

DOING BUSINESS

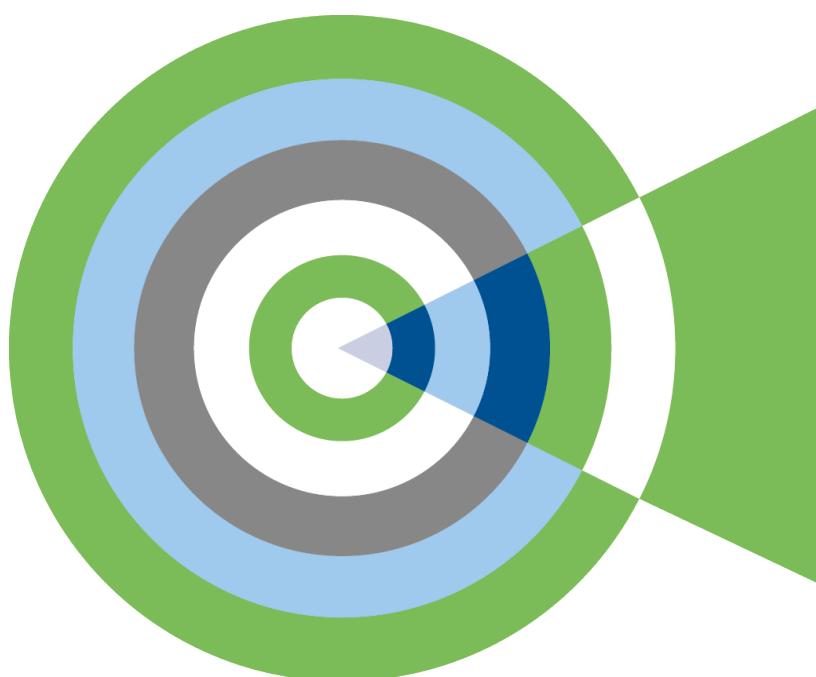
IN GREECE



The network
for doing
business

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1 - INTRODUCTION

UHY is an international organisation providing audit, accountancy, business management and consultancy services through financial business centres in over 100 countries worldwide.

Business partners work together through the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This guide is providing key issues and information for investors considering setting up business operations in Greece. It has been prepared and is provided by the office of UHY representatives.

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Information contained in the following pages is both general and is subject to continuous changes, due to frequent legislation updates occurring in Greece and should be used for guidance only. For specific matters, investors, and our partners world-wide are strongly advised to obtain further information and take professional advice before making any decisions.

This publication is current at April 2023

We look forward to helping you do business in Greece.

2 – BUSINESS ENVIRONMENT

Background

Greece's Ancient History, otherwise known, Greek (Hellenic) civilization dates back to ancient times and is associated with the development of mathematics «Pythagoras of Samos», medicine «Hippocrates», philosophy «Aristoteles» and is famous for giving birth to Democracy.



Throughout its long history, Greece's borders have expanded and contracted continuously. At various times, Greece had been under foreign rule (Roman, Ottoman) but from the 1800s emerged as an independent nation.

Greece joined the European Community in 1981 and became a member of the Economic and Monetary Union (EMU) at the beginning of 2001.

Recent history of Greece is associated with some years of debt crisis but it is also associated with its prior to 2010, high economic growth rates that supported its entry into the Eurozone and successfully it has undertaken the Athens 2004 Olympic Games. Those growth rates are present again in the current decade.

The gross domestic product (GDP) in Greece was worth 219,24 billion US dollars in 2022. GDP Annual Growth Rate in Greece is expected to be 3.1 % by the end of Q1 2023, according to Trading Economics global macro models and analysts expectations. In the long-term, Greece's GDP Annual Growth Rate is projected to trend around 1.6 % in 2024 and 1.7 % in 2025, higher than the average in Eurozone.

Greece has rebounded well from the COVID-19 crisis, generating strong employment growth. Increasing investments and exports, government support measures, implementation of the Greece 2.0 Recovery and Resilience Package and the reforms of the past decade have been supporting the economy. However, headwinds from surging energy prices and uncertainty following Russia's war of aggression against Ukraine have slowed the recovery. Achieving and maintaining modest primary budget surpluses, better targeting energy support measures and maintaining public revenues while further broadening the tax base and improving its efficiency will further enhance Greece's prospects of achieving an investment-grade sovereign debt rating. Maintaining the reform momentum, completing the restoration of banks' health and continuing efforts to improve the business climate can ensure that a sustainable recovery continues over the longer term.

The human drainage of 450.000 people that have left in the decade 2010-2019 has started to reverse, after the implementation of tax incentives of repatriation that started in recent years.

Forecast

The Greek economy expanded by 5.9 % in 2022, extending the strong momentum from 2021 and continuing to recover from the pandemic-induced crisis in 2020. In 2023, the EU Commission expects the Greek economy to grow by a slower 1.2 % due to restrictive economic conditions globally.

Greece's consumer price inflation eased for a sixth straight month to 4.6% year-on-year in March 2023, the softest reading since October 2021, from 6.1% in the prior month. Prices slowed down mostly for food & non-alcoholic beverages (14.3% vs 14.8% in February); transportation (1.9% vs 6.5%); recreation & culture (2.9% vs 3.5%) and hotels, cafés & restaurants (7.5% vs 8.1%), while inflation was steady for education (at 2.2%). Meanwhile, cost continued to decline for housing (-10.4% vs -4.9%) and communication (-1.9% vs -1.6%). On the other hand, inflation advanced further for alcoholic beverages & tobacco (3.7% vs 2.9%); clothing & footwear (14.4% vs 7.1%); household equipment (11% vs 10.5%) and health (5.6% vs 5.3%). On a monthly basis, consumer prices rose by 1.2% in March, after 0.3% gain in the previous month. Additionally, harmonised consumer prices slowed to 5.4%, the lowest since December 2021, following a 6.5% hike.

10 reforms transforming Greece into a Tech-Hub

The past year has demonstrated to global-level executives that work can continue across national boundaries and in particular that there is now a higher value placed on being in a locale with greater lifestyle options. Recently, Greece launched Work in Tech, a portal that aims to give the opportunity to anyone who wants to work at one of the most innovative Greek tech companies, to become part of the fast-rising tech ecosystem in Greece. After filling out one simple application form, any talented Greek or foreigner, living in Greece or abroad, can now make the next step in pursuing a successful career in our country.

WorkInTech.gr is not the only initiative within the Greek tech ecosystem to attract talent and reverse brain drain. The main incentives the Greek government has recently taken to this direction:

- More than 160 bills have already been legislated through Parliament and will continue to reform.
- Any Greek who has been a tax resident outside of Greece for 5 over the past 6 years and decides to either relocate his job to Greece, or create a new job in Greece, will have ½ of his income tax free for 7 years. This is also applicable to self-employed professionals.
- For any Greek or foreigner who is not a Greek resident, there is:
 - The Non-Dom tax regime; 100k flat tax on global income
 - A new framework for family offices, which creates the legal framework and offers a solid tax framework.
 - A pension regime: Those who relocate their pension to Greece, whether it's a private or a public one, are taxed uniformly at a 7% tax rate.
- In order to lower the taxation rate within the country, the government has:
 - Introduced cuts in social security taxes by nearly 4% points
 - Suspended and plan on abolishing the solidarity income tax surcharge, which was a surcharge levied on high levels of income.
 - Introduced incentives for companies: The corporate tax rate in Greece stands at 22% now, the dividend tax rate stands at 5%.
- There are tax credits and depreciation for CapEx expenditures; on digital, on green and on R&D for enterprises.

- There is a series of incentives for angel investors and startups, as well as the platform Elevate Greece

Population

On October 2021 a Census took place in Greece. It was the first digital and also the first to be carried out by state law (4772/2021) and passed by an absolute majority of the Parliament. It employed 40,000 enumerators and 12,000 Sector Principals.

The results of the 2021 Census conducted by the Hellenic Statistical Authority (ELSTAT) have been announced on July 2022.

The permanent population of Greece amounts to 10,432,481 people, according to the results of the census carried out by the Hellenic Statistical Authority (ELSTAT) and published on 19.07.2022.

Of the 10,432,481 people, men are 5,075,249 and women are 5,357,232. The population of Greece records a decrease of 3.5% compared to the 2011 census, when 10,816,286 people were recorded in Greece (in a decade the country's population decreased by 383,805 people).

