided for filing the claim, however this must contain a specific request on the basis of which the enacting part of the judgment will be formulated. The invalidation comes into force as of the date of publication of the judgment. Although Greek courts are not competent to invalidate third country designs, they have the power and authority to invalidate Community Designs.

10.3.17 Transfer of Rights and Licensing

Registered Designs as well as the right to register a Design may be transferred following a written agreement. These rights may be inherited as well. In order for the transfer to be affected the agreement has to be registered in the Design Registry published by OBI.

The holder of a registered Design is also entitled to license it to third parties provided that the same a.m. formalities are met

10.4 Greek Patent Law

10.4.1 The applicable legislation

The granting of patents and their protection is regulated by Law 1733/1987, which was inspired by the Munich Convention of 1973. It was a big step towards the harmonization of the Greek legislation with the at-the-time prevailing trends in the EU.

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10.1.2 Definition of invention

There is no specific definition of the notion of invention in the law. Thus the definition is given by the prevailing theory and the jurisprudence. According to the prevailing view, an invention is defined as a creation or a rule of the human spirit, used in the solving of a technical problem by applying a physical law in a way that was so fa unknown and exceeds from the point of view of the average expert the usual measure of progress or the relevant and known state of the art. In order to obtain patent protection an invention has to further be susceptible of industrial application.

10.4.3 What cannot be considered as an invention

Given that they are not considered to be interventions of the human spirit in any technical field, discoveries, scientific theories and mathematical methods, aesthetic creations, games and financial activities as well as the presentation of information are not regarded as inventions.

Computer programs, were not protected, until recently, however that has changed and now they are deemed to be patentable if the invention is of technical character and directly relates to the production of the relevant data processing device or relates to the utilization of its essential parts.

Moreover, inventions which are contrary the public order or morality, those which relate to plant or animal varieties or biological processes for the production of plants and varieties as well as products made from these processes, except for microbiological processes, are not patentable, even if they meet the legal requirements.

10.4.4 Special categories of inventions

a) Biotechnological inventions

In this respect, Greek legislation is completely harmonized to Directive 98/44. Thus, biological inventions are patentable provided that they refer to technical processes in the field of living matter and their subject relates to the effect on the evolution of living matters with the use of biological material or chemical means, or the effect on living matters with the use of micro-organisms, or finally the production of living matter (micro-organisms, plants and animals) with the use of biological matter. Thus, inventions relating to a product which consists of or contains biological matter or to a method of production, processing or use of biological matter, may be patented, provided that they are new, involve an inventive step and are susceptible of industrial application.

b) Pharmaceutical inventions

In Greece, pharmaceutical products were excluded from patent protection until 1992, whilst only the methods of production of such products were patentable. Since the expiration of the reservation expressed in the context of the Munich Convention by Greece, pharmaceutical products are also entitled to patent protection.

10.4.5 Conditions for the granting of a patent

In order for an invention to be patentable it must derive that the invention is new, that it involves an inventive step and that it is susceptible of industrial application. In addition to the above, its sole application as well as it exploitation should not contravene public order, the law or the prevailing moral principles.

10.4.6 Procedure of granting a patent

In order for a patent to be granted an application has to be filed at the Greek Patent Office (OBI) accompanied by a description of the invention and its claims. The applicant may, within four months from the filing date, file any missing drawings or other supporting documents, complete any lacking data and correct any eventual errors, while within the same period he is also obliged to pay all the required fees.

OBI will then draft a search report in which contains all the information of the state of the art that are required for the assessment of the novelty and the inventive step of the invention. Within three months from the notification of the search report, the applicant is entitled to present his own comments on the basis of which OBI will draft its final search report.

After the end of this procedure, OBI will issue its decision. However, the patent does not guarantee its content or the meeting of the necessary essential requirements. It merely certifies that the patent application met the provided for criteria. A summary of the granted patent will then be published in the Industrial Property Bulletin.

If the search report fees are not paid within the designated deadline, the application will automatically be converted into an application for the granting of a utility model, provided it relates to a three-dimensional object.

10.4.7 Claim of priority

Foreign patent holders, may file, within twelve months from the filing date of the initial patent application, a priority claim provided that an application for the same invention is filed in Greece. Within sixteen months from the filing of the initial patent application, a certificate by the foreign authority must be submitted to OBI, along with its translation in Greek, and the translation of its claims and drawings. The patent granted to the applicant is independent from the one granted abroad and is protected for twenty years from the next day of its filing.

10.4.8 Patent owner

The patent is granted to the real inventor, however given that in Greece, no clearance checks are performed, the person applying for the patent is presumed to be the inventor (first to file principle). Any foreign or domestic individual or legal entity of the private or public sector may apply for a patent. More than one person may be designated as inventors in which case they obtain a joint right on the invention.

