

GOVERNMENT GAZETTE OF THE HELLENIC REPUBLIC

SECTION A'

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Law 3908

Aid for Private Investment to promote Economic Growth,  
Entrepreneurship and Regional Cohesion

**Article 1**

**Scope**

1. The purposes of the present law is to promote economic growth in Greece by introducing investment aid schemes to improve entrepreneurship, technological development, the competitiveness of enterprises and regional cohesion and promote green economy, the efficient function of existing infrastructures and the deployment of the country's human resources.

2. The aid under the present law shall be provided in accordance with Commission Regulation (EC) No 800/2008 of 6 August 2008 (OJ L 214 of 9 August 2008, page 3), as from time to time in force, declaring certain categories of aid compatible with the common market, in application of Articles 87 and 88 of the Treaty (General Block Exemption Regulation), and in particular

as regional aid in accordance with Article 13 of that Regulation.

3. Aid for other categories of the General Block Exemption Regulation and aid under other legislative acts of the European Union (EU) may also be granted pursuant to the present law, subject to special terms and conditions laid down by decision of the Minister for the Economy, Competitiveness and Shipping and/or the other competent Ministers. This aid will be sent for approval or notified to the European Commission, where required by EU law.

4. The Minister for the Economy, Competitiveness & Shipping shall notify the Regional Aid Map to the European Commission for approval, review or amendment. The above approved map and the Commission guidelines and regulations pertaining to regional State aid shall be specified as a national scheme by decision of the said minister.

## **Article 2**

### **Eligible investment plans**

1. The aid scheme governed by the present law shall apply to investment plans in all branches of economic activity, subject to the paragraphs below.

2. The aid scheme governed by the present law shall not apply, in terms of regional aid, to the following branches exempted from the scope of the General Block Exemption Regulation,

viz.:

(a) the steel sector, as defined in Article 2(29) of the General Block Exemption Regulation;

(b) the synthetic fibres sector, as defined in Article 2(30) of the General Block Exemption Regulation;

(c) the coal sector, as 'coal' is defined in Regulation (EC) No 1407/2002 of 23 July 2002 on State aid to the coal industry;

(d) the shipbuilding sector, as defined in the framework on State aid to shipbuilding (2003/C317/06).

3. Further, the aid scheme of the present law shall not apply to the following:

(a) investment plans of public corporations and organisations or their subsidiaries in which they hold over 49% of the share capital and investment plans of companies in which the State or a public law legal person or a first- or second-level local authority holds over 49% of the share capital or which are regularly or occasionally subsidised by them, where the subsidy accounts for over 50% of their annual revenue;

(b) undertakings which operate in the form of a society, civil

partnership or consortium, subject to the provisions of Article 13(1)(d) of the present law;

(c) firms in difficulty, as defined in the Community guidelines, from time to time in force, on State aid for rescuing and restructuring firms in difficulty (2004/C 244 of 1 October 2004, p. 2) and the General Block Exemption Regulation (Commission Regulation (EC) No 800/2008 of 6 August 2008, OJ L 214 of 9 August 2008, p.3) for small and medium-sized enterprises;

(d) investment plans implemented at the initiative and on behalf of the State by a private individual on the basis of a works, franchise or service contract;

(e) investment plans of bodies against which an aid recovery order is pending further to a previous decision by the Commission declaring the aid illegal and incompatible with the Common Market;

(f) the following industries and branches of economic activity, as defined on the basis of the ‘National Nomenclature of Economic Activities – Activity Code Numbers 2008’, as amended by POL 1086/2009, viz.:

- 35.11.10.09 – Production of electricity from photovoltaic systems

- 41 – Construction of buildings
- 42 - Civil engineering, with the exception of the construction of coastal and port works and construction works for coastal and port structures
- 43 - Specialised construction activities
- 45 - Wholesale and retail trade and repair of motor vehicles and motorcycles
- 46 - Wholesale trade, except motor vehicles and motorcycles
- 47 - Retail trade, except motor vehicles and motorcycles
- 56 - Food and beverage service activities
- 60 - Programming and broadcasting activities
- 64 - Financial service activities
- 65 - Insurance, reinsurance and pension funding, except compulsory social security
- 66 - Activities auxiliary to financial services and insurance activities
- 68 - Real estate activities
- 69 - Legal and accounting activities
- 70 - Head office activities, consultancy service activities
- 71 - Architectural and engineering activities and activities by engineers – technical testing and analysis
- 73 - Advertising and market research
- 75 – Veterinary activities
- 77 - Rental and leasing activities
- 78 – Employment activities
- 79 - Activities of travel agencies, tour organisers and travel

reservation services and related activities

- 80 - Security and investigation activities
- 81 – Provision of services to buildings and outdoor spaces
- 84 - Public administration and defence – compulsory social security
- 85 - Education
- 86 - Human health activities
- 88 - Social work activities without accommodation
- 90 - Creative activities, arts and entertainment
- 92 - Gambling and betting activities
- 93 - Sporting activities and recreational and leisure activities
- 94 - Organisations [membership] activities
- 96 - Other personal service activities
- 97 - Activities of households as employers of domestic personnel
- 98 - Private households activities concerning the production of non distinct goods- and services- for own use
- 99 - Activities of extraterritorial organisations and bodies

(g) investments to:

(g)a establish, extend or modernise hotel facilities. This does not include investments to establish, extend or modernise an integrated form of hotel facility belonging to or being upgraded to at least the three-star category, or investments in health tourism. Also excluded are investments to convert traditional or

listed buildings into hotel facilities of at least the three-star category, and investments to modernise hotel facilities that operate in traditional or listed buildings belonging to or being upgraded to at least the three-star category;

(g)b modernise an integrated form of hotel facility within six years of the date on which the facility opened or the date on which the decision was issued to complete an investment to modernise the facility.

The six-year period from when the facility referred to in this subparagraph opened shall also include the period during which the facility operated as rented rooms or apartments, when it is about hotel facilities that resulted from the obligatory conversion of a rented rooms or apartments facility;

(g)c erect, extend or modernise self-catering accommodation, rented rooms and rented furnished apartments, regardless of category.

4. Other sectors and branches of economic activity may come within the aid scheme or be excluded therefrom or be subject to limitations under a decision issued by the Minister for the Economy, Competitiveness & Shipping, taking account of EU legislation.

5. Types of investment plans in the fishing and aquaculture

industry, as defined in the Guidelines for the examination of State aid [to fisheries and aquaculture] (2008/C84/06 of 3 April 2008) and in the agricultural sector, as defined in the Community Guidelines for the examination of State aid in the agriculture and forestry sector (2006/C19/01 of 27 December 2006) may be declared eligible by joint decision of the Minister for the Economy, Competitiveness & Shipping and the Minister for Rural Development & and Food.

The above decision shall set out the specifications, the additional terms, the legal form of the recipient firms, the restrictions, preconditions and any other matters pertaining to the provision of aid to investment plans in those sectors, in accordance with the relevant EU legislation on State aid .

6. Specific regulations may be enacted by decision of the Minister for the Economy, Competitiveness & Shipping and the relevant jointly competent minister on aid for investment plans in sectors or industries of Economy, for which special rules on State aid have been or will be laid down through legislative acts of the European Union.

Specifications, additional terms, restrictions, preconditions and any relevant matter concerning the application of aid to the investment plans referred to in the present paragraph shall be stipulated in the above decision, in accordance with EU law on State aid in those sectors.



### Article 3

#### Subsidised expenditure

1. The investment plans which come under the provisions of the present law in application of the Block Exemption Regulation shall receive aid for the following expenditure:

(a) Tangible assets, such as:

(a)a The construction, extension and modernisation of buildings or special or auxiliary facilities and the cost of landscaping the surrounding area. These costs shall not exceed 40% of the total eligible expenditure of the investment plan;

(a)b The purchase of fixed assets directly connected to a production unit, provided that the following conditions cumulatively exist:

- this unit has ceased operation,
- it is acquired by an independent investor,
- the transaction in question is conducted on standard market terms,
- aid already granted prior to the purchase is deducted;

(a)c The purchase and installation of modern new machinery and other equipment;

(a)d Leasing instalments for modern new machinery and other

equipment the use of which is acquired, provided that the leasing agreement includes the obligation to purchase it on its expiry.

(b) Intangible assets, such as the cost of quality assurance and control systems, certification and the supply and installation of software and business systems and expenditure connected with the transfer of technology through the purchase of intellectual property rights, user licences, patents, know-how and unregistered technical knowledge etc.