The most populous region of the country is that of Attica followed by Central Macedonia. Overall, out of the 13 Regions of the country, in 12 we had a drop in population, while only one recorded an increase. This is the South Aegean Region, where the population increased from 309,000 inhabitants to 324,000.

The working population numbers almost 4 million. Approximately 40% of the population lives in the Attica area, which is primarily Athens and Piraeus, where more than 50% of Greek industry and commerce also is located. The five biggest Municipalities of Greece are Athens in the first place with a population of 640 thousand followed by Thessaloniki, in north Greece, with a population of 326 thousand, Patras, which lies in the northwest of Peloponnese, and has population of 211 thousand, Heraklion in Crete with a population of 177 thousand and Larissa that lies in the central mainland has a population of 165 thousand.

Greece has a number of islands located in the Ionian Sea and Cyclades islands which are located in the Aegean Sea. The population of the Ionian islands has reduced since the last census of 2011 while Cyclades are currently increased by 5%. The Northern Aegean islands are reduced by 2,6%. Major Island is Crete with two major cities, Heraklion with a population of 177 thousand and Chania with a population of 108 thousand.

The population is homogeneous, but the Athens area, and to a lesser extent the other major cities, host an international community. Retired non-Greek residents prefer to reside in the numerous islands of Greece, especially in Corfu, Mykonos, Paros and Rhodes where the cost of living is low and the weather conditions are excellent for their age and health.

Visa requirements, residence and work permits

Citizens of EU member states must apply for a residence permit should they wish to work or plan to take up residence in Greece. A visit of up to three months does not require a permit.

Non-EU must apply for a work permit before arriving in Greece if they wish to work in Greece and apply for a residence permit immediately upon arrival.

The application procedure for work permits is lengthy. Therefore, those wishing to acquire work permits are advised to commence this procedure well in advance of the planned date of arrival. Some Non-EU citizens may require visas to enter the country even for vacations or short business trips.

Non-EU citizens that invest on time sharing houses or acquiring real estate in Greece to the value of more than €250 000 can obtain a valid visa of 5 years to stay in Greece with their family members. The Greek Golden Visa program's minimum investment has increased to 500,000 EUR, effective May 1st, 2023. Greece Golden Visa change applies geographical limits to real estate investments, affecting properties in specific municipalities in Athens, Thessaloniki, Mykonos, and Santorini.

Language

The official language is Greek. Most Greeks are very fluent in English, whereas the younger generation speak also Spanish, French, Italian and German. The French language is very popular amongst the older generation.

Working hours

Banking hours are 8:00 a.m. to 2:00 p.m. Monday to Friday. The public sector's hours for the public are generally the same as banking hours.

Private sector office hours may vary but are generally 9:00 a.m. to 5:00 p.m. Monday to Friday.

Stores are open generally from 8:30 a.m. to 3:00 p.m. on Mondays, Wednesdays, and Saturdays and from 8:30 a.m. to 2:00 p.m. and 5:00 p.m. to 8:30 p.m. on Tuesdays, Thursdays, and Fridays, although department stores and hypermarkets have continuous hours, from 8:30 a.m. to as late as 8:30 p.m. Monday to Saturday. Currently several entities are extending the hours that remain open for the public and a chain of small stores remain open throughout the night for all days of a week.

According to OECD findings, Greek people has one of the highest work rates among the OECD countries with individuals working almost 1.900 hours per year, which is much higher than the OECD average of 1,700 hours.

Cost of living

Living costs in Greece are fairly low, though it does vary significantly depending on location. The mainland is generally cheaper than the Greek islands when it comes to fuel and certain basic goods. The countryside is cheaper than cities, but there is much smaller range of products and services.

Those looking to live in the capital should know that is the most expensive part of Greece. In Mercer's 2022 Cost of Living Survey, Athens was ranked 126th out of 227 cities worldwide. Though pricey in relation to other Greek cities, Athens is still far cheaper than other European capitals such as London, Paris and Milan.

Housing

Good quality housing built to high and modern standards is currently available, at reasonable prices. Some expatriates, living in the Attica area, continue to choose to rent housing although there are generally no restrictions on foreign citizens from purchasing real estate.

Currency and Foreign exchange regulations

Greece's foreign exchange market conforms to EU rules on the free movement of capital. Controls only existed to facilitate the enforcement of money laundering and terrorist financing laws. As of January 1, 2001, Greece became part of the Eurozone and all transactions have been conducted in Euros since March 1, 2002. Receipts from productive investments can be repatriated freely at market exchange rates and there are no restrictions on, or difficulties with, converting, repatriating, or transferring funds associated with an investment.

Political structure

Greece is a Parliamentary Republic. The Prime Minister and the government hold executive powers. The President is elected by a 300-member parliament to serve a five-year term.

The latest Greek parliamentary elections of 2019 were held on July 7. They were early elections, called by the former government of Alexis Tsipras, after the defeat of the ruling party in the European Elections and the Local Elections of the same year.

First party, "New Democracy" was elected with 39.85% and 158 seats with a very liberal agenda based on technological and structural reforms. Second party was the "Coalition of the Left" with 31.53% and 86 seats and third party the "Movement for Change" with 8.10%.

The next day, July 8, the President of the Republic, Prokopis Pavlopoulos, gave the president of the New Democracy, Kyriakos Mitsotakis, an order to form a government. Kyriakos Mitsotakis was sworn in as Prime Minister on the same day, while members of the government were sworn in on July 9.

The presidential elections took place 22 January 2020. Mrs. [Katerina Sakellariopoulou](#) was elected as the new President of Greece, to succeed former President of Greece, Prokopis Pavlopoulos. Prior to her election as President of Greece, she served as President of the Council of State, the highest administrative court of Greece. Katerina Sakellariopoulou is the first female president of Greece.

2023 Greek legislative election

Legislative elections will be held in Greece on 21st of May 2023. All 300 seats in the Hellenic Parliament will be contested. They will be the first elections since 1990 in which the electoral system will not use a bonus seats system, after the 2016 repeal of semi-proportional representation.

Contesting parties

On 8 February 2023 Parliament voted to ban the far-right National Party – Greeks, from running in the elections. New Democracy and PASOK voted for the ban, while the Communist Party of Greece, Greek Solution and MeRA25 voted against.

Culture & value systems

To do business in Greece one must be patient with Greeks as they are excellent negotiators yet use quick judgement. Business is currently executed by all modern means but still traditionally it is usually done over a cup of coffee or a working lunch or dinner in a restaurant (taverna). Accepting more food is a compliment to your host. The greeting can take many forms: a handshake, an embrace or a kiss can all be encountered at first meetings or among friends and acquaintances.

Interpersonal relationships and family ties are of major importance in the overall scheme of businesses' things. Family ties and friendships are deep and carry obligations. It is one's role in the social structure, the extended family and in deep friendships that gives structure and security to the individual.

Infrastructure

The infrastructure in Greece compares favourably with its neighbours. Athens has a modern underground rail system that connects the cities of Athens and Piraeus with the Venizelos modern airport from where flight connections operate on a daily basis with most of the other major cities and islands' airports. Thessaloniki, the second largest city has also a good airport. Both Athens and group of cities have also very good ports.

The island of Corfu, Mykonos, Paros, Rhodes, and other in size have good airports whilst Chania has completed its new airport. Recently, a program of upgrading 14 peripheral airports has been completed by a consortium of German and Greek construction companies.

The past growth rates provided an opportunity for Greece to develop its new infrastructure including Attiki Odos, Egnatia Odos, Ionia Odos and last the Rion-Antirion bridge with its starting foundations at Rio (near Patra) and its ending foundation Antirion, connecting the Peloponnese with western mainland of Greece – a dream of the late Prime Minister of Greece Charilaos Tricoupis. Currently the road to Patras and from there on to Ioannina have been modernised, reducing the travel time by nearly 50%

New freeways, extensions to the Metro system, a new suburban rail line and a rail link from the international airport of Eleftherios Venizelos to the city and the current expansion of suburban rail from Piraeus are amongst major developments.