Regarding inventions made, in the course of employment relationships, these are distinguished as follows:

- **a)** Free inventions: This category refers to inventions made by the employee, either independently from his employment relationship of in the context of his employment but without recourse to the material and information obtained by him during employment. This category also includes inventions that do not relate in any way with the employment of the inventor. Such inventions belong to the employee.
- **b)** Service inventions: These are those produced by the employee in the context of the contractual relationship where the employer has been hired for the development of inventive activity. These inventions belong entirely to the employer.

c) Dependent inventions: This category includes those, made by an employee with the use of materials, means or information of the enterprise in which he is employed, usually within the course of his employment. It is however possible that this kind of inventions are made following the termination of the employment relationship, using essentially, knowledge, experiences and information which the employee has acquired in the course of his employment. Dependent inventions belong, by Law 40% to the employer and 60% to the employee.

10.4.9 Special categories of patents

a) Defense patents

It is prohibited to transmit or disclose any invention made by a Greek national, in Greece or abroad, which relates to a matter of national defense, even before its classification as secret. The application for patent protection of such inventions is filed at a special office for confidential inventions. Patents classified as confidential are registered in special confidential registries and only their serial number along with the indication "Confidential" is published in the Industrial Property Bulletin of the Government Gazette. Their exploitation is assigned to the Ministry of National Defense, which compensates inventors accordingly. If the interest of maintaining the classification of such a patent ceases to exist, it may be declassified.

b) Modification patents

The modification of a patent may, subject to certain conditions, lead to the granting of a separate patent. The modification patent is connected to the main patent and it therefore does not require the payment of additional fees; it expires with the main patent and may be used by all licensees of the main patent. However, if the main patent is declared invalid following a court decision, this does not automatically mean that the modification patent is invalid as well. This will remain in force as long as the relevant fees are paid. Modification patents may only be granted to the owner of the main patent.

c) Dependent patent

Where an invention may not be exploited without the use of an earlier patented invention, provided that the later invention is covered by a patent, its owner may seek the authorization to exploit the original patent via a non-contractual license.

10.4.10 Content of the right on the patent

The patent confers to its owner economic and moral rights. The economic right consists in the right to offer and exploit the patent, whilst the moral right consists in the right to have the applicant recognized as the owner of the patent. The economic right means that the patent owner is entitled to use, produce, offer or make available to the market the patented products, as well as its derivative products. Moreover, the patent owner is entitled to prohibit any third party from commercially exploiting the patent but he is not entitled to prohibit its use in the framework of research, scientific use or for personal activities. Of course the owner may also prohibit the importation of patented products.

10.4.11 Patent assignment

Patents may be freely assigned but any such agreement must be concluded in writing otherwise any such assignment shall be void. However, the assignment is not valid from the conclusion of the agreement, but from the date of its registration in the patent registry.

Patents, the right on an invention and the expectation right to obtain a patent may all be seized and auctioned. In the event of bankruptcy of the patent owner, the economic right on the patent is part of the bankruptcy assets. Moreover, both the right on the patent and the expectation right to obtain a patent may be pledged and may be the subjects of usufruct, provided that such agreements are concluded in writing and are registered in the patent registry.

10.4.12 Patent licenses

The patent confers to its owner the right to grant a license for its exploitation to a third party, i.e. via a contractual license. Non-contractual licenses may be granted for reasons of public interest. Such licenses may also be granted in case of non exploitation or insufficient exploitation of the patent by its owner, in which case the interested party has to file a relevant request to the competent court which will seek to obtain OBI's opinion regarding the prerequisites for granting such a license, the amount and the terms of the compensation. The following requirements must be met:

a) Three years since the granting of the patent or four years since the filing date of the application must have lapsed,
b) The invention must have not been exploited in Greece, or such exploitation must have been insufficient to cover domestic demand,
c) The interested party must be in a position to productively exploit the invention and
d) The interested party must notify to the patent owner of his intention to request a non contractual license, one month prior to the initiation of the proceedings.

If the patent owner proves that the lack of exploitation or insufficient exploitation was not his fault and that he has acted in good faith, the granting of a non-contractual license may be avoided.

10.4.13 Term and expiration of the patent

Patents expire twenty years from the day following the application date. Patents may also be revoked due to the non-payment of the yearly fees. Within six months from the expiration of the term of protection, the patent owner may pay the required fees for its renewal, with a penalty of 50%.