Intangible assets must be depreciable assets used solely for the subsidised investment and shall be acquired by third parties on market terms.

They must also be integrated into the enterprise's assets and remain in the facilities of the enterprise in receipt of regional aid for a period of at least five (5) years.

The cost of subsidised intangible assets shall not exceed fifty per cent (50%) of the total eligible expenditure of the investment plan.

(c) Research, development and innovation projects and programmes relating to the enterprise's business and products implemented by the enterprise either on its own or in collaboration with research foundations and agencies and advanced and higher education establishments in Greece or the EU.

2. The following expenditure shall not be subsidised, without prejudice to Article 13(2):

- (a) The enterprise's operating costs;
- (b) The purchase of passenger vehicles with up to six (6) seats;
- (c) Means of transport and transport equipment for investment plans in the transport sector;
- (d) The purchase of office furniture and fittings;
- (e) Exports and the establishment or operation of a distribution network in accordance with Article 1(2)(a) of the General Block Exemption Regulation;
- (f) The purchase of plots of land, grounds and fields. Where building facilities are purchased, the part of the expenditure corresponding to the value of the plot of land on which they stand shall not be subsidised;
- (g) The contribution to the share capital of the value of machinery and other fixed assets;
- (h) The erection or extension of building facilities on a plot of land which does not belong to the investment vehicle, unless it

has been made over by the state or by a semi-public body or has been leased for this purpose for a period of at least fifteen (15) years. The fifteen-year term of the lease shall commence on the date on which the decision approving the investment is issued. The leases provided for under this provision may also be drafted in a private deed. The signatures on the document shall be witnessed by an official of the public finance office to which it is submitted. Once it has been submitted, the document containing the lease shall be entered in the local Land Register. Once registered, the lease shall be valid as specified in Article 618 of the Civil Code;

(i) Consultants' reports and fees. By way of exception, this expenditure shall be subsidised for the investment plans of new small and medium-sized enterprises up to 5% of the cost of the investment plan, capped at the sum of EUR 50 000.

3. The word "new", for the purposes of this law, is applied to businesses which, at the time they apply to join the aid scheme, have not completed the start-up process, and businesses which have been set up within twenty four (24) months of the year of application.

4. The conditions for subsidising expenditure under subparagraphs 1(b) and 1(c) of the present Article shall be laid down by decision of the Minister for the Economy,

Competitiveness and Shipping, with due regard for EU law. The Minister may also issue a decision specifying subsidised expenditure by type of investment and laying down the conditions for or restrictions on subsidised expenditure and the limits on total investment costs by type of investment plan.

#### **Article 4**

##### **Types of aid**

1. The following types of aid shall be granted to investment plans subject to the provisions of the present law:

(a) Tax relief comprising exemption from payment of income tax on pre-tax profits, which result, according to tax law, from all the enterprise's activities. The amount of tax relief is calculated as a percentage of the value of the subsidised expenditure of the project or the value of the new machinery and other equipment acquired by leasing and constitutes an equivalent untaxed reserve.

(b) A grant comprising a free payment by the State of a sum of money to cover part of the subsidised expenditure of the investment plan and calculated as a percentage of that expenditure.

(c) A leasing subsidy comprising payment by the State of part of the instalments paid under a leasing agreement executed in order to acquire new machinery and other equipment and

calculated as a percentage of the purchase price and included in the instalments paid. The leasing subsidy shall be granted for no longer than seven (7) years.

2. The aid referred to in the previous paragraph shall be aggregated for the purpose of determining the total amount of aid allocated to the investment project.

3. All the above forms of aid may be granted individually or in combination, up to the maximum rate quoted in the table in Article 5(5) herein.

4. The part of investment plans subject to the provisions of the present law with respect to the amount to be covered by a bank loan may be funded by soft loans from credit institutions which cooperate with the Credit Guarantee Fund for Small and Micro Enterprises (TEMPME A.E.)

In such case the gain from the above financing shall be included in the total aid rate, which shall not exceed the limits in the Regional State Aid Map.

## **Article 5**

### **Aid rates**

1. In order to set the regional aid rates:

(a) The country shall be divided into three incentive zones (A, B, C), on the basis of the level of growth compared with the

national average, viz.

Incentive zone A, which shall include the Prefecture of Attica and the Prefecture of Viotia.

Incentive zone B, which shall include the prefectures in which the per capita GDP is greater than 75% of the national average.

Incentive zone C, which shall include the prefectures in which the per capita GDP is less than 75% of the national average, the region of Eastern Macedonia and Thrace, the islands in the regions of the North and South Aegean and the Ionian Islands, the islands belonging administratively to prefectures of the mainland, and the border prefectures of Greece.

(b) Undertakings shall be divided into large, medium-sized, small and micro enterprises in accordance with the relevant EU classification (Commission Regulation (EC) No 800/2008 of 6 August 2008, Annex I, OJ L 214 of 9 August 2008, p. 38).

2. The percentage of aid for each investment plan shall depend on the size of the investment body and the prefecture in which it is implemented, but shall not exceed 50% of the subsidised cost of the investment plan. The aid percentages have been defined, for the initial application of the present law, on the basis of the per capita gross domestic product (GDP) of each prefecture in 2007, compared with the average per capita GDP of Greece in that year.

3. In particular, the aid rates for each incentive zone are as follows:

(a) In zone A: 15% for large enterprises, 20% for medium-sized enterprises and 25% for small and micro enterprises.

(b) In zone B: 30% for large enterprises, 35% for medium-sized enterprises and 40% for small and micro enterprises.

(c) In zone C: 40% for large enterprises, 45% for medium-sized enterprises and 50% for small and micro enterprises.

4. The limits laid down in the Regional State Aid Map 2007-2013 approved by the European Commission (2006/C 286/04 of 23 November 2006) shall also be complied with in all instances. The maximum rates for zones A, B and C shall be subject to the limits in the Regional State Aid Map and, if a prefecture is entitled on the basis of all three zones to a higher percentage of aid in one category (large, medium-sized, small enterprise) than that permitted in the Regional State Aid Map, as amended, then the aid shall be capped at the limits adopted in the map.

5. The aid rates for each prefecture and size of enterprise, on the basis of the above criteria, are as follows:



Region	Prefecture	per capita GDP 2007 (national average = 100)	Zone	Limits in appro ved RSA M	Percentage of aid		
					Large enterpri ses	Medium -sized enterpris es	Small and micro enterpris es
South Aegean	Cyclades	114.66	C	15%	15%	25%	35%
	Dodecanese	102.69	C	15%	15%	25%	35%
Stereia Ellada	Fthiotida	84.05	B	15%	15%	25%	35%
	Fokida	75.54	B	20%	20%	30%	40%
	Evia	81.79	B	15%	15%	25%	35%
	Viotia	148.17	A	15%	15%	20%	25%
	Euritania	53.45	C	20%	20%	30%	40%
Central Macedonia	Thessalonik i	85.56	B	30%	30%	35%	40%
	Halkidiki	78.66	B	30%	30%	35%	40%
	Kilki	79.31	C	30%	30%	40%	50%
	Pella	64.66	C	30%	30%	40%	50%
	Imathia	71.55	C	30%	30%	40%	50%
	Pieria	64.44	C	30%	30%	40%	50%
	Serres	56.47	C	30%	30%	40%	50%
Western	Grevena	64.44	C	30%	30%	40%	50%

Macedonia							
	Kozani	92.78	B	30%	30%	35%	40%
	Florina	73.60	C	30%	30%	40%	50%
	Kastoria	68.00	C	30%	30%	40%	50%
Attica	Attica	134.48	A	20%	15%	20%	25%
Thessalia	Larissa	76.51	B	30%	30%	35%	40%
	Magnissia	87.72	B	30%	30%	35%	40%
	Karditsa	54.42	C	30%	30%	40%	50%
	Trikala	61.75	C	30%	30%	40%	50%
Ionia	Corfu	74.78	C	30%	30%	40%	50%
	Lefkada	74.68	C	30%	30%	40%	50%
	Kefallinia	91.16	C	30%	30%	40%	50%
	Zakynthos	101.62	C	30%	30%	40%	50%
Crete	Heraklion	92.67	B	30%	30%	35%	40%
	Hania	91.70	B	30%	30%	35%	40%
	Lassithi	94.61	B	30%	30%	35%	40%
	Rethymnon	82.22	B	30%	30%	35%	40%
Peloponnese	Lakonia	65.63	C	30%	30%	40%	50%
	Messinia	67.67	C	30%	30%	40%	50%
	Korinthia	106.36	B	30%	30%	35%	40%
	Arkadia	98.06	B	30%	30%	35%	40%