The current Athens Metro Development Plan includes the Metro Line 4, Alsos Veikou – Evangelismos – Faros – Maroussi, together with its extensions (a) to Vyronas/Ano Ilioupoli and (b) to Perissos and the National Road. The U-shaped Line 4 consists of two radial legs to Galatsi and Maroussi, as well as of one central part that runs through the centre of Athens, its total length is 33.5 km with 30 stations and it incorporates five discrete individual sections, namely sections A, B, C, D and E.

The project has already started with extensively work that is taking place in all the Municipalities where line 4 is expected to pass through. This line is expected to service more than 340 thousand of passengers per day.

Greece's main economic sectors are: shipping, hospitality, and construction, with most of such activities being centralised in the major cities of Athens, Piraeus and Thessaloniki, where most of the country's population is living.

The table below provides the latest reported value for - Greece GDP - plus previous releases, historical high and low, short-term forecast and long-term prediction, economic calendar, survey consensus and news. Greece GDP - actual data, historical chart and calendar of releases – as last updated.

Greece GDP	Last	Previous	Highest	Lowest	Unit	
GDP Growth Rate	1.40	0.40	4.40	-12.90	percent	[+]
GDP Annual Growth Rate	5.20	4.40	8.00	-13.90	percent	[+]
GDP	214.87	188.93	355.91	4.34	USD Billion	[+]
GDP Constant Prices	48557.30	52267.60	62194.40	34829.20	EUR Million	[+]
Gross Fixed Capital Formation	7139.47	6578.93	17237.20	4520.69	EUR Million	[+]
GDP per capita	18907.85	17343.61	29830.34	6229.16	USD	[+]
GDP per capita PPP	29548.04	27103.54	37687.43	24205.90	USD	[+]
GDP From Agriculture	1724.22	1700.89	2133.83	1290.43	EUR Million	[+]

GDP From Construction	1368.99	905.83	3443.63	356.41	EUR Million	[+]
GDP From Mining	6629.65	7467.85	9704.45	5066.44	EUR Million	[+]
GDP From Public Administration	7865.75	7469.72	9606.92	6487.88	EUR Million	[+]
GDP From Services	6950.09	7961.44	17242.05	6692.19	EUR Million	[+]

Privatisations and major projects

Privatisations are considered an important policy, not only for their contribution in increasing public revenue and reducing public debt, but, more importantly, as a means to attract foreign direct investment for the upgrade of acquired assets, open up regulated markets and improve the business environment.

Several privatisations have taken place in recent years and this trend is expected to continue to rise. The emblematic work of the renovation of the area of the Metropolitan Pole of Elliniko and Agios Kosmas is changing page (Elliniko project), now passing to the stage of the construction works of the individual investment plans. This is one of the biggest projects in Europe for the following years. The investments of the first five years for the regeneration of the area of 6.2 million square meters will amount to 2.5 billion Euro.

The investments of the first five years will concern the construction of basic infrastructures (utility networks, etc.), an important part of the metropolitan park and luxury residences, the construction of the shopping center and two towers on Vouliagmeni Avenue, the upgrade of Agios Kosmas marina with construction of a five-star hotel and the construction of a seaside settlement with houses of soft construction.

Elliniko is a project that will give a growth impetus to the Greek economy and will reposition Greece on the world investment and tourism map, incorporating the most modern technologies and principles of urban design and architecture.

Ministry of Development and Investment (Greece)

On April, 2023, an Event was held by the Ministry of Development & Investments for the presentation of the 4-year Government Project.

The opening of the Elefsina and Syros Shipyards and the upcoming opening of Skaramaga was the biggest achievement after all the years of recession.

Among the facts mentioned is that in the 4th year, with simplifications, accelerations and reforms, a pro-investment climate was created and dynamic growth was achieved, a record of foreign direct investment. Overall investments in Greece increased by 45% in the last 4 years, 36 new strategic investments were made, a record number, with more than 8.2 billion euros. A record was also set in exports, where they now approach 40%. A record number of accessions to the Development Law was noted with over a 282% weighted average increase in accessions per year during the governance of the New Democracy in relation to the governance of SYRIZA, while in 2022 a growth rate of 6% was achieved twice as much against the 3% of the European average. It was also noted that Greece is a champion in improving the business climate, rising 16 places among 34 rich European countries.

Also, 300,000 young women and men found work, while many young people who left abroad during the memorandums, have started to return to their homeland. The approvals of Public and Private

Sector Partnerships tripled, small and medium enterprises were supported, while the de-digitization plan is being implemented, changing the production model in the regions of Western Macedonia and Megalopolis.

The overall goal is to create a modern green, digital city, a model of sustainable development, friendly to people and the environment, which will highlight the cultural heritage of Greece and upgrade the image of the country internationally.

Economic Outlook

Recently Greece has applied to international markets for an issue of Government bonds and the market reacted positively to such invitation ensuring funding with interest rates close to 0% similar to AAA European economies.

The Greek GDP expanded by 5.2 percent year-on-year in the fourth quarter of 2022, extending the upwardly revised 4.4 percent growth in the previous quarter.

Fiscal policy issues

Greece has a capitalist economy, however, with the public sector accounting for a significant portion of the economic life. The primary focus of the government today is to reduce government spending, restore Greek economic competitiveness and at the same time tackle unemployment, which is currently a major social problem.

Bank lending rates have increased, and presently are fluctuating between 4.24 %-14.73% depending on the type of lending facility.

3 – MARKET ISSUES

3.1 Market entry strategy

Investors considering investing in Greece are advised to review the relevant regulations with legal, tax and other business experts in order to avoid potential start-up problems as the Greek market has its peculiarities, particularly when it comes to procurement of government tenders. The Government has enacted, in June 2016, Law 4399 «Institutional framework for Establishing Private Aid Schemes for the Country's Regional and Economic Development – Establishing the Development Council and Other Provisions».

The admission requirements of a third country citizen in order to act as investor in Greece, it is prescribed by the article 16 of Law 4251/2004.

Certain provisions of previous legislation "*Acceleration and transparency of implementation of Strategic Investments Law 3894/2.12.2010*" (short named *Fast Track Investment Law*) still apply. Also certain of its provisions *Investment incentive Law 3908* that passed from Greek Parliament on 1 February 2011 also still apply. The Hellenic Centre for Investment (ELKE), the Greek national investment agency, is able to provide initial assistance in dealing with government institutions.

The current government strategy for investment is promoted by

- Fast Track procedures,
- Special tax incentives and exemptions,
- Special fees discounts during the licensing process,
- Golden Visa.
- Fixed Tax applicable to wealthy persons on their world income.

3.2 Market access

Greece is Europe's strategic link to the sizeable, emerging markets of the Balkans, the Black Sea, Eastern Europe and the Eastern Mediterranean.

3.3 Main market opportunities



Services including tourism and professional services represent the largest and fastest growing sector of the Greek economy. Shipping, transportation, technology, renewable energy, healthcare, education, communications are added currently listed amongst the previous quoted largest sectors. Greece's food industry is expanding rapidly to overseas markets as well as to neighbouring countries. Its largest export items include yogurt, fresh and processed fruits and vegetables, olive oil, wheat, wines and tobacco. Agriculture is of major socio-economic importance. The number of persons working on farms (regular labour force) total is approximately 1.2 million compared to 1.4 million employed in 2000. The current trend is for young, educated people to follow the entrepreneurial path establishing start-ups with an international look.

Other Sectors of importance to an investor, due to their market liberization are:

Energy; Telecommunication, Defence, Electronic Commerce, Information Communication Services; Medical Equipment; Drugs/Pharmaceuticals; Environmental Engineering Services; Franchising; Tourism Infrastructure; Safety and Security.

The mining sector, in spite of its stated reserves, remains relatively unexplored with mining initiatives facing frequently bureaucratic problems.

Greek firms enjoy good commercial ties to Central and Eastern European markets as well, including the Black Sea region. Foreign firms may wish to target these markets from a base in Greece or to explore three-way arrangements with Greek companies or partners.

3.4 Unemployment

Unemployment rate fell to 10.8% in January 2023 from an upwardly revised 13.7% in the previous month

3.5 Foreign trade

Principal export destinations are Germany, Italy, UK, Turkey and the Balkan countries while the main import sources are Germany, Italy, France and China. As substantial discrepancies exist between settlements and customs-based data, considerable uncertainty surrounds the balance-of-payments figures. The recent noted trends are: the increase of exports and the reduction of imports

3.6 Pricing

Greece has no price controls, except for pharmaceutical and agricultural products. When pricing a product, firms should consider payment and credit terms. Greek importers generally expect a C.I.F. quotation, except when the purchasing company does a large amount of direct buying and provides its own insurance.