10.4.14 Invalidity of the patent

A patent may be declared invalid in whole or in part, following a relevant motion before the Council of State. Civil courts, may also invalidate a patent in the context of a lawsuit filed by any third part with legitimate interest, for the following reasons:

a) if the owner of the patent is not the real inventor,
b) if the essential conditions for its grant did not exist at the time the application was filed,

c) if the description of the patent is insufficient in order for this to be applied by a person skilled in the art,

d) if the subject matter of the granted patent extends beyond the content of the application.

10.4.15 Protection afforded to patents

The holder of a patent may file a lawsuit against the infringer requesting the cessation of the infringement and its omission in the future, whilst he may also file a petition for an interim injunction.

The patent owner may choose one the following ways of calculation of the damage

a) Restitution of his material damages and of his lost profits

b) Return of the benefits the infringer gained

c) Payment of an amount equal to what a third party would have paid in order to obtain a license, at the time of the cessation of the infringement, estimated on the basis of the market conditions.

10.4.16 Criminal sanctions

Criminal sanctions are provided for those who advertise a product under the false allegation that this is patent protected.

10.4.17 Utility Models

Utility model protection is granted to creations, that are contained in a tangible asset and provide the solution to a technical problem being also capable of industrial application. Compared to patents, Utility Models are required to meet a lower threshold of inventive activity; this is why they concern the so-called “small inventions”. Moreover, unlike patents, the rule applies only to three dimensional objects with a predetermined shape and form, which has to be new.

The term of protection for Utility Models is 7 years with renewal fees to be paid annually.

The relevant provisions of the patent Law are applied accordingly. Moreover, if the applicant files such a request in writing, prior to the grant, his patent application may be converted into an application for a Utility Model. Besides, in case the fees for the search report of a pending patent application are not paid on time, OBI will automatically convert the patent application into an application for a Utility Model.

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11. Mediation
A basic guide on mediation from the Arbitration- and Mediation Center (AMC) of the German- Hellenic Chamber of Industry and Commerce (GHCIC)

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11.1 What is mediation?

Mediation is according to the Law 4640/2019 defined as "a structured procedure, regardless of its name, with basic characteristics confidentiality and private autonomy, in which two or more parties negotiate, acting voluntarily in good faith and showing the fairness required in business affairs, resolve a dispute by agreement with the help of a mediator". The disputing parties by agreeing that their dispute will be regulated by the provisions of the aforementioned Law, they resort to a mutually acceptable solution, by which they negotiate, under the assistance of a specially trained, non-partial and independent third party, the mediator, in order to find conductive solutions which better correspond to their interests. In case this assisted negotiation leads to a positive outcome, the parties' agreement is being kept in a record, which will take the form of an enforcement order and be enforced within the State or – under certain conditions - abroad.

11.2 What is the main difference between arbitration and mediation?

The main difference between mediation and arbitration depends upon the fact, that in mediation the parties attempt to resolve their particular dispute through negotiation with the assistance of the mediator, who proposes a solution only if requested by all parties. The mediator is not the decision maker of the relevant dispute. In mediation the parties are bound by the outcome of the procedure, only in case they sign the relevant resolution agreement which may become an enforcement order. On the other hand, arbitration resembles more the State's court process, since each dispute is being judged in a binding way by the Arbitral Tribunal, consisted of Arbitrators, who are being selected by the parties and whose final decision results in res judicata and is enforceable.

11.3 Which are the advantages of mediation?

Mediation

- is governed by non- disclosure and confidentiality. According to Article 3 of the AMC Rules of mediation, the mediator, the parties, their assignee lawyers, the mediation Coordinator, the German Hellenic Chamber of Commerce including its agents, any requested expert, technical assistants and interpreters are obliged to be confidential in every

stage of the procedure from the beginning, during the proceedings and at the time of the completion of the mediation procedure, the subject- matter of the dispute, as well as any other information of which the aforementioned persons take cognizance within the framework of each mediation procedure, except if the parties agree expressly and on paper for the opposite

- one of its characteristics is the speed of the process. mediation renders the resolution of a dispute attainable within a small period of time, i.e after intra-day sessions, although often it happens to be resolved within one day.
- it costs less compared to the court proceedings, since: a) the administrative charges, mediator's payment and the attendant lawyer's payment are principally lower than the overall costs of the court proceedings, b) after the record is signed, the dispute is being resolved once, and it is binding upon all parties in the dispute without any further rising of the costs because of the recourse to another degree of jurisdiction, c) because of the concentrated time occupation of the parties with the particular dispute, working hours are not repeatedly lost, especially as it regards executive officers or their employees, something that is inescapable in the case of a trial (through the recurrent preparations or drawn- out trials and long trial dates etc.)
- it is flexible procedure. The parties determine not only the place, time and duration of their meetings, but also the matters of their negotiation, in which, during the mediation procedure, they may add further issues for discussion (something impossible/inadmissible within the framework of a Hearing), thereby reaching an outcome which completely satisfies their needs and interests.
- it is a creative procedure. Parties are encouraged by the mediator to find common grounds in order to reach an agreement as it regards both the existing disputes among them, their future relationship and their general interests.
- in general, it contributes to the salvage and at the same time, to the preservation of the parties' relationship, which is of paramount importance, especially taking into account the current difficult business environment.