	Argolida	78.99	B	30%	30%	35%	40%
North Aegean	Mytilene	71.88	C	30%	30%	40%	50%
	Chios	85.45	C	30%	30%	40%	50%
	Samos	72.95	C	30%	30%	40%	50%
Eastern Macedonia/Thrace	Kavala	76.19	C	40%	40%	45%	50%
	Xanthi	64.98	C	40%	40%	45%	50%
	Rodopi	57.54	C	40%	40%	45%	50%
	Drama	63.15	C	40%	40%	45%	50%
	Evros	69.18	C	40%	40%	45%	50%
Ipiros	Ioannina	78.66	C	40%	40%	45%	50%
	Arta	61.64	C	40%	40%	45%	50%
	Preveza	71.23	C	40%	40%	45%	50%
	Threspotia	75.22	C	40%	40%	45%	50%
Western Greece	Achaia	77.48	B	40%	30%	35%	40%
	Etolo-Akarnania	60.24	C	40%	40%	45%	50%
	Ileia	52.26	C	40%	40%	45%	50%

6. The aid rates may be amended by decision of the Minister for

**Μεταφραστική Υπηρεσία Υπουργείου Εξωτερικών, Αθήνα**

Service des Traductions du Ministère des Affaires Etrangères de la République Hellénique, Athènes.  
Hellenic Republic, Ministry of Foreign Affairs, Translations Service, Athens.

the Economy, Competitiveness & Shipping, on the basis of differences between each prefecture's GDP and the criteria and restrictions set out above. The Minister may also issue a decision amending the maximum aid rates on the basis of the Regional State Aid Map approved by the European Commission applicable at the time.

7. Without prejudice to paragraph 4 above, aid granted under the present law shall not be cumulated with any other State aid within the meaning of Article 107(1) of the EU Treaty or de minimis aid which satisfies the requirements of Regulation (EC) No 1998/2006 (OJ L 379 of 28 December 2006) or any other Community or national financing in connection with the same eligible expenditure which overlaps in full or in part. By way of exception, aid under the present law may be cumulated with specific other schemes, by decision of the Minister for the Economy, Competitiveness & Shipping, provided that the said cumulation does not cause the aid intensity to exceed the aid intensity based on the General Block Exemption Regulation. The said ministerial decision shall also stipulate the terms, limitations, requirements and method of verification of such cumulation.

8. The aid granted to each body under the present law, including the aid granted to partner or linked enterprises, as defined in the Annex to Commission Regulation (EC) No 800/2008 of 6

August 2008, shall not together exceed a limit of EUR ten million (10 000 000) over a four-year period for a single enterprise or EUR fifteen million (15 000 000) for all the partner or linked enterprises, for investment plans implemented within the same region. Especially for the "General Entrepreneurship" category of investment projects, the above amounts are doubled.

9. Investment plans in the transport sector and those costing over EUR twenty million (20 000 000) shall not be entitled to the enhanced aid rate granted to small and medium-sized enterprises.

10. Such aid is not linked to the preferential use of domestic over imported goods.

11. Large investment plans shall be granted aid in accordance with Article 3(b), (c) and (d).

12. By way of exception to the maximum rate referred to in paragraph 2 above, the investment projects of enterprises established in Industrial Enterprise Areas and Innovation Zones shall be granted an aid rate of five (5) additional percentage points above the rates shown in the table in paragraph 5, up to the maximum limits laid down in the Regional State Aid Map.

13. Investment plans carried out in the islands and the regional units of islands belonging administratively to the regions of mainland Greece shall be granted the maximum aid rates laid down in the Regional Aid Map, according to the size of the enterprise and up to 50% of the subsidised cost of the investment.

## **Article 6**

### **General investment plans - aid scheme**

General investment plans shall be divided into the following categories:

(a) General entrepreneurship: all investment plans which qualify for aid under the provisions of the present law, but which do not come under any other category in the present paragraph or qualify as a special investment plan in accordance with Article 13 herein.

This category shall be granted aid in the form of tax relief at the rate quoted in the table in Article 5(5), in accordance with the provisions of Article 12(2) herein.

(b) Technological Development: this category comprises investment plans intended for the technological modernisation of enterprises through the use of technological and operational innovations, such as quality assurance and control systems, certification, energy-saving technology, research and development projects and programmes and deployment of

specialist scientific and research personnel.

This category shall be granted aid in the form of grants and leasing subsidies (80% of the amount shown in the table in Article 5(5) for existing enterprises and 90% for new enterprises). The remaining percentage up to the limit quoted in the table shall be made up by aid in the form of tax relief.

(c) Regional cohesion: investment plans for productive activities which make use of local competitive advantages, address local needs and regional problems with environmentally-viable technological applications, introduce energy-saving and water resource-based technologies and promote environmentally-friendly restructuring and development of regions of economic activity.

This category shall be paid grants and/or leasing subsidies (70% of the amount shown in the table in Article 5(5) for existing enterprises and 80% for new enterprises). The remaining percentage up to the limit quoted in the table shall be made up by aid in the form of tax relief.

## **Article 7**

### **Annual aid planning**

1. The Minister for Finance and the Minister for the Economy, Competitiveness & Shipping shall issue a decision in December of each year stipulating the total grants and total leasing subsidies for each category of the investment plans referred to

in Article 6(b) and (c) herein for the two semesters of the following year.

2. The Minister for the Economy, Competitiveness & Shipping shall issue a decision in December of each year stipulating the types of business activities that qualify for the categories referred to in Article 6(b) and (c) herein, the distribution of aid between the regions and any other necessary details. The resources disbursed for enterprise activities in the Regional Cohesion category shall be distributed annually in the regions so as to give more support to those areas with the greatest structural and development problems.

3. The total aid granted in the form of tax relief for the two semesters of the following year for the investment plans referred to in Article 6 herein is hereby set at three times the total budget of the grants and leasing subsidies set for each year.

## **Article 8**

Investment Plans Acceptance requirements

### **1. Timing of Submission of aid applications**

Applications for aid for investment plans under the present law must be submitted in April and October, with the exception of large investment plans, which may be submitted at any time.



2. Start date for implementation of investment plans - Nature of Incentive

(a) Implementation of the investment plan shall start on publication of the decision approving the aid in the Government Gazette.

Implementation of the investment plan may start prior to publication of the decision approving the aid in the Government Gazette, at the investor's sole responsibility, following submission of an aid application to the competent departments, so that it can be documented that the aid applied for is an incentive to implement the investment plan. If implementation of the investment plan starts before the above application is filed, the entire investment plan shall be rejected.

(b) Large enterprises must also submit, with their application, documents substantiating the incentive nature of the aid sought for their investment plans, based on one or more of the following criteria:

(b)a material increase in the size of their investment plan or activity as a result of the aid;

(b)b material increase in the scope of their investment plan or activity as a result of the aid;

(b)c material increase in the overall sum being spent by the

beneficiary on the investment plan or activity as a result of the aid;

(b)d material decrease in the time needed to complete the investment plan or activity in question as a result of the aid;

(b)e the investment plan per se would not have been implemented in the assisted region in question without the aid.

### 3. Contents of investment plans

Investment plans for which regional aid is granted in accordance with the provisions of the present law must relate to the creation of a new unit or the extension of an existing unit or diversification of production in a unit to new, additional products or a fundamental change to the overall production process of an existing unit. In addition, investment plans shall safeguard disabled access to the degree to which such access is feasible, given the type of investment plan, in accordance with the specifications laid down by joint decision of the Minister for the Economy, Competitiveness and Shipping and the Minister for Health & Social Solidarity.

### 4. Minimum value of investment

(a) The minimum value required in order for an investment plan to be approved for aid under the present law shall be stipulated,

depending on the size of the body, in accordance with the relevant EU classification [(Commission Regulation (EC) No 800/2008 of 6 August 2008, Annex I)] as follows:

- for large enterprises: EUR one million (1 000 000);
- for medium-sized enterprises: EUR five hundred thousand (500 000);
- for small enterprises: EUR three hundred thousand (300 000);
- for micro enterprises: EUR two hundred thousand (200 000);

Especially for the "General Entrepreneurship" category of investment projects the minimum value of investment shall be half the above amounts in each case.

