Contents

1. PPP (Public and Private Partnerships)
2. Strategic investments procedures
3. Intra – group services establishment in Greece
4. Investment incentives law L.4399/2016
Public and Private Partnerships
Public Private Partnerships

Public Private Partnerships are long term contracts between private and public sector entities, aiming at implementing projects and delivering services.

**Private and public sector have distinct roles:**

- **Public Sector**
  - Project specifications
  - Tender procedures
  - Evaluation of private sector proposal
  - Monitoring the implementation of the project and the contract.

- **Private Sector**
  - Conduct of necessary studies
  - Construction
  - Securing financial resources
  - Facility management
  - Transfer of the project to public sector when contract expires.

• The ownership of the property remains in the Public, which also maintains a strong supervisory and regulatory role.

• Constructing quality projects while providing high quality services to citizens / end users

• Utilizing the expertise and efficiency of the private sector.

• An important tool to stimulate economic growth, leveraging private funds in development projects.
Public Private Partnerships Schemes

**Concession Projects**

- Works or services for which there is an element of commercialization and the private bodies undertake the financing, design, construction, maintenance and operation/exploitation of the project.
- The end users pay fees to the private partner for the use of the projects/services.

**Social infrastructure Projects – Availability Payments Schemes**

- Works or services, in which there is no element of commercial exploitation for the private parties.
- The public sector reimburses the private sector through annual payments (availability payments) over a long period of time, after the completion of the construction of the project, based on a payment mechanism, which is linked to the quality specifications set.

**Indicative examples:**

**Concession Projects**
- Motorways
- Airports
- Ports
- Tourist infrastructure
- Energy projects
- Waste management, industrial / agricultural waste management

**Social infrastructure Projects – Availability Payments Schemes**
- Schools, universities, student accommodation
- Hospitals
- Public housing services, police stations, fire stations
- Provision of telecommunication and computerization services
- Sports facilities
- Irrigation works
PPP Contracts
Law amendment

According to Law No. 4635/2019, all PPPs will be categorized as “strategic projects”. As a result, they will benefit from a fast-track and centralized licensing process and will be easier to implement.

- All licensing procedures of PPPs will be centralized at the level of the General Directorate for Strategic Investments.

- The building permits for PPPs will be issued directly by the General Directorate.

- If during construction there are archaeological findings, the archaeological services/Ministry of Culture will need to provide a decision about how to proceed within a maximum of three months.

- Project implementation will be systematically monitored. Both the contracting authority and the project’s sponsors will have to update the General Secretariat for Private Investments and PPPs every two months on the project’s progress. This monitoring will take place both during the construction and the operational phase.

- As part of the new law, a three-member committee will also be established for every project. Comprised of representatives of the contractor, of the public authority and of the General Secretariat for Private Investments and PPPs, it will be tasked with discussing in a structured way all issues during construction and operational period.
Institutional framework - Functional

• Legal certainty: more than 60 favorable decisions of the Hellenic Council of State, contracts approval by the Court of Audit.

• Strong competition: In 14 tenders, on average 6 expressions of interest and on average 3 bids.

Institutional framework – Innovative
First time at EU level that PPP funding was a combination of EIB funds and funds of JESSICA

AVAX SA announces that it has signed a contract with the Swedish group "Sterner Stenhus" for the sale of all the company shares "JPA SA", for the implementation of 10 school buildings in Attica through PPPs.

“The first activation of a secondary market in a PPP project in Greece.”

“Greece was classified 3rd worldwide among 135 countries in the field of “Procurement of PPPs” according to the World Bank 2018 Procuring Infrastructure Public-Private Partnerships report.”