VAT current standard rate is 24%, with lower rates applicable in certain islands

4 – THE BANKING SYSTEM

Greece's banking system consists of the four (4) major systemic banks, seven (7) co-operative and other no-systemic banks.

A number of foreign banks are also operating in Greece offering a full range of services for corporate and consumers business, including venture capital, finance and advice for newly formed companies.

The local banking sector has contracted in the recent years due to economic crisis that prevailed in Greece for some years, however, it has recently been bouncing back due to technological transformation and low interest rates. Greek banks still represent one of the most sophisticated and modern sectors of the Greek economy. Both foreign and Greek investors are seen as potential players in this market. Greek banks and branches operate also in countries such as Bulgaria, Romania, Serbia-Montenegro, Albania and FYROM.

The Greek Banking System operates in a regulated environment through the control that is still exercised through the Bank of Greece. The Bank of Greece is the central bank and the monetary authority in Greece. It is responsible for the authorisation and supervision of credit institutions, including subsidiaries of EU and non-EU banks and financial institutions operating in Greece in accordance with the criteria set down by relevant EU directives.

The Bank of Greece issues regulations and guidelines relating to the establishment of credit institutions in Greece, capital requirement, risk exposure and investment activities. It is participating in the European Central Banks System, along with the European Central Bank and the Central Banks of the other 24 countries.

The European System of Central Banks for the whole of the EU plans monetary policy and the Bank of Greece is in charge of its implementation in Greece.

The principal objective of regulation is the protection of depositors. All the main directives of the EU Council concerning prudential regulation of credit institutions have been implemented into Greek law. As a result of the implementation of the main directives of the EU Council, a degree of deregulation has become possible for the banking industry in Greece, which has also adopted EU directives with regard to money- laundering.

The lack of a developed capital market has led industry to rely largely on bank loans for a high proportion of its funding. The capital market's activities have decreased in the recent years adding to loans' burden to the shoulders of the remaining systemic commercial banks. The low interest rates should lead to even more competition in the banking sector.

5 – CAPITAL MARKETS

The Athens Stock Exchange (ASE) was established in 1876 and currently it consists of three markets.

1. Main Securities Market

Companies with registered offices and business activity outside of Greece may list their shares on the ASE. More specifically, the Presidential Decree 350/1985 has established the first regulations of the listing requirements for shares to be listed on the ASE as well as the obligations of the listed companies towards the ASE. This regulation provides the listing on the ASE of shares issued by companies, either Greek or foreign. The current regulation is set out at the internet site of the ASE

<http://www.ase.gr/content/gr/ann.asp?annid=136808>

Many companies in Greece tend to be closely held by a small number of shareholders, usually members of the same family, and due the administrative burden of obtaining a listing and thereafter complying with the existing regulations plus the difficulties arising from the present financial crisis only a limited number of medium to large size of companies still remain listed in the Athens Stock Exchange and their number is being reduced.

Traditional investors are still investing in opportunities that arise.

In the past due to various factors have contributed to the development of the stock exchange, especially in the late 80's, in line with the worldwide trend for small developing exchanges. Amongst the factors that have contributed to the past expansion of ASE are:

- Good performance of certain listed companies; and
- Tax-free income of profits distributed by Portfolio Investment Holding Companies.
- Higher banking interests.

Foreign companies may request deviation from the existing listing requirements applying in shares of Greek companies as well as from the relevant obligations towards the stock exchange authorities after they have been listed on one of the ASE markets.

2. NEXA

The aim of the New Secondary Market (NEXA) constitution in ASE is the listing of shares of middle sized and innovative business, activated particularly in the new technology section, which are not listed in the Main and Parallel Market of the ASE.

The institution of Market Maker for the first time is established in NEXA. The Member of the ASE becomes Market Maker after a special agreement signed up with each issuer trading in NEXA. The Member in its capacity as Market Maker maintains in the DSS a supplementary Investor Share called: Investor Share of NEXA Market Maker. The Investor Share is created exclusively in the ASE once the Member submits to the latter the relative decision of the ASE with which he has obtained the role of NEXA Market Maker.

The securities account of the Investor Share of the NEXA Market Maker contains only one Operator account which is accessible and operates exclusively in its capacity as NEXA Market Maker.

3. Athens Derivatives Exchange (ADEX)

Law 2533/97 provided the necessary legal framework for the establishment of the formal and organized derivatives market in Greece.

The Athens Derivatives Exchange SA and the Athens Derivatives Exchange Clearing House SA have been established for the organisation, operation, and development of the market. The main purpose of ADEX was the organization and support of trading in the derivatives market, the organization of the trading system as well as any similar activity. At the same time, the clearing house is to organize the clearing and settlement of transactions concluded on derivative products, and supports such procedures in general.

6 - THE CORPORATE GOVERNANCE CODE AND COMPANIES' LAWS

A new law on the “corporate governance of Societies Anonymes, modern capital markets and implementation of EU Directive 2017/828” has been enacted in Greece (Law 4706/2020), within which Articles 1 to 24 replace longstanding Law 3016/2002 on corporate governance of listed companies. Although the new provisions bring no revolutionary changes, the general thrust is welcome and some of the modifications important.

The most salient new provisions vis-à-vis the existing corporate government framework are the following:

An “adequacy (internal fit-and-proper) policy” for the members of the Board of Directors is introduced, containing specific criteria for such members (Art para 1).

- The rule of “adequate representation of both sexes” is established (Art 3 para 1, b), meaning that at least 25% of Board members must be women
- A “system” of corporate governance is established (Art 4 para 1 and 13 para 1), comprising a nexus of rules and practices covering explicitly internal control mechanisms, conflict of interest prevention, communication with the public and remuneration policy, but extending to every corporate area including the financial situation of the company: the Board of Directors is rendered directly responsible for the financial situation of the company, including expressing a view on the company’s “going concern” (Art 4 and 23)
- Two new compulsory Committees are added: the Remuneration Committee (Art 10 and 11) and the Candidates Committee (Art 10 and 12)
- The obligation for every company to adopt a Corporate Governance Code is formally enshrined (Art 17)
- Two new units are rendered compulsory –the Unit for Shareholders’ Service (Art 20) and the Unit for Company Declarations (Art 21)
- 3 important new rules pertaining to sanctions are established: sanctions shall be applicable for any deviation from the whole of the corporate governance framework, including cases of conflicts of interests, which were left outside the sanctioning regime of law 3016/2002; the regime becomes stricter, since the financial sanctions may amount to 3 million euros (instead of 1) or 7% of a company’s yearly earnings (Art 24 para 1, a); legal persons, and not only physical person as in the former regime, are liable to be sanctioned for breaches of the law (Art 24 para 1, b).

The latest Audit Law 4449/2017 «Statutory audit of annual accounts and consolidated financial statements, public oversight over the audit work and other provisions» enshrined into its article 44, several provisions designed to strengthen audit committees of public interest entities (PIEs) and provides more transparency into the activities of the audit committee and the statutory audit. Most of the requirements for audit committees set out in the legislation are already being performed today and represent «best practice»

The provisions Law 3016/2002 which are applicable on corporations whose shares are quoted or listed on a recognized stock market remain effective. These dictate the duties and responsibilities of the company's Board of Directors are intended to enhance the long term financial value of the company and to promote the company's interests. The members of the Board of Directors are prohibited from pursuing any self-interest, which may produce a conflict of interest with the company.

Law 3873/2010 "Integration into Greek national Law the Directive 2006/46/EC of the European Parliament and of the Council on the annual accounts and consolidated accounts of certain types of companies and Council Directive 2007/63/EC of the European Parliament and of the Council for the requirement as to the preparation of the report in the case of merger or demerger of Companies".

Under the provisions of the above stated Law collectively the Board of Directors of a Company in drawing up and publishing annual accounts and consolidated accounts as well as annual reports and consolidated annual reports are obligated to provide a Statement of Corporate Governance, stating a description of the existing risk management systems and internal controls in relation to financial reporting process, an analysis of the environmental and social aspects necessary for the understanding of the company's development, performance and position, the composition and operation of the administrative management and supervisory bodies and their committees.