(b) The minimum values stipulated in the present paragraph may be adjusted and different minimum values for subsidised investments for certain branches of activity or for areas with growth and employment problems may be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping.

#### 5. Legal form of aided enterprises

(a) The aid scheme under the present law is intended for enterprises established in the territory of the Hellenic Republic in the form of:

(a)a Sole proprietorships

(a)b Commercial companies

(a)c Cooperatives.

(b) Companies in formation may apply for aid under the present law, provided that they have been formed within the time limit set in the decision approving the aid and, in any event, before any aid is paid.

(c) Enterprises whose investment plans fall within the provisions of the present law shall, from the start of the investment, keep category B or C books provided for by the Code of Books and Records

(d) Enterprises whose investment plans in excess of EUR three hundred thousand (300 000) are approved for the investment scheme under the present law must be trading in the form of a commercial company or cooperative or obtain such legal form within the time limit set in the decision approving the aid and, in any event, before any aid is paid.

#### 6. Investor's own contribution

(a) The percentage of the investor's own contribution to investments which qualify for capital grant shall be no less than twenty-five per cent (25%) of the eligible expenditure.

(b) The percentage of the own contribution to the investment

approved in the decision awarding the aid cannot be reduced once the decision has been issued.

(c) For investments included in the tax relief scheme, the beneficiary must contribute at least twenty-five percent (25%) of the investment costs, either through equity or through external financing, provided that tranche does not contain any state aid.

(d) The terms, conditions, composition and method of calculation of the investor's own contribution, depending on the legal form of the investment vehicle and type of aid and the investor's obligations in terms of the own contribution shall be stipulated by presidential decree issued on a proposal from the Minister for the Economy, Competitiveness & Shipping.

(e) The penalties provided for in Article 14 herein shall apply in the event of infringement of the obligation to maintain the reserves which constitute the own contribution in accordance with the provisions of the presidential decree referred to in the previous subparagraph.

#### 7. Terms, conditions and restrictions for investment loans

If the investment plan put forward for aid includes provision for the use of a loan, the said loan must:

- (a) have a term of at least four years;
- (b) take the form of a bank loan or a loan from some other financial organisation or a debenture loan issued with or without a public offering; it cannot take the form of an open account;
- (c) be obtained in order to implement the investment plan, as expressly stated in the loan agreement and
- (d) have been approved by the lending bank or financial organisation on the date of submission of the application for aid hereunder. The relevant letter of approval must state the terms on which the loan has been granted (specifically the amount, the term, the purpose, the interest rate, the period of grace and collateral) and must be included in the file submitted with the application for aid.

The investment loan may also be obtained in foreign currency.

#### 8. Additional terms and conditions

Additional terms and conditions governing the approval or rejection of investment plans in certain sectors of activity or for certain geographical areas may be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping and the jointly competent minister.

### **Article 9**

#### Assessment criteria

1. Every investment plan shall be evaluated in accordance with

the following criteria and shall be rejected if it fails to satisfy them:

(a) Compliance of the application for aid and the investment plan with the terms and conditions of the present law and the regulatory decisions issued in application hereof;

(b) Solvency of the investment vehicle, which is ascertained on the basis of the following:

(b)a The fact that it has no outstanding tax or social security liabilities;

(b)b The fact that it has not been disqualified under previous development laws or Community programmes over the last ten years;

(b)c Confirmation that it has not been declared bankrupt or filed for bankruptcy and

(b)d Confirmation that it has not been placed in administration or filed to be placed in administration;

(c) The ability of the investment body to provide equity to cover its own contribution to the investment, as substantiated from the value of its deposits or the value of its movable assets or from

its most recent financial statements available.

2. Applications for aid shall be filed both electronically and in hard copy, by the deadline referred to in Article 8(1) and shall be accompanied by a receipt from a Public Finance Office in proof of payment of a fee set by decision of the Minister for the Economy, Competitiveness & Shipping, depending on the cost of the investment plan.

3. The Minister for the Economy, Competitiveness and Shipping shall issue a decision stipulating the supporting documentation and technical and financial data which must accompany aid applications and the specific content thereof.

4. Applications which are not accompanied by all the supporting documentation required by the deadline set for this purpose shall not be examined and shall be rejected in a reasoned decision by the competent body in accordance with the provisions of the presidential decree referred to in Article 11(5) herein. The fee paid in accordance with paragraph (2) above shall not be refunded.

5(a) The same body may not file an application for aid with more than one department for investments relating to the same production unit or for investments which are basically the same, but which appear to differ either in terms of cost or in terms of



the individual investment projects proposed.

Companies whose multiannual business plan has been approved for aid under the provisions of the present law or under Law 3299/2004 or Law 2601/1998 may not file an application with any department for aid for an investment relating to the goods or services covered by the business plan during the period of implementation thereof.

(c) If they file more than one application for aid or if an application for aid is filed for all or part of an investment which has already been approved for aid under the present law or under Law 3299/2004 or Law 2601/1998, the application shall not be examined; it shall be archived by the relevant department by a reasoned decision of the head of department in accordance with the provisions of Article 11(5) of the present law and the fee paid for the application in accordance with paragraph 2 above shall not be refunded.

## **Article 10**

### **Evaluation criteria**

1. Every investment plan that satisfies the requirements of Article 9 of the present law shall be evaluated and graded on the basis of the following criteria:

(a) Investment body evaluation criteria

(a)a. Characteristics of the body (legal form, number of employees).

(a)b Experience of the shareholders and administration (holding of shareholders and executives in a business entity).

(a)c Experience of the company (period of actual trading on the market).

(a)d Professional specialism of human resources following implementation of the investment (documented professional background).

(a)e Own contribution to the total cost or subsidised cost of the investment plan (percentage of own contribution).

(b) Criteria relating to the viability and performance of the investment plan and the investment body.

(b)a Financial analysis of the investment (investment inputs and outputs/internal rate of return).

(b)b Financial analysis of the vehicle (loan repayment indicator, profitability indicator and efficiency indicator).

(b)c Prospects for the industry (growing, stagnant, declining).

(c) Criteria relating to technological development, innovation and new products and services.

(c)a Application of advanced technology and innovation (expenditure on know-how, research and development, product design and marketing, quality assurance and control systems,

certification and patenting).

(c)b Development of new products and activities.

(c)c Application of clean technologies and waste management.

(c)d Amount of added value.

(d) Criteria relating to the contribution of the investment to the economy and to regional development

(d)a Increase in employment, especially the creation of new permanent employment jobs following the implementation of the investment.

(d)b Location of the investment.

(d)c Contribution of the investment to environmental protection and savings in terms of energy and natural resources.

(d)d Competitiveness of the goods and services on the international market, especially the company's export performance.

(d)e Value of the investment plan and source of equity.

(d)f Creation of partnerships/networking (clusters).

2. Individual evaluation factors, grades and their weightings and the minimum score that the investment plan must achieve in order to be included in the tables referred to in the next paragraph shall be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping.

3. Tables for each category of investment plans shall be

prepared on the basis of the grades awarded in accordance with the present article, in which the investment plans evaluated are entered in descending order, with the exception of large investment plans, which shall be evaluated separately. Tables shall be prepared by region for regional cohesion investment plans. The investment plans submitted shall be included in the aid scheme in the order in which they appear in the table, until all the aid has been appropriated.

## **Article 11**

### **Investment plan evaluation, approval and implementation monitoring procedure**

1. The Applications for aid for investment plans under the provisions of the present law shall be filed as follows:

(a) Applications for aid for the following investment plans shall be filed with the Directorate General for Private Investments of the Ministry for the Economy, Competitiveness & Shipping:

(a)a General Entrepreneurship investment plans as referred to in Article 6(a) herein to be implemented throughout the country, with the exception of the regions of Eastern Macedonia & Thrace, Central Macedonia and Western Macedonia;

(a)b Technological Development investment plans as referred to in Article 6(b) herein to be implemented throughout the country,

with the exception of the regions of Eastern Macedonia & Thrace, Central Macedonia and Western Macedonia;

(a)c Regional Cohesion investment plans as referred to in Article 6(c) herein costing over EUR three million (3 000 000), to be implemented throughout the country with the exception of the regions of Eastern Macedonia & Thrace, Central Macedonia and Western Macedonia.