In a recent study for the REGI Committee of the European Parliament, Greece is recognized to be leading in the blending of EU grants and private capital financing of PPP schemes
Signed PPP Contracts
14 PPP Contracts of total cost €822 mil.– Period 2009-2019

- Serres solid waste management PPP
- Western Macedonia solid waste management PPP
- Epirus solid waste management PPP
- Ilia solid waste management PPP
- Peloponnese solid waste management PPP
- Urban Transportation Telematics PPP System of Attica
- Athens Urban Transportation e-Ticket PPP
- LOT 1: Project of rural broadband networks through PPPs in rural settlements
- LOT 2: Project of rural broadband networks through PPPs in rural settlements
- LOT 3: Project of rural broadband networks through PPPs in rural settlements
- Digital recording, archiving and provision of court minutes with PPP
- PPP for 7 Fire Stations
- PPP for 14 new school buildings in the Region of Attica
- PPP for 10 new school buildings in the Region of Attica
PPP Contracts
PPP Projects Financing

- Greece, in the context of PPPs, has developed innovative ways of financing.
- The activation of the European Investment Bank, the mix of European and private resources and the exploitation of financial instrument JESSICA* are proven best practices for further exploitation.

FINANCING BLENDING - SIGNED PPP PROJECTS

TOTAL DEVELOPMENT COST € 822 mil.

EU grants € 318 mil. (39%)
Private financing € 504.4 mil. (61%)

Private financing comprises:
Equity/Long term debt € 394 mil.
EIB funds € 58 mil.
JESSICA funds (EU- EIB Infra fund) € 53 mil.
PPP Contracts
International Awards

24 Schools PPP Project
“Education Deal of the Year 2014”
by the magazine World Finance

- W. Macedonia Waste Management PPP Project
  “Waste Deal of the Year 2014”
  by the magazine World Finance &
  “Waste Partnership” Award
  by Waste & Recycling Awards 2017

- Serres Waste Management PPP project shortlisted as one of the 6 best international project in the category
  “Best Utilities Project in 2019” in Europe, Africa, Middle East for the
  “Partnerships Awards”

- Epirus Waste Management PPP project was awarded as the best infrastructure project for the year 2018
  at the 3rd Infrastructure and Transport Conference.

Broadband Network Development in White Rural Areas PPP Project
“European Broadband Award 2017” in the Category “Territorial cohesion in rural and remote areas”
by the European Commission

“Digital Opportunity Award 2018”
at the WITSA Worldwide Conference
Pictures of PPP projects

Before

Restoration of existing building converting to school in Thiseio, Athens

Before

Restoration of existing building converting to Special artistic school in Keratsini, Athens

Now

Now
Pictures of PPP projects

Western Macedonia waste management PPP – December 2015

Serres waste management PPP - November 2017

Western Macedonia waste management PPP – February 2017

Serres waste management PPP - February 2019
Pictures of PPP projects

Epirus waste management PPP – September 2017

Electronic ticket system for Athens Urban Transport

Epirus waste management PPP – February 2019

Available the OASA Telematics application for Android

“Passengers are informed on the time of transit of vehicles via the Internet and 3G applications. It has resulted in greatly facilitating the everyday life of commuters and of all citizens in general, by making transportation by bus easier and, therefore, decongesting other means of public transport and reducing the amount of cars in the centre of Athens”

The best testimonial for the project comes from the app users’ feedback:

“Perfect! If it remains so, it will be the best app... Of European standards!”

“Well done! Better late than never! At last on air and very useful!”

“Incredible application, I never imagined that I could travel from the bus. I am impressed!”

OASA Telematics system and application for Athens Urban Transport
Active PPP Pipeline

12 PPP Projects of total value €1.5 billion

- Waste management facilities in the Region of Central Macedonia
- Ultrafast Broadband
- Southwest Peloponnese road section Kalamata - Rizomylos - Pylos - Methoni.
- Precision medicine infrastructure project
- Education & culture buildings of the Academy of Athens
- 8 school units in the Municipality of Chania
- Student accommodation of the University of Crete
- 3 street lighting projects
- School buildings in the Municipality of Rhodes
- Waste management facilities in the Municipality of Rhodes
01. Waste
02. Street Lighting
03. Motorways
04. ICT
05. Accommodation
**PPP Pipeline**

**01. WASTE**

**Project description**

The Integrated Waste Management System of Rhodes Island has a capacity of 87,000 tons per year. The object of the partnership concerns the study, financing, construction, maintenance, management and operation. Total project cost is estimated at €44 million and will use both EU grants of €18.5 million as well as private capital.