7 – FOREIGN INVESTMENT

Foreign investments in Greece are currently regulated by the following major laws the:

1. Institutional framework for establishing Private Investment Aid schemes for the country's regional and economic development – Establishing the Development Council and other provisions Law 4399/22.6.2016
2. Fast track Investments Strategy Law 3894/2.12.2010 and
3. New Investment Incentive and Development Law 3908/1.2.2011.

Details of the above legislations and ministerial decisions are available at <https://www.ependyseis.gr/>

The main provisions of the above laws are summarised below:

1. Institutional framework for establishing Private Investment Aid (Law 4399/22.6.2016)

7.1.0. Introduction

- The Law for the first time makes explicit reference to the provisions of the **General Block Exemptions Regulation «G.B.E.R»** (Regulation 651/2014 of the Commission), with cross referenced features between the Law and «G.B.E.R».
- The Law is structured into three sections namely:

Section A – Institutional Framework for Establishing Private Investment Aid Schemes for the Country's Regional and Economic Development.

Section B – Establishing of the Development Council Ministry of Economy, Tourism's Development and Tourism.

Section C – Arrangements of Competence of the General Secretariat of Private and Strategic Investments. This section sets out provisions for the completion deadlines under Law 3299/2004 and Law 3908/2011 – previous' investment laws.

- In order to achieve dispersion as to the beneficiaries of state aid, a threshold is being provided for the types of aid available to individual investment projects, as well as to companies and group of companies.
- Special categories of aid, as provided in the legislation, are being determined either **(a)** on the basis of the performance of the involved companies, or **(b)** on territorial basis. Companies that fall under the special categories may be reinforced through capital aids, in case capital aids are not provided, or by additional capital aids in case capital aids are provided.

7.1.1. Terms and conditions of aid

- The aid schemes, set out in the law, are subject to five general rules that stem out of «G.B.E.R» and are the following: **(a)** Single investment project **(b)** Cumulation **(c)** The “Deggendorf” Principle **(d)** Incentive Effect and **(e)** Rule of non-discrimination and accessibility of people with disabilities.
- Added to the above five general rules, are the terms and conditions of inclusion to aid schemes which are:

(a) Participation of aid beneficiary in the cost of investment – At least 25% of the total investment cost. Unlike previous laws' provisions of the nature as to own-participation is being abolished. Such cost of participation can take place through own equity or through external financing.

(b) Minimum threshold of investment project – the amount of investment project is differentiated and defined by the size of the aid beneficiary, namely:

(i) Large enterprises	€500 000
(ii) Medium size enterprises, co-operatives and clusters	€250 000
(iii) Small enterprises	€150 000
(iv) Micro enterprises	€100 000
(v) Social Cooperative & Agricultural Enterprises of corresponding Laws 4019/2011 & 4384/2016	€ 50 000

- As to the content of investment projects falling under the aid schemes, it is required that such projects should be an initial investment (Article 2 point 49 «G.B.E.R»)

7.1.2. Aided Investments – Operators of Investment projects – Eligible costs

- Aid beneficiaries of aided investment projects are enterprises established or having a branch in the Greek territory at the time of the works of the investment project.
- Aid beneficiaries can be of the following forms **(a)** Personal business **(b)** Trading company **(c)** Cooperatives **(d)** Social cooperative enterprises of Law 4019/2011 including Agricultural Cooperatives, Producers Groups, Rural partnerships and **(e)** Companies under establishment or merging companies provided the publicity procedures have been completed before the start of works of the investments projects **(f)** joint venture business are also entitled as beneficiaries to aid schemes provided they are registered with the General Commercial Registry
- Public and municipal companies and their beneficiaries are also entitle to register for aid schemes subject to limitations - the main one being that they are not already funded by public funds.
- Businesses, whose eligible amount of investment projects exceeds five hundred thousand (€500 000) euros shall take the legal form of a commercial or cooperative before the start of the aided investment project.

7.1.3. Included and excluded investments

- In summary, the following aid schemes and the relevant aid granted per scheme are prescribed:

Aid scheme	Types of aid granted
1. Major investments	Stabilization of income Tax Rate for 12 years from the completion of the investment project, until the exhaustion of the aid and up to the amount of €10,000,000.00 Alternatively , tax exemption at a percentage of 10% of the eligible investment cost and to the amount of € 5,000,000.00 with possibility to make use of the «Fast Track Procedure».
2. General Entrepreneurship	Tax exemption, subsidy of leasing and subsidy of employment.
3. New Independent Small and Medium Enterprises (SMEs)	
4. Innovative Character Aid for Small and Medium Enterprises (SMEs).	Tax exemption, subsidy of funds, subsidy (or grant) of leasing and subsidy of job creation cost.
5. Clusters	

6. Integrated Regional and Sectoral Projects	
7. Intermediary funding organisations – Funds of Funds	Public funding to private investors through: (a) equity or «virtual» equity investment or sponsorship, or (b) loans for funding of corporate risk directly or indirectly to eligible companies.
8. Machinery Equipment	Tax exemption

- The types of aids granted for investment projects included in the aid schemes, as tabulated above, as set out in article 10 of the law are prescribed as follows:

- **Tax exemption** consisting of the exemption from paying income tax on earnings before tax, which arise under the tax legislation from all business activities having deducted the tax of the legal person or legal entity tax corresponding to the profits distributed or received by the partners. The amount of tax exemption shall be calculated as a percentage on the value of the aided expenditure of the investment project or the value of the new machinery and other equipment acquired under leasing agreement and constitutes equivalent reserve;

- **Grant**, which consists of the free aided expenditure of the investment project and is determined as a percentage thereon;

- **Leasing subsidy**, which consists of the payment by the government of part of the instalments paid for the leasing agreement concluded for the acquisition of new machinery and other equipment and shall be determined as a percentage of the acquisition value of those included in the instalments paid. The grant of the lease may not exceed seven (7) years.

- **Job creation cost subsidy**, which consists of the coverage of the government part of the wage costs (Article 2 par. 32 «G.B.E.R») for new jobs created and associated with the investment project, which do not receive any other state aid.

- **Stabilization of income Tax Rate, (tax system)**, the investment projects included in the schemes shall be assisted with the incentives of the fixed income tax rate for legal persons and legal entities, which applies on the date of the inclusion application, for a period, which is set at twelve (12) year from the completion of the investment project.

- **Public funding** covers risk finance through equity fund in accordance with Article 21 G.B.E.R with the following forms: **(a)** equity or quasi-equity, or financial endowment to provide risk finance investments directly or indirectly to eligible undertakings **(b)** loans to provide risk finance investments directly or indirectly to eligible undertakings.

- To the general rule that aid schemes shall apply to investment projects of all economic sectors, article 7 of the law 4399/22.6.206 sets out a list of numerous exclusions of aid schemes by reference to Article 13 of «G.B.E.R» by category and under the provisions of paragraph 1 of Article 6 that relates to minimum period of establishment in Greece. Examples of excluded categories of entities are coal industries, steel sector industries and shipbuilding sector - except if such a scheme is decided by joint ministerial decision and has been pre-approved by the European Commission.

- The maximum aid intensities for large enterprises, which are listed in the Regional Aid Map (RAM), are increased by 10% for medium-sized enterprises and 20% for small and micro enterprises, subject to alternative option of use of tax exemptions.

8 – SETTING UP A BUSINESS

Investors wishing to start a business in Greece, (subject to specific restrictions of the investment legislation set out in section 3), have the option to form any type of legal business entity and their applicable procedures are stated below:

8.1. Companies

8.1.1. A Corporation – termed in Greek «Anonymous Etairia (**A.E**) » or (Societe anonyme: S.A.). It may be generally formed by one or more persons – termed shareholders. The liability of members is limited to the amount of their share capital contributions. The minimum share capital requirement is €25.000, which must be fully paid up at the time of establishment. The shares may be registered or bearer and the nominal value of each share must be no less than €0.04 (four cents) and no more than €100,00 (one hundred euro). A corporation may have shares that are listed on the stock exchange or shares that are not publicly traded.

The formation of a Corporation involves four stages namely:

(a) Compilation of the articles of incorporation– prepared either by a notary public (optional). Changes of articles must be published in Government Gazette.

(b) Payment of share capital

(c) Public registration (General Business Registry)

(d) Corporate Resolutions are administered by the annual general meeting, and are managed by the Board of Directors (the number of the Directors is from three up to fifteen).