(b) Applications for the General Entrepreneurship and Regional Cohesion investment plans referred to in Article 6(a) and (c) herein costing over EUR three million (3 000 000), to be implemented in the regions of Eastern Macedonia & Thrace, Central Macedonia and Western Macedonia, shall be filed with the Business Development Unit of the Ministry for the Economy, Competitiveness & Shipping based in Thessaloniki. The same goes for applications for the Technological Development investment plans referred to in Article 6(b) herein, to be implemented in the regions of Eastern Macedonia & Thrace, Central Macedonia and Western Macedonia.

(c). Applications for regional cohesion investment plans costing up to EUR three million (3 000 000), to be implemented within the limits of each region, shall be filed with the Regional Planning & Development Directorates. In particular, applications for aid for investments costing up to EUR three

million (3,000,000) to be implemented in the Prefecture of the Dodecanese shall be filed with the Dodecanese Regional Development Bureau of the Region of the South Aegean.

Applications for investment plans to be implemented within the limits of more than one of the above regions shall be filed with the Directorate General for Private Investments of the Ministry of Economic Affairs, Competitiveness & Shipping, irrespective of the cost of the investment, subject to the provisions of subparagraph (b) above.

2. The limits stipulated in subparagraphs (a), (b) and (c) above may be adjusted by decision of the Minister for the Economy, Competitiveness & Shipping.

3. Applications for amendments to decisions awarding aid, for completion and certification of commissioning of the investment, for extension of time limit of completion and for transfer of the enterprise shall be filed with the same above departments.

4. Investment plans shall come under the provisions of the present law on the basis of their grades, until the entire budget of each aid scheme and for each six-month period has been appropriated, as follows: The decisions on inclusion shall be issued as follows:

(a) By the Minister for the Economy, Competitiveness & Shipping, for investment plans filed with the Directorate General for Private Investments;

(b) By the Deputy Minister for the Economy, Competitiveness & Shipping for investment plans filed with the Business Development Unit of the Ministry for the Economy, Competitiveness & Shipping based in Thessaloniki;

(c) By the Regional Directors, for investment plans filed with the corresponding Regional Directorates for Planning & Development.

5. The following matters shall be regulated by presidential decree, issued on a proposal from the Ministry of the Interior, Decentralisation & e-Government, the Minister for Finance and the Minister for the Economy, Competitiveness & Shipping:

(a) The procedure for the submission, evaluation and approval of applications and other stages in the implementation of investment plans, so as to safeguard the objectivity and transparency of administrative actions, the content of individual administrative acts approving or amending or rejecting plans (a summary of which shall be published in the Government Gazette);

- (b) The position, qualifications and method of selection of evaluators;
- (c) How and when objections can be filed and the procedure for doing so and the procedure and bodies responsible for examining them;
- (d) The deadline for implementing investment plans, the preconditions to and the maximum possible limit on extensions and when and under what conditions completion and commissioning of the investment must be certified;
- (e) The investment plan implementation monitoring agencies and monitoring methods;
- (f) The composition of the audit bodies, the position and qualifications of their members and their selection criteria;
- (g) The method to be used to develop the IT system to support procedures for the submission of applications, the evaluation of investment plans and the monitoring of the implementation of investment plans and for subsidised investments to honour their obligations;
- (h) The establishment of an Investor Service Office in each



department with which applications are filed and their powers.

6. The supporting documents and audits required during all stages of implementation of the investment plan shall be stipulated by decision of the Minister of Economic Affairs, Competitiveness & Shipping.

7. The members of the bodies responsible for evaluating and examining investment plans, auditing investments and disbursing aid must submit the declaration for the verification of their assets in accordance with Law 3213/2003, as amended.

## **Article 12**

### **Payment of aid**

#### 1. Capital grant and leasing subsidy

(a) The payment method for grants and leasing subsidies and the facility to obtain an advance on or transfer grants shall be stipulated by presidential decree issued on a proposal from the Minister for the Economy, Competitiveness & Shipping.

(b) These grants and leasing subsidies shall not be deducted from the value of investment costs or leasing costs for the purpose of determining taxable profits.

#### 2. Tax relief

(a) The amount of aid in the form of tax relief shall be set every year subject to the following restrictions:

The enterprise shall have the right to benefit from the incentive from the financial year of publication of the decision certifying completion and commissioning of the investment. During that financial year, the maximum tax relief may be up to one third (1/3) of the approved amount of aid in the form of tax relief.

During the next financial year, the maximum tax relief, combined with the aid from the first year, may be up to two thirds (2/3) of the approved amount of aid in the form of tax relief.

The remaining amount of approved aid in the form of tax relief shall be covered by new enterprises within ten (10) financial years and by existing enterprises within eight (8) financial years of the financial year of publication of the decision certifying completion and commissioning of the investment.

(b) The amount of the tax relief shall be reported as an untaxed reserve in a special account in the books of the enterprise and shall be created from the income tax on net profits declared in the original income tax return (filed on time) which will not be paid because of the tax exemption granted.

(c) When equipment is acquired through leasing, the tax relief for the enterprise in each financial year shall be calculated on the basis of the part of the acquisition value of the equipment

contained in the leasing instalments paid up to the end of that financial year.

(d) The method used to apply the present paragraph and any other necessary details shall be stipulated by joint decision of the Minister for Finance and the Minister for the Economy, Competitiveness & Shipping.

3. Capital grants and leasing subsidies paid on the basis of the provisions hereof shall be funded from the Public Investment Budget, in which the relevant expenditure budgeted for each year shall be entered, and shall come from domestic sources and/or from EU funds, in accordance with the provisions of national and EU legislation as applicable.

4. The above aid paid on the basis of the provisions hereof shall be exempt from any tax, stamp duty or fee and from any other charge for the benefit of the State or a third party.

5. Up to eight per mille (8‰) of the appropriations budgeted for payment of subsidies granted hereunder, which shall be entered under the public investment budget as stipulated in paragraph 3 above, shall be used to cover the costs of investment plan evaluation, monitoring and auditing procedures and the fees of the evaluation and auditing bodies, including fees for the bodies involved in those procedures. This retention shall not apply to

EU funding.

A special project shall be entered in the public investment programme for the above purpose and credited with an amount equal to the above sum in appropriations earmarked each year under the public investment budget in order to cover investment grants and subsidies in general under the present law.

Fees for the bodies involved in the investment plan evaluation, audit and monitoring procedures shall be set in accordance with current legislation.

### **Article 13**

#### **Special investment plans - aid scheme**

1. Special investment plans are divided into the following categories:

(a) Youth entrepreneurship

This category includes investment plans filed to form and operate small and micro enterprises, over 50% of the share capital of which is held by private individuals up to the age of 24 who alone are responsible for the administration of the company.

(b) Large investment plans

This category includes investment plans costing at least EUR 50 000 000, calculated on the basis of the exchange rates that apply when the aid is approved.

(c) Integrated multi-annual business plans

This category includes investment plans filed by companies formed at least five years previously to implement integrated multi-annual (2-5 year) business plans costing at least EUR 2 000 000 in total, which include technological, administrative, organisational and business modernisation and development and the necessary training of workers, in order to achieve one or more of the following objectives, viz.:

- to improve their competitive position;
- to produce and promote brand goods and/or services;
- to verticalise production and develop integrated systems of goods, services or supplementary goods and services;
- to produce significantly improved or completely diversified goods and/or services compared with the company's existing basic goods or services.

(d). Partnerships and networking

This category includes investment plans filed by partnership and networking configurations, the aim of which is to implement programmes which either make use of the enterprises' competitive advantages or infrastructures created with national and Community financing or are designed to bring certain geographically defined production activities and services into line with the modern economic and technological environment.

These configurations shall comprise at least ten enterprises in the Region of Attica and the Thessaloniki prefecture and at least five enterprises in other prefectures, operating in the form of a consortium, which may include enterprises from other Member States of the European Union. Universities, research institutions and legal persons under private law may participate up to a rate of 20%.

The investment plans subsidised include joint operations, such as joint production facilities and equipment, quality control, storage, distribution networks, transport and product and service exhibition and sale facilities and equipment, joint trademarks and e-sales system, joint certification and quality marks, joint staff training etc.

## 2. Youth entrepreneurship aid scheme

(a) Aid is granted to investment plans in this category in application of the General Block Exemption Regulation (Article 14). The amount of aid for all investment plans filed every year shall be stipulated by decision of the Minister for Finance and the Minister for the Economy, Competitiveness & Shipping.