11.4 For what kind of dispute the parties are obliged to take recourse to a Mandatory Initial mediation Session (MIMS)?

In case of disputes subject to the standard civil procedure falling within the jurisdiction of a) the Single-Member Court of First Instance, in case the value in dispute exceeds the amount of EUR 30.000,00 and b) the Multi-Member Court of First Instance, as well as disputes arising from written contracts containing a valid mediation clause, parties are obliged to take recourse to a Mandatory Initial mediation Session (MIMS), in which the mediator informs the parties about the mediation procedure, its basic principles and the possibility of the extrajudicial resolution of their dispute, based on the characteristics and the nature of same. In case of non-compliance to this obligation, the legal consequence is that the court hearing concerning the lawsuit that might be submitted would be inadmissible.

11.5 What is the "Agreement to Mediate"?

After the conclusion of the “Agreement to Mediate”, either in cases where the submission to mediation is voluntary, either in the cases mentioned under 1.4. hereinabove, in which the conclusion of the “Agreement to Mediate” consists the scope of the MIMS, the parties express their will to resolve their dispute with the assistance of a mediator, chosen from the mediators' list

Catalogue of AMC. They may resort to mediation prior to or after the lawsuit is initiated. It should also be underlined, that even in the case a mediation clause exists, it is a necessary prerequisite that the parties and the mediator sign the "Agreement to Mediate", which is subsequently ratified by the mediation Coordinator and the AMC director.

11.6 What is the "mediation Agreement" and the "Record of mediation"?

The "mediation Agreement" (or Settlement Agreement) is drafted and signed by the parties and their assignees, in case the mediation procedure has a positive outcome. The "Record of mediation" is drafted by the mediator, and includes, apart from the personal data of the mediator and all the other participants in the mediation procedure, the "Agreement to Mediate" and the "mediation Agreement", or the ascertainment of the failure to Mediate. . Each party may desposit the "Record of mediation" to the Secretariat of the Court having jurisdiction over the venue and subject matter, where the case is or may become pending. . After the deposit of the "mediation Record", and under the condition that it incorporates the parties' agreement regarding the existence of an enforceable claim, it constitutes according to the provisions of the Civil Procedure Code, an enforcement order.

11.7 Which disputes can the parties refer to mediation under the auspices of AMC?

Commercial disputes may be referred to mediation under the auspices of the AMC irrespective of whether the parties are members of the German Hellenic Chamber of Commerce or not. A necessary prerequisite is to have the legal right to dispose their disputes. Specifically, the said disputes must not fall within the scope of mandatory provisions and their subject matter must be capable of being settled under the underlying Law. This kind of disputes are e.g. claims deriving from commercial transactions, issues regarding license for the use of trademarks, succession in businesses (especially family businesses) etc.

11.8 How is the mediator appointed?

The mediator is appointed by the parties from the Catalogue of mediators of AMC or if the parties agree, with the assistance of the mediation Coordinator. The mediation Coordinator appoints the mediator in case the parties cannot reach an agreement concerning the mediator.

11.9 Which are the Rules that regulate the mediation procedure in AMC?

The mediation Procedure of the German Hellenic Chamber of Commerce the takes place under the "Agreement to Mediate" in accordance to the AMC Rules of mediation and in case an issue does not fall under the scope of these Rules, applicable are the provisions of the Greek legislation, and especially of the Law 4640/2019, as it is in force at that point of time.

11.10 What is the cost of an ODDEE mediation proceeding?

The cost of the AMC mediation Procedure includes the administrative costs, the mediator's payment, as well as -after the relevant agreement of the parties- potential expenses of AMC and the mediator. The administrative costs and mediator's payment are to be found in the Payment Table (Annex 2 of the present AMC mediation Rules), which is a constituent part of the the present mediation Rules.

The parties equally bear the costs of the mediation procedure, except it is otherwise agreed.

The sum of the administrative expenses, as well as the mediator's payment for 4 hours are prepaid by the parties, each accordingly. After the deposit of the aforementioned amount, the Secretary of mediation delivers the folder to the mediator. The rest of the mediator's Payment will be deposited partially by the parties, after the relevant invitation on behalf of the Secretary of mediation. After the completion of the mediation Procedure the relevant settling of accounts takes place.

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