A Limited Liabilities Company is required to appoint statutory auditors, subject to the provisions set out in section 11.5.

Company Law 4548/2018 has come into effect as from 1st January 2018, repealing the over hundred years old Company Law 2190/1920 on Companies Limited by Shares (**A.E**). Such Companies as from 1 January 2019 are regulated, from this day on, with the provisions of the new except for the provisions of Law 2190/1920 relating to mergers and acquisitions of a Corporation that remained applicable.

8.1.2. Private limited companies - termed in Greek «Idiotiki Kefaleouchiki Etairia – abbreviated I.K.E.» This type of companies is based on the EU 12th Council Company Law Directive (89/667/EEC). It may be formed by one or more persons, physical or legal. If it is formed by one physical person is termed «Monoprosopi I.K.E.».

The articles of association can be prepared as a private document provided it complies with the provisions of article 50 of Law 4072/2012. The articles of association and other documentation may be written in any of the official languages of the European Union (EU). The registered office of an I.K.E may be transferred to any member state of the European Economic Area (EEA) without being dissolved if certain conditions are satisfied.

The duration of I.K.E, if not otherwise stated in its articles of association, cannot exceed 12 years. Its minimum capital can be €1 and may be paid in cash or be represented by guarantees or non-capital contributions such as services offered by the shareholder to the company.

This form of establishing a company presents a lot of benefits and seems to gain investors' trust due to the very flexible and cost-efficient rules of operating. Establishing an I.K.E. **can be a feasible and the easier way** to start a business in Greece.

There are several advantages that the Private Limited Companies (IKE) represents in comparison with other types of Greek companies (in terms of legal entities) and some of them are summarized below:

- Zero capital requirements (it is not compulsory to have a certain amount of capital like AE). Quick establishment with minimum expenses and simplified procedure.
- Provided the Articles comply with the requirements of the Law, they may be drafted accordingly to suit the particular needs of a type of business as well as of its members, enabling the company to be shaped either closer to a partnership or closer to a Societe Anonyme.
- Very flexible corporate form (meetings can be held through teleconference and abroad, any amendments and changes are made by a private agreement).
- Corporate documentation may be drafted also in any official EU language.
- Only the manager and the sole member (in case of a single- membered PC) are subject to compulsory registration at the local insurance organisation (as opposed to all members/ partners in other types of companies)

8.1.3. Limited Liability Companies – termed in Greek «Etairies Periorismenis Efthynis – abbreviated EPE» may generally be formed by one or more partners. The liability of members is generally to the amount of their capital contribution. There is no minimum share capital requirement.

Limited Liabilities Companies (LTD) are administered by the annual general meeting, and are managed by one or more administrators, who may or may not be partner(s) of the company. Administrators' first appointment is set out by the articles of association and subsequent appointments by the general meeting. If administrators are not appointed, the company is managed by all of the partners acting collectively.

A Limited Company is required to appoint statutory auditors, subject to the provisions set out in section 5.5.

EPEs are becoming less and less popular as IKEs described are essentially replacing them as a more flexible way of conducting business.

The Law 4541/2018, which has amended the Law 3190/1955, includes -among others- provisions relevant to the Limited Liability Companies.

8.2. Partnerships

8.2.1. General Partnerships – A general partnership may be formed by two or more physical or legal persons. Partners are jointly and severally liable to an unlimited extent for the debts and obligations of the partnership. There is no minimum share capital requirement. The Administration and registration procedures are similar to other types of legal entities and therefore partnerships are also required to be registered at the General Commercial Registry (GEMI).

8.2.2. Limited Partnerships – A limited partnership may be formed by two or more physical or legal persons. There must be at least one general partner and at least one limited partner. General partners are jointly and severally liable to an unlimited extent for the debts and obligations of the partnership. The liability of the limited partners is generally limited to the amount of their

contribution. Limited partners are not permitted to manage or represent the company. If they do so, become liable for the debts and obligations of the partnership as if they were general partners.

There is no minimum share capital requirement.

8.3. Branches

Foreign companies may generally contract business activities in Greece through a branch. Before establishment, foreign companies are required to submit certain documentation, including the companies' articles of association to relevant authorities and be registered with the General Registry «GEMI».

8.4. Other Entities Useful to Foreign Investors

Offshore Companies - Foreign commercial or industrial entities of any legal form which exclusively engage in commercial activities outside of Greece may establish offshore branches in Greece according to Law 89/1967. The same right is granted to foreign shipping companies under the provisions of Law 378/1968.

To establish an offshore office the following prerequisites apply:

- The business must be exclusively engaged in activities outside of Greece;
- Bank letter of guarantee for USD 50,000 must be deposited to the Ministry of Economy and Finance (article 22 Law 1262/1982);
- With **reference** to branches of foreign shipping companies it is required that they cover with foreign currency their annual expenses for operating in Greece with an amount at least equal to USD 50,000 and all payments in Greece for themselves or on behalf of third parties; and an offshore branch must keep a receipts and expenses book but it has no obligation to publish any financial statements.

8.5. Audit and Accounting Requirements

Corporations (entities with the legal form of S.A. or LTD) are required to prepare an annual report, that includes a fair view of the development and performance of the company's business and its position, and a description of the principal risks and uncertainties the company faces. Also, generally companies are required to prepare, in accordance with Greek Accounting Standards Financial Statements «Greek GAAPs» Financial Statements.

Listed companies in the Athens Stock Exchange and Public interest entities are required to prepare their accounts according to International Financial Report Standards (IFRS). Corporations and foreign bank branches may be required to have their annual financial statements audited by at least one certified auditor (member of SOEL) if at least two of the three thresholds listed below are exceeded for two consecutive years:

- Total Assets	€4 million
- Net Turnover	€8 million
- Average number of employees'	50 persons

8.6. Taxation Compliance Audit

Corporations that have been audited by a statutory auditor have the option to be audited by their auditors or may elect to be investigated by the Inland Revenue.

9 – LABOUR

9.1. Competitive labour

The Labour law has recently being amended making it easier for employers to reduce its labour force when needs arise or to increase its labour force under favourable supported by the Government schemes.

The seasonally adjusted unemployment rate in Greece rose to 11.4 % in February 2023 from a downwardly revised 10.3 % in the previous month, which was the lowest in 13 years. The number of unemployed persons increased by 53.7 thousand over the previous month to 526.7 thousand, while the number of employed persons fell by 27.2 thousand to 4.1 million. Meanwhile, the number of people outside the labor force decreased by 28.8 thousand to 3.2 million. Compared to February last year, jobseekers declined by 15.2 % and employment went down by 1.3%. Source: National Statistical Service of Greece.

Although Greece has a relatively small labour force, there are certain quality factors which make the country competitive and more attractive in this field than most of its European counterparts.

Under the current investment schemes, employment is a factor counted for the amount of investment incentives to be offered.

9.2. Education

The educational structure of the Greek labour force has improved impressively over the last few years. Yearly the number of students that are enrolled in Greek and foreign universities average to 60 thousands, which apply to Greek universities and more than 37 thousands which apply to foreign universities abroad, (mainly in the UK and USA).

Other factors are:

- Most small and medium-sized enterprises doing business in Greece will not need to hire staff as this will be taken care of by an appointed representative.
- In general terms, however, staff recruitment is not a problem. The labour force is highly educated and most Greek businessmen speak at least some English.
- Local agencies offer office support services to companies setting up in Greece.

9.3. Labour cost

Greece combines a reasonable pool of skilled workers and a good supply of unskilled labour and has one of the lowest labour costs in the EU.

9.4. Productivity

In recent years labour productivity has increased significantly with growth rates above the EU average. Due to the present crisis the tendency is for a more favourable labour climate that can fruitfully be put in use.

9.5. Working hours

Greek employees work more hours than most of their European counterparts. The country's working hours are above the EU average and put Greece in second position with 1,900 gr hours annually.

9.6. Social security system

The Social Security Rate in Greece stands in total at 36,16%, spread 13,87% for employees and 22,29% for employers with effective date of application 1 January 2022. The current rates are calculated on the gross earnings with a ceiling amount of €7.126,94.

Companies must insure all workers through «The Single Social Security Agency» (in Greek ΕΦΚΑ), which provides sickness and pension benefits. Radical re-organisations have been taking place, aiming at reducing the number of the major and subsidiary funds and to increase the pension age as well to unify the present pension age of 67 for both sexes.