(b) The above aid is granted during the first five years' trading after the company's formation, up to EUR one million (1 000 000) in total if use is made of facilities and equipment let in on leasing. In all other cases, aid is capped at a total of EUR five hundred thousand (500 000). The amount granted each

year shall not exceed 33% of the total aid granted.

(c) This aid is granted for costs incurred for legal, administrative support and consultancy services relating directly to the establishment of the enterprise and for costs incurred during the first five years after establishment for:

(c)a interest on external financing at a rate which does not exceed the reference interest rate;

(c)b the costs of leasing production facilities and equipment and the costs of using technological infrastructures established with national and Community funding;

(c)c. the costs of energy, water and heating and administrative charges and taxes (other than VAT and corporation tax);

(c)d the costs of letting in on leasing production facilities and equipment;

(c)e the costs of wages, including social security contributions, provided that no other aid has been granted for them.

(d) Aid rates shall not exceed:

(d)a in regions governed by Article 107(3)(a) of the EC Treaty:

35% of the subsidised expenditure incurred during the first three years after formation of the company and 25% in the following two years.

These rates may be increased by 5% in regions in which the per capita GDP is less than 60% of the average of the EUR-25 and on small islands with a population of less than five thousand (5 000) inhabitants;

(d)b in regions governed by Article 107(3)(c) of the EC Treaty: 25% of the subsidised expenditure incurred during the first three years after the company's formation and 15% during the following two years.

(e) Small enterprises controlled by shareholders of companies which closed during the previous twelve months cannot obtain aid, insofar as they are trading on the same relevant market or on similar markets.

### 3. Large investment plan aid scheme

(a) Investment plans in this category may be considered for all types of aid referred to in Article 4 of the present law, the amount of which shall be set for all investment plans filed every year, shall be stipulated by decision of the Minister for Finance and the Minister for the Economy, Competitiveness & Shipping.



(b) The aid rate shall be determined as follows for investment plans in the above category:

(b)a for the tranche up to EUR fifty million (50 000 000), 100% of the maximum regional aid applicable shall be granted;

(b)b for the tranche which exceeds EUR fifty million (50 000 000), up to EUR one hundred million (100 000 000), 50% of the maximum regional aid applicable shall be granted;

(b)c for the tranche which exceeds EUR one hundred million (100 000 000), 30% of the maximum regional aid applicable shall be granted.

Aid granted in form of a grant or leasing subsidy shall not exceed 60% of the total aid for each investment plan.

(c) For the purpose of determining the aid rate referred to in the previous subparagraph, a large investment plan shall be considered to be a single plan where the investment is implemented within a three-year period by one or more companies and consists of fixed assets combined in an economically indivisible manner.

(d) The enhanced percentages of aid granted to small and medium-sized enterprises shall not be granted for the investment

plans referred to in the present paragraph.

(e) The investment plans referred to in this paragraph may be filed throughout the year with the Directorate General for Private Investments of the Ministry for the Economy, Competiveness & Shipping and shall be evaluated on the basis of the criteria set out in Article 10 of the present law and, provided that their overall grade exceeds the minimum grade stipulated in the regulatory decision referred to in Article 10(2) herein, they shall qualify for aid under the present paragraph until such time as all the aid set each year has been appropriated.

Article 5(8) of the present law shall not apply to the investment plans referred to in this paragraph.

Decisions approving aid for the investment plans referred to in this paragraph with a total subsidised cost in excess of EUR one hundred and fifty million (EUR 150 000 000) shall be subject to ratification by a law.

(f) Regional investment aid for large investment plans shall be notified individually to the Commission for approval where the total aid from all sources exceeds 75% of the maximum aid limit which an investment with eligible expenditure of EUR 100 000 000 could obtain in application of the current fixed aid

limit for large enterprises in the approved Regional State Aid Map on the date on which the aid is granted (decision issued). Investment aid not notified on the basis of the previous sentence shall be notified to the Commission within 20 days of the date on which it was granted, by filing the summary information required on the standard form in Annex II of the General Block Exemption Regulation via the Commission's electronic application.

(g) For each investment plan referred to in the present paragraph, the type and rates of aid granted under the restriction in subparagraph (b) herein, the procedure for granting the approved aid and any exceptions to the rates and amount of aid and special conditions depending on the type of investment concerning the period over which it must be implemented and maintained shall be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping.

#### 4. Integrated multi-annual business plan aid scheme

This category shall be granted tax relief at the rate quoted in the table in Article 5(5), in accordance with the provisions of Article 12(2) herein.

#### 5. Partnership and networking aid scheme

(a) Special schemes for specific activities under paragraph 1(d)

of the present article may be announced by decision of the Minister for the Economy, Competitiveness & Shipping.

(b) This category is granted the aid provided for under the General Block Exemption Regulation, the amount of which shall be set for all investment plans filed each year by decision of the Minister for the Economy, Competitiveness & Shipping.

6. Programmes under the special schemes for Youth Entrepreneurship, the Integrated Multi-annual Business Plan aid scheme and Partnerships and Networking shall be announced by decision of the Minister for the Economy, Competitiveness and Shipping. Such decision shall also stipulate the aid granted for such schemes, the type of aid and aid rates, the type and percentage of expenditure subsidised and any derogations needed from the provisions of the present law in terms of the legal form of enterprises, the content and minimum cost of the subsidised investment plan, the aid payment procedure, when and to which department the relevant applications must be filed, the bodies responsible for examining and approving applications and any other related details.

#### **Article 14**

#### **Obligations incumbent upon subsidised enterprises - Penalties**

1. Enterprises whose investment plans are granted aid under the

provisions of the present law must, once their investment plans have been approved and for five years or until the end of the leasing period in the case of leasing subsidies (if it is more than five years) after publication of the decision certifying completion and commissioning of the investment:

- (a) comply with the terms of the decision granting the aid;
- (b) acquire ownership of leased equipment on expiry of the leasing agreement;
- (c) not interrupt the productive activity of the investment, save in cases of force majeure caused by natural phenomena;
- (d) not stop the enterprise's operation, save in cases of force majeure due to natural phenomena;
- (e). not transfer subsidised fixed assets for any reason, unless they are replaced within six months by other assets of similar value belonging to the vehicle and used in the enterprise's productive operations, such replacement being obligatorily notified to the competent department within three (3) months. Requests to replace fixed assets cannot be approved more than twice for each subsidised investment;
- (f) maintain the investment in the area in which the aid was

granted;

(g) not let out on lease all or part of the subsidised investment without the consent of the body responsible for issuing the decision granting the aid. Approval shall always be issued subject to the condition that the enterprise continues to trade in the same production sector and the lessor remains liable for compliance with the terms of the decision granting the aid;

(h) not merge or take over or be taken over by any other company or leave the sector in which the subsidised investment is classified without the consent of the body responsible for issuing the decision granting the aid. Approval shall be issued subject to the condition that the investment continues to operate for the same productive purpose;

(i) send the competent departments data substantiating compliance with the obligations provided for under the present law and in the approval decision. These data must be sent within no more than two (2) months of the end of each year's operation of the subsidised investment, up to expiry of the aforementioned period.

If the data referred to in the present subparagraph are not sent or if inaccurate data are sent, a fine of 5% of the grant shall be imposed on the enterprise. This fine shall be collected in accordance with the Public Revenue Collection Code.

2. The procedure, supporting documents and any other details needed for the application of the present paragraph may be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping.

3. If a subsidised enterprise fails to honour its obligations prior to completion and commissioning:

(a) in the case of aid referred to in paragraph 1(d), the decision granting shall be revoked and the aid shall be repaid;

(b) in all other cases, the decision granting the aid may be revoked and the aid may be repaid or part of it may be retained or repaid;

(c) if the enterprise has made use of the incentive of tax relief, the penalty of loss of all or part of the tax benefit shall be imposed.

4. If a subsidised enterprise fails to honour its obligations during the period following publication of the decision certifying completion and certification of the investment as stipulated in paragraph 1, all or part of the aid shall be repaid and all or part of any tax not charged shall be paid or else part of the remaining amounts to which the enterprise is entitled

under the approval decision shall be deducted.

If the enterprise has made use of the incentive of tax relief, the penalty of loss of all or part of the tax benefit shall be imposed.

5. If a subsidised enterprise fails to honour its obligations under paragraph 1(b), the aid collected for the equipment in question or the tax not paid shall be repaid in full.

The same shall apply if the agreement is terminated, regardless of how, and the equipment is returned to the leasing company.

6. Any change of ownership of the investment vehicle must be reported to the competent authority.

If it is ascertained on completion of the investment that, due to a change of ownership, the investment vehicle is no longer a small or medium-sized enterprise, the percentage awarded in the decision granting the aid on the grounds of size shall be deducted.

7. If it is ascertained that false or misleading information has been submitted to the department or that information has been concealed which, if known, would have caused the investment or the programme or the business plan to be disqualified from aid under the present law or to be approved on different terms or would have prevented certification of completion:

(a) if the investment has not been completed and part of the



grant has been paid, the decision granting the aid shall be revoked and the aid paid shall be repaid or the letter of guarantee forfeited, where an advance has been granted;

(b) if the investment has been completed, all the aid paid shall be repaid.

The above consequences shall apply if the above is ascertained within ten years of the date on which a summary of the decision certifying completion and commissioning of the aid was published by bodies competent under the law for auditing the data in question.

8. The procedure for ascertaining that the above obligations have not been honoured and for imposing penalties and any other necessary details shall be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping. For the purpose of imposing full or partial repayment, which may vary from 0.5% to 30% of the aid approved, the specific circumstances in each case shall be appraised and account shall be taken, on a case-by-case basis, of criteria such as the time of infringement of the obligation, the size of the share in the enterprise, the size of the subsidised investment leased out, the value of the subsidised fixed assets transferred and the degree to which implementation and operation of the investment in accordance with the terms of the approval decision has been

rendered impossible.

9. Aid granted on the basis of this law shall be repaid in accordance with the Public Revenue Collection Code and the amounts repayable shall be enhanced by statutory interest from the date of payment thereof. Receipts for payments of aid issued by the State shall constitute proof for the purpose of debt assessment by the relevant Tax Office (DOY).

10. The grants, leasing subsidies and tax relief granted to enterprises in accordance with the provisions hereof shall be reported in an untaxed reserve account, which (reserve) may not be distributed or capitalised and shall be returned if the enterprise dissolves. If it is distributed or capitalised, the penalties provided for in the present article shall apply.

11. For the purposes of the above, the amount owed shall be paid under a special declaration by the end of the month following that in which the repayment obligation, in accordance with the above, was incurred. For the establishment, payment and control of the amount owed the provisions of Law 2523/1997 (Government Gazette 179 A) and Law 2717/1997 (Government Gazette 97 A) shall apply. The lodging of an appeal shall not suspend payment of the amount owed.

12. The form and content of the tax declaration and any other

related details shall be stipulated by decision of the Minister for Finance

13. The procedure and method for and any details relating to the revocation of the tax benefit and payment of the tax owed due to failure by subsidised enterprises to honour the above obligations shall be stipulated by joint decision of the Minister for Finance and the Minister for the Economy, Competitiveness & Shipping.

14. The evaluation procedure and criteria and the additional obligations incumbent pursuant to EU law upon the departments which grant aid and the enterprises whose investment plans were approved under the provisions of the present law and included in a co-financing scheme shall be stipulated by decision of the Minister for the Economy, Competitiveness & Shipping.

## **Article 15**

### **Annual report to Hellenic Parliament**

The Minister for the Economy, Competitiveness & Shipping shall submit an annual report to the Hellenic Parliament detailing the resources disbursed, the investments subsidised and the jobs created in each industry and region, together with the estimated impact of aid granted under the present law on growth, sectoral restructuring, eco-entrepreneurship, aid for innovation, the increase in jobs, regional convergence and the

overall attainment of Greece's development targets over the previous year.

## **Article 16**

### **Transitional provisions**

1. Enterprises the investment plans of which have been approved under the scheme in Laws 3299/2004, 2601/1998 and 1892/1990 shall continue to be governed by that scheme.

2(a) Investment plans submitted in accordance with the provisions of Law 3299/2004 shall be examined in accordance with the provisions of Law 3299/2004, provided that the amount of aid does not exceed the limits of the Regional Aid Map for 2007-2013, as in force. Otherwise the maximum limits on-a-case-by-case basis of the Regional Aid Map, as in force, shall be granted.

(b) Until the regulatory notices provided for in this Law have been adopted, the existing regulatory notices governing the bodies and procedures for evaluating and auditing investment plans submitted under Laws 3299/2004, 2601/1998 and 1892/1990 shall continue to apply.

(c) With respect to the investment plans filed with the Secretariat General of Industry of the Ministry of the Economy, Competitiveness & Shipping the regulatory decisions governing

their implementation and the procedures pertaining to the auditing, completion and payment of aid shall continue to apply.

(d). The advisory committees referred to in Article 7(15) of Law 3299/2004, as amended, shall continue to operate until examination of investment plans submitted under the provisions of Law 3299/2004 has been completed.

(e). Once the presidential decree referred to in Article 11(5) of the present law has been issued, its provisions on the procedure for inspections and the issuing of amending decisions, decisions certifying completion and commissioning and decisions on the revocation and return of aid shall be followed with respect to investments approved under earlier investment laws.

3. Enterprises which started incurring expenditure before 29 January 2010, as stipulated in Article 10 of Law 3816/2010, for the purpose of obtaining tax relief under the provisions of Law 3299/2004 to boost the implementation of their investment plans, shall be governed by the provisions of the present law.

4(a) The provisions of Law 2601/1998 on aid for private investments abroad, as referred to in Article 6 of Law 2996/2002, as amended (Greek Balkan Economic Reconstruction Plan) shall apply pending expiry of that programme.

(b) Investment plans that have been or will be approved under the provisions of the Law 2601/1998 in accordance with Article 6 of Law 2996/2002, as amended, shall be governed by the provisions of Law 2601/1998. Current regulatory notices in terms of the bodies responsible for and the procedures of evaluating and monitoring the investment plans referred to in this paragraph shall continue to apply pending publication of the regulatory notices provided for herein.

(c)(i) Matters pertaining to the date for submitting applications, the evaluation procedure and criteria, the preconditions to approval of aid, implementation and auditing and any other specific matters pertaining to the investments referred to in Article 3(2) of Law 2601/1998 under the Greek Balkan Reconstruction Plan (Law 2996/2002) may be dealt with by decision of the Minister for the Economy, Competitiveness & Shipping.

The remainder of the appropriations available for investment plans under the Greek Balkan Reconstruction Plan (Law 2996/2002) shall also be stipulated in the above decision.

(ii) The regulatory decision issued pursuant to Article 4(2) of Law 2601/1998 is hereby extended pending a new decision in accordance with subparagraph (i) above.

5. Article 6(35) of Law 2601/1998, as remained in force under

Article 12(3) of Law 3299/2004 shall also apply to the present law.

6. The joint ministerial decision no. 31054 of 12 July 2007 issued pursuant to Article 3(2)(a) of Law 3299/2004, as amended, shall continue to apply until such time as the joint decision by the Minister for the Economy, Competitiveness & Shipping and the Minister for Rural Development & Food is issued in accordance with Article 2(5) herein.

7. The following shall continue to apply:

(a) i. The regulatory decision (no. 43965 of 30 November 1994) stipulating the type and extent of integrated works to modernise hotel facilities issued pursuant to Article 2(1)(xxii) of Law 1892/1990 and maintained under the transitional provisions in Article 14(2)(e) of Law 2601/1998, as amended, and Article 12(2)(g) of Law 3299/2004 and

(b) The regulatory decision (no. 58692 of 5 August 1998) stipulating the type and extent of integrated works to modernise camp sites issued pursuant to Article 6(20)(b) of Law 2601/1998 and maintained under the transitional provision in Article 12(2)(g) of Law 3299/2004, as amended.

(c) Joint ministerial decisions stipulating the specifications for

conference centres, thalassotherapy centres, spa facilities, theme parks, golf courses and tourist training and sports centres and the relevant decisions by the former Minister for Development containing specifications for ski resorts shall continue to apply, including to the present law.

The presidential decree establishing, extending and modernising motorways shall continue to apply.

(d) The joint ministerial decision governing the terms of part payment of grants for business plans for which the former Ministry of Development and the ministerial decision on the supporting documentation required.