Different to the above rate apply for example to employees working at airway companies, journalist etc.

Special additional contributions apply to workers in hazardous employment (e.g. miners, linemen and deep-sea divers). Workers in these industries are entitled to early retirement, generally between the ages of 50 and 55.

9.7. Wage regulations

9.7.1. Types of employment contracts

The main type of employment is regulated through «Open-ended employment contracts». «Fixed-term employment contracts» are permitted in exceptional cases, when the limited duration is justified by some specific ('objective') ground, such as the time required to perform a specific task for the employer. Where there is no such ground, the contract is deemed to be open-ended, even if it has been agreed as being fixed-term. Moreover, where there continues to be a specific ('objective') ground, the renewal of a fixed-term contract without limit is permitted. Where the specific ground does not exist, it will be presumed to be an «open-ended employment contract».

9.7.2. Termination of employment contracts

«Fixed-term contracts» terminate after their term expires or they can be rescinded where there is a serious ground. «Open-ended employment contracts» are terminated by rescinding them.

No compensation is owed when a «Fixed-term employment contract» is terminated. When an «Open-ended contract» is rescinded compensation is payable according to the years of service. Extra compensation is due for employees that have reached 17 years of employment with same employer on 12.11.2012.

9.7.3. Fringe benefits

In the private sector fringe benefits are extensive, and mandatory benefits add to the labour costs. Mandatory bonuses include one month's salary or 25 days' wages at year-end, plus half a month's salary or 13 days' wages, both at Easter and during the summer vacation period. At the managerial level the value of benefits over and above the statutory are paid which include: productivity bonuses, with packages in kind such as insurance, cars and continuous university and professional trainings.

9.7.4. Vacation days – Vacation Bonus

Vacation days (holidays) can be granted from the first month of employment in the same business according to Greek Legislation (not all days but the days that have been worked – it is 1.67 days per month for the first year of employment).

The legal vacation requirement is dependent whether an employee with an «Open-ended employment contract» works on five days per week or six days per week and according to his period of employment as set out in the table below:

Years of Service with the same Employer	System of 6 days of employment with the per week	System of 5 days of employment with the per week
1 year fully completed.	24	20
2 years fully completed	24	20
3 years fully completed	25	20

In addition there are seven customary and five legal holidays. In practice, however, vacation leave is usually longer.

Part-timer employers are also entitled to vacation days and vacation bonus.

9.7.5. Wage levels

Enterprises and collective agreements provide for Minimum wage levels. Some occupations have set up their own agreements, which prevail over the general one and usually include terms that are more favourable to the employee.

Progressively the above mentioned agreements are now being replaced by businesses' contracts.

The national collective labour agreement is negotiated between the General Confederation of Workers of Greece, on behalf of the employees and the employers' organizations, headed by the Association of Greek Industrialists whilst businesses' contracts (epihirisiakes symvasis) are being negotiated directly by the employers and representatives of employees.

It is stipulated that men and women are paid the same pay for the same work.

9.7.6. Working hours

Legal working hours stipulated by current legislation are usually set at 40-hours per week for businesses which employ their staff on a six days or a five-day per week working schedule, unless the labour agreement indicates otherwise.

Normal working hours stipulated in collective agreements or arbitrary decisions and in private agreements between the employer and the employee are set at 40 hours a week except in specific cases.

10 - TAXATION

10.1. Taxable status

The most common way to establish a business in Greece is to either register a Corporation (AE), a Limited liability company (EPE) or a Branch. Foreign shipping companies can also establish an offshore office under Law 89/67. Under the provisions of this Law, income from activities outside Greece is tax free.

In accordance with the domestic Greek legislation, an entity (legal person) acquires permanent establishment if:

- a) It is established or incorporated under Greek legislation.
- b) It has registered office in Greece
- c) It has its place of effective management in Greece at any time during the tax year.

Non-resident legal entities or physical persons are generally subject to tax on their Greek source income, subject to the terms of any applicable tax treaty.

Resident legal entities or physical persons are generally subject to tax on their world income.

Nevertheless, even if it is not formally registered in Greece, a foreign enterprise can acquire a «permanent establishment» (normally the maintenance of a branch, factory, or other fixed place of business) in Greece giving rise to corporate tax on income arising in Greece as well as other tax and accounting obligations. The double taxation treaties between Greece and other countries that have signed mutual agreements clearly define the situation when a permanent establishment arises, as well as the provisions for double taxation avoidance.

10.2. Corporate taxation

Net profits of legal entities are currently taxed at the rate of 22%. This rate is applicable to companies reporting their financial statements after 1 January 2021. Prior to 1 January 2021 the rate applicable was 24% with applicable reductions of this rate for companies operating in places with a population of less than 3100 or on islands.

Dividends or distributed profits by Greek AE are subject to a withholding tax at the rate of 5% from 1 January 2020. Those profits distributed prior to 31 December 2019 are subject to withholding tax of 10%.

The above show a pro-investment appetite by current political system aiming at reducing taxation at all levels and increasing the competitiveness of Greek economy by attracting foreign direct investment.

Tax withheld on Dividends received by Greek AE and EPE companies from other Greek AE and EPE are set off against the tax on future distributions by the above-mentioned recipient companies.

An exemption from corporate income tax applies on profits received by Greek AE and EPE companies from their EU subsidiaries provided that such profits are not distributed and are transferred to a tax free reserve account and on condition that the Greek company should have a participation of 10% in the foreign company for at least 2 consecutive years.

10.3. Taxation of Individuals

Non-resident individuals are generally subject to tax on their Greek source income, subject to the relevant treaty that concerns such individual.

Resident individuals are generally subject to tax on their world income.

Individuals are generally subject to personal income tax on their taxable employment, pension and other taxable income from other sources, (other than income from other sources that is taxable at source) at the rates depicted in the table below:

Taxable income	Rate
Up to €10 000	9%
Between €10 001 - €20 000	22%
Between €20 001 - €30 000	28%
Between €30 001 - €40 000	36%
Over €40 001	44%

10.4. Taxable capital gains

Taxable capital gains from the transfer of immovable property or securities etc. are generally subject to the following tax rates:

Income category	Rate
Dividends	5%
Interest	15%
Rights (Royalties)	20%
Immovable property	15% on income up to €12.000, 33% on income from €12.001 to 35.000 and 45% on income over €35.000

10.5. Withholding Taxes on Payments abroad

The rates of the above table are applicable as withholding taxes rates for payments made abroad.

10.6. Determination of income on imputed basis

Exceptionally the total income is determined on the basis of living expenses of the taxpayer and his dependent persons leaving with him, when such estimated imputed income is more than the total declared income.

10.7. Allowances, Tax Credits and Extra taxation

The tax that is derived by the assessment of an individual, based on the rates (depicted in section 7.3), are subject to the following allowances:

- A tax deduction of €777 that is single without dependent relatives provided his income of employment does not exceed €20,000.
- The above deduction is increased to €810 if the taxpayer has one child, €900 if the taxpayer has two children and €1,120 if the taxpayer has three children.

If the taxpayer's tax is less than the previous' deductions, such restrictions are restricted to the calculated income tax.

An additional €200 deduction is provided if the dependents of taxpayer are incapacitated.

10.8. Indirect and other taxes

The most important indirect tax is value added tax (VAT). The standard rate is 24%. Registered traders can generally recover the VAT with which they themselves are charged on their purchases of goods and services, subject to conditions and possible exceptions.

Under certain conditions the appointment of a VAT representative is required where the supplier is not registered in Greece or in the EU.

Other taxes include Capital concentration tax (1%).

10.9. Special taxes on Real Estate

Currently, individuals and legal entities owning real estate in Greece are subject to the Unified Real Estate Tax (UREOT), irrespective of their citizenship, residence or registered address. UREOT is imposed on property owned as at 1 January of each year. Real estate subject to the tax includes plots of land located outside city limits. Exemptions continue to apply and cover certain categories of real estate and taxpayers (e.g. the State, public legal entities, churches, monasteries, museums etc.).