8. Until the presidential decree referred to in Article 12(1) herein has been issued, the following shall continue to apply:

(a) The regulatory decision referred to in Law 1892/1990 on the method of payment of grants (issued pursuant to Article 6(3) thereof and maintained under the transitional provisions of Article 14(3)(h) of Law 2601/1998 and Article 12(2)(k) of Law 3299/2004);

(b) Regulatory decision 40929 of 2 November 2005 on the method of payment of advances on grants;



(c) Decision 48116 of 19 December 2005, as in force, stipulating the supporting documentation required in order to audit investments;

9. The services of the Hellenic Organisation for SMEs and Handicrafts shall continue to monitor, audit, impose sanctions and pay aid for investments and/or equipment leasing plans approved under Laws 1262/1982, 1892/1990 and 2601/1998.

10. The departments and officers of ATE (Agricultural Bank of Greece) shall continue to monitor, audit and impose sanctions for investments approved under Law 1892/1990 or Law 1262/1982.

11. The extension to the deadline for completion of investment plans approved under the provisions of Law 3299/2004, as provided for under Article 4(1) of Law 3752/2009 and Article 13(1) of Law 3840/2010, shall apply regardless of whether the initial or extended completion deadline has passed on the date of promulgation of the said laws.

12. The remit of the Business Development Unit of the Ministry for the Economy, Competitiveness & Shipping based in Thessaloniki shall be exercised by the Directorate General of Private Investments of the Ministry for the Economy, Competitiveness & Shipping (with which applications for aid

for investment plans are filed), until such time as the Business Development Unit has been staffed and organised and is able to exercise its remit, as provided for under the provisions herein. Satisfaction of all the organisational and commissioning requirements of the Business Development Unit of the Ministry of Economic Affairs, Competitiveness & Shipping based in Thessaloniki, in terms of its remit as provided for under the provisions of the present law, shall be confirmed by decision of the Minister of Economic Affairs, Competitiveness & Shipping.

13. The possibility of extending the deadline for completion of the investment provided for in Article 5(5)(a) of Law 3299/2004, as in force, may be granted also in part.

For partial extension of the deadline for completion of the investment, the relevant request shall be submitted before the new completion deadline.

This provision applies from the date of publication of Law 3299/2004 in the Government Gazette.

14. Where an investment plan is submitted to the competent departments by 29 January 2010, and the Greek National Tourism Organisation (EOT) document provided for in regulatory decision 33017 of 25 July 2007, as in force, has been filed after the initial application, it shall be examined in

accordance with the provisions of Law 3299/2004, regardless of whether it is pending, under examination or a refusal has been issued because of failure to present the document.

15. Investment plans sent to the competent departments by post by 29 January 2010 shall be examined in accordance with the provisions of Law 3299/2004.

16. Until publication of the present law, investment plans under Article 3(1)(d)(iv) and (v) of Law 3299/2004, as specified in regulatory decision 13752 of 29 March 2006, for which either no approval decision or a refusal has been issued shall be governed by Article 3(5)(c) of Law 3299/2004, as amended by Article 25 of Law 3470/2006 (Government Gazette 132 A).

17. The twelve-month period stipulated in Article 5(3)(A)(d), second subparagraph of Law 3299/2004, as in force, shall not apply to existing companies listed on a regulated stock market. This provision covers investment projects in respect of which the examination procedure in accordance with the provisions of Law 3299/2004 has not been completed by the time the present law is published.

18. If the conditions for the commissioning of the investment in accordance with Article 8(1)(c) of Law 3299/2004, as in force, are not met, a decision on completion and commissioning of the

investment may be issued, but the penalties provided for in Article 10 of the present law shall apply.

19. Until publication of the present law, the provisions of joint decision 38508 of 31 July 2009 of the Ministers for Finance and Rural Development and Food (Government Gazette 1664 B) shall also apply to investment plans which, at the time that decision was issued, were under evaluation and for which no approval decision has been issued or a refusal has been issued on the grounds that such provisions have not been implemented.

20. For the current year the regulatory decisions provided for in Article 7 shall be issued within two (2) months of publication of the present law in the Government Gazette.

#### **Article 17**

Article 30(11) of the Price Control Code (Legislative Decree 135/1946), as replaced by Article 1(1) of Law 3668/2008 revising the penalty provisions of Legislative Decree 136/1946 on the Price Control Code and other provisions (Government Gazette 115 A), shall be replaced as follows:

«11(a) Any shopkeeper, industrialist, service station operator, retailer and generally any trader of any kind who: (i) has false weighing / measurement instruments, as defined by ministerial decision, ii) handles weighing / measurement instruments other

than as provided by law, even if they are kept in good condition, iii) declines to weigh or measure goods or iv) sells by measurement goods that are to be sold by weight, shall be punished by an administrative fine of 0.2% of the total turnover of the last financial year period or, in the case of a new enterprise, the turnover that has taken place up until the infringement was detected. The fine may not be less than twice the minimum fine provided for in Article 30(1) or (4) of the Price Control Code. The same fine shall be imposed on any person who imports or manufactures measuring instruments other than those provided by law or alters them to operate falsely. False instruments shall be confiscated and destroyed. The bodies that carry out confiscation and destruction and all other necessary details concerning the fate of false instruments shall be stipulated by the Minister for the Economy, Competitiveness and Shipping.

(b) In service stations, the installation of an instrument or supporting instrument designed to defraud or tamper with the results of the measurements of the pumps shall be regarded as altering a measuring instrument to operate falsely. The defrauding or tampering instrument and any supporting instruments shall be confiscated and the offender shall receive an administrative fine for each affected pump equal to twice the estimated percentage difference of each pump with respect to its contribution to the total turnover of the last financial year or, in

the case of a new enterprise, the turnover that has taken place up until the infringement was detected. If it is not possible to determine the percentage difference or contribution to total annual turnover of each affected pump, then the offence is punishable by a separate administrative fine of 2% per affected pump of the total turnover for the last financial year or, in the case of a new enterprise, the turnover that has taken place up until the infringement was detected. The penalty may not be less than EUR thirty thousand (30 000) for each affected pump.

(c) The last two subparagraphs of the above paragraph (b) shall also apply to cases of interference in the wiring, connections or pipes of the pump or gauge.

(d) In the case of subparagraph (b) the criminal penalties provided for in this article shall also be imposed. At the same time, the operator's licence shall be permanently removed by decision of the licensing authority, since the offence is regarded as a serious breach of the terms of the licence as laid down in Article 17(6) of Law 3054/2002 (Government Gazette 230 A '), as amended by Law 3335/2005 (Government Gazette 95 A). For such decision to be issued, the supervisory authority shall send the case file together with an explanatory report to the licensing authority within five working days of the infringement that was ascertained. No similar business shall be allowed to operate on the same premises for six months following the date of the

decision.

Furthermore, no new licence to operate a similar business at the same premises shall be granted to a spouse or person related up to the second degree to the licensee if the premises or facilities are owned by the offender and remain in his/her ownership.

(e) Participation in the offence under paragraph (b) shall be punishable by an administrative fine of at least EUR 50 000 and up to EUR 500 000, without prejudice to the imposition of the criminal penalties provided in this Article if such participation involves the installation of the defrauding or tampering mechanism.

## **Article 18**

### **Entry into force**

Unless stated otherwise in individual provisions, the present law shall enter into force on its publication in the Government Gazette.

Athens, 31 January 2011

The President of the Republic

KAROLOS GR. PAPOULIAS

The Minister of the Interior, Decentralisation and Electronic  
Governance

JOHN RAGOUSIS

The Minister for the Economy, Competitiveness and Shipping

M. CHRYSOCHOIDIS

The Minister for Education, Lifelong Learning and Religious  
Affairs

A. DIAMANTOPOULOU

The Minister for Labour and Social Security

L.-T. KATSELI

The Minister for Justice, Transparency and Human Rights

CH. KASTANIDIS

The Minister of Finance

G. PAPAKONSTANTINOU

The Minister for the Environment, Energy and Climate Change

K. BIRBILI

The Minister for Infrastructure, Transport and Networks

D. REPPAS



The Minister for Agricultural Development and Food

K. SKANDALIDIS

The Minister for Culture and Tourism

P. GEROULANOS

The Minister for Maritime Affairs, Islands and Fisheries

JOHN DIAMANTIDIS

Validated and the Great Seal of the State was affixed thereon

Athens 1 February 2011

The Justice Minister

CH. KASTANIDIS

True translation from Greek of the attached document.

Athens 23.02.2011

G. D. Goulandris

Translator