UREOT consists of a main tax and a supplementary tax and is determined by the tax authorities on the basis of E9 returns where tax payers declare all their real estate holdings. The main tax for real estate located within city limits ranges between €2 and €13 per square meter for buildings and between €0.0037 and €11.25 per square meter for plots of land. The main tax for plots of land located outside city limits is €0.001 per square meter and it is increased fivefold if a residence is built on the plot of land. The above rates are multiplied by coefficients that depend on a number of factors deemed to affect a property's value, such as its location, surface area, age, etc.

The supplementary tax is imposed on individuals owning real estate whose cumulative aggregate value exceeds €200.000 and it is calculated on the excess value at progressive rates ranging from 0.1% up to 1.15%. Legal entities are also subject to supplementary tax, which is generally calculated at the rate of 5.5‰ on the total value of their real estate, unless the property is used for own business purposes, in which case the rate reduces to 1‰. Under conditions, partial or full reductions of tax can be granted to individuals and postponement of tax can be allowed for legal entities.

In addition, Greek and foreign companies owning or having usufruct rights on (use of) real estate located in Greece are subject to a special annual tax calculated at the rate of 15% on the objective tax value of real estate, unless certain conditions are fulfilled (including **(a)** if their ultimate individual shareholders are revealed/obtain a Greek tax number, and **(b)** certain entities, such as listed entities, banks, etc.).

Real estate transfer taxes apply for transfers of real estate not subject to VAT (see above), with the current rate being equal to 3% (exemptions may apply for the purchase of a primary residence).

10.10. Tax incentives

Certain tax incentives are provided by the Law 4172/2013 under the articles 22A (scientific and technological research expenses may generally be deducted from the taxable income increased by 100% and 22B (granting of increased discount for specific costs related to employees and environmental protection).

Law 4712/2020 provides for the establishment of a National Register of Start-ups and provides tax incentives to individuals who invest in, with the aim of reducing investment risk and increasing investment activity («angel investor»).

11 – ACCOUNTING & REPORTING

Regulatory professional body for Accounting and Auditing principles in Greece: SOEL-[Soma Orkoton Elegton Logiston](#).

Website: www.soel.gr

11.1. Structure of SOEL

The Institute of Certified Public Accountants (CPA) of Greece (SOEL) operates under the provisions of the Presidential Decree #226/1992 which was issued in compliance with Law #1969/1991 and the recent legislation 4449/2017



The General Assembly (GA) of all Certified Public Accountants expresses the strategic intent of SOEL. SOEL is administered and supervised by a Supervisory Council (SC). The Scientific Board (SB) of SOEL carries out quality control over the performance of all CPA's and firms, while disciplinary action is taken by the Disciplinary Board (DB) of SOEL. The Ordinary General Assembly of the CPA's elect the members of the SC and of the SB and their official representative to the three-member DB.

11.2. Audit performance

In Greece, only auditing firms that are officially registered in the corresponding registry of SOEL are eligible to perform financial audits. According to article 17 of PD#225/1992 as it was amended by PD#341/97, every CPA must be employed by an auditing firm. There is no limitation regarding the range of professional services offered by member firms unless there is a conflict in the scope of work, as explicit is dictated by the Law. The necessary capital stock for an auditing firm is similar to that provided for all enterprises (société anonyme, limited liability co., etc.). According to article 7 of #623/18.4.1997 of the Professional Ethics Regulation of SOEL members, an auditor or audit firm should not advertise or promote professional services offered or name and title in a way which degrades the audit profession, as established and practised in Greece, or raises doubts about the professional efficiency of other auditors or audit firms.

11.3. Auditing and financial reporting

The Greek government recently passed legislation that adopted International Accounting Standards for financial reporting in Greece. This legislation applies for financial statements that are corresponding to the reporting periods of 2004-2005 (that is, adoption from 2005 onwards), and is compulsory for all listed on the Athens Stock Exchange companies.

The new legislation applies to both firm level and consolidated financial statements and is optionally applicable by any other entity which is audited by the Institute of Certified Accountants Auditors of Greece.

A committee has been set up to supervise the detailed implementation of this legislation. Currently Greek companies are in the process of conversion of their financials to reporting under the International Accounting Standards provisions and principles. This will provide uniformity of financial

reporting within the Eurozone, conformity with European legislation and comparative figures for any interested party willing to consider investment opportunities in Greece.

11.4. Accounting standards

The International Financial Reporting Standards (IFRS) were introduced in Greece, according to the Law 2992/2002, in relation to companies listed on the Athens Stock Exchange. These companies are obliged to present their annual or periodical financial statements (including consolidated statements) prepared for periods ending after 1 January 2005 according to IFRS.

Optionally - Non listed companies can apply IFRS, on the condition that there is a relevant decision by the General Assembly of the Shareholders and a five-year application at least.

In 2014 the Greek Financial Reporting Standards were introduced. Companies that do not implement IFRS may implement such Standards that present similarities with IFRS, but they also pertain to notable differences.

Taking into account that the accounting results will differ from the taxable results, reconciliation will be presented in the notes to the financial statements.

11.5. Audit requirements

Currently accounting audits of banks, insurance companies, government organizations, companies on the Athens Stock Exchange, and companies which for two successive years fulfil two of the three criteria (assets of at least 4 million Euro, turnover of at least 8 million Euro and personnel at least 50 employees) may only be performed by a recognised auditing firm of certified auditors (i.e. member of the Institute of Certified Auditors "SOEL").

All major international accounting firms are certified auditors.

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UHY AXON CERTIFIED AUDITORS S.A. GREECE



CONTACT DETAILS

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Fax: +30 210 82 56 067
www.axonaudit.gr

CONTACTS

Liaison contact:	Chris Antonopoulos
Position:	Partner
Email:	cantonopoulos@axonaudit.gr

SOCIAL MEDIA CONNECTIONS

- LinkedIn: <https://www.linkedin.com/company/34701598/>

Year established:	1996
Number of partners:	3
Total staff:	30

ABOUT US

The innovative partner you need

OTHER IN-COUNTRY OFFICE LOCATIONS AND CONTACTS

Branch presence in Rhodes

BRIEF DESCRIPTION OF FIRM

Axon Certified Auditors was founded in December 1996 under the Provisions of the Presidential Decree 226/1992, which established the new legal form of operation of the Audit profession in Greece. The firm provides professional services to Greek and foreign-owned businesses.

SERVICE AREAS

Assurance
Bookkeeping
Company valuations
Corporate re-engineering reports
Corporate Governance Compliance
Internal accounting control systems
Mergers & acquisitions reports
Company reorganisations reports
Company valuations
Special Audits
Advisory Services
IT systems

SPECIALIST SERVICE AREAS

Accounting department follow-ups
Raising capital
General and sectoral accountant drawings applications
Payrolls



The network
for doing
business



UHY AXON CERTIFIED AUDITORS S.A. GREECE



PRINCIPAL OPERATING SECTORS

Accounting, Banking, Clinical and diagnostic centres, Charity and non profitable associations, Industrial and commercial corporations and LLCs
Insurance companies, Investment companies and mutual funds, Municipal and public companies, Retail, Shipping companies,
Stock exchange listed companies, Transportation companies

LANGUAGES

Greek, English, French

CURRENT PRINCIPAL CLIENTS

(Partial list of clients permitting public disclosure. Confidentiality precludes disclosure of all clients in this document.)

Horizon Insurance, Cooperative Bank of Chania, Moustakas Toys, British Airways, Mysten Labs

Cooperative Bank of Epirus

Bank Information Systems (Tiresias S.A.)

Municipality of Kos

Municipality of Nafplion

G.A. Moustakas Toys SA

M.N. Giannoulis Hotels SA

Arkas Hellas Shipping S.A

Hermes Lines SA

OTHER COUNTRIES IN UHY CURRENTLY WORKING WITH, OR HAVE WORKED WITH IN THE PAST

Cyprus

Spain

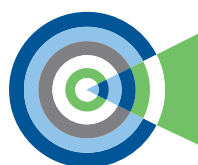
Ireland

UK

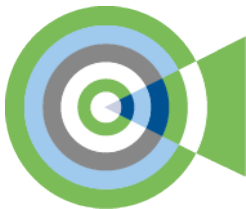
United Kingdom

BRIEF HISTORY OF FIRM

Axon was established at the end of 1996 by Efthymios Antonopoulos and Stavros Nikiforakis, specializing in Audit, Accounting, Financial Advisory Services, Taxation and a wide variety of other related services



The network
for doing
business



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