**Contract duration:** 25 years  
**Construction period:** 2 years

---

**Project description**

The Integrated Waste Management System of the Western Sector of the Region of Central Macedonia has a capacity of approximately 300,000 tons per year and will serve 10 Municipalities which constitute 64% of the generated mixed waste of the Thessaloniki Regional Unit. The object of the partnership concerns the study, financing, construction, maintenance, management and operation. Total construction cost is estimated at €118 million including VAT.

**Contract duration:** 25 years  
**Construction period:** 2 years

---

More waste PPP projects are expected to be approved within 2020 including Attica region.
PPP Pipeline

02. STREETLIGHTING

1. The Streetlighting project of the Region of Epirus concerns the design, financing, construction, maintenance, operation and management of the regional road network system and road infrastructure, including specific control systems and associated projects. In addition, the proposed project includes the repair of faults and the repair of the electricity network as a whole. Total project cost is estimated at €6.6 million.
   - **Contract duration:** 11 years
   - **Construction period:** 1 year

2. The Streetlighting project of the Region of Central Macedonia concerns the replacement of 14,996 luminaries and lamps, the implementation of remote control and telemetry systems and the operation and maintenance of the street lighting network. In addition, the project includes the repair of faults and the repair of the electricity network as a whole. Total project cost is estimated at €12.4 million.
   - **Contract duration:** 11 years
   - **Construction period:** 1 year

3. The Streetlighting project of the Municipality of Athens concerns the entire existing base of lighting equipment in the public areas, such as the adaption/replacement of 45,666 old technology lighting fixtures. The Private partner will implement the necessary optimizations, upgrades, adaptations - extensions to the existing urban lighting network of the city of Athens and will operate and maintain it. Total project cost is estimated at €20.5 million.
   - **Contract duration:** 12 years
   - **Construction period:** 2 years
<table>
<thead>
<tr>
<th><strong>Southwest Peloponnese Road</strong></th>
<th><strong>Status</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under evaluation by tender committee.</td>
<td></td>
</tr>
<tr>
<td>4 bidders expressed interest for the prequalification.</td>
<td></td>
</tr>
</tbody>
</table>

### Project description

The project concerns the construction and upgrade of the **National road Kalamata - Rizomylos - Pylos - Methoni** of total length of 50km. The completion of the construction is imperative in order to improve the safety of the road infrastructure of South Peloponnese, to reduce the cost of transport and to upgrade the tourism by ensuring fast and safe travel. Total project cost is estimated at **€245.1 million**.

**Contract duration**: 26 years  
**Construction period**: 4 years

---

More motorways PPP projects are expected to be approved within 2020.
PPP Pipeline

04. ICT

Ultrafast BroadBand (UFBB) project

Status
Under evaluation by tender committee.

10 bidders expressed interest for the prequalification.

Project description

PPP project of total value €700 million blending EU Grant with private resources for more than 2.4 million citizen who will be able to connect to the internet at speeds of at least 100Mbps (upgrade to 1Gbps) by developing an extensive fiber optic network as close as possible to the final user. It is a follow on project of the Rural Broadband PPP, which has been awarded by the European Commission as “European Broadband Award 2017”.

Contract duration: 20 years
Construction period: 3 years

PPP project "ULTRAFAST BROADBAND"

Project cost €700million combining

300 million of EU grants already approved by the European Commission.
## PPP Pipeline

### 05. ACCOMMODATION

<table>
<thead>
<tr>
<th>Status</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>A’ phase (Declaration of interest) is completed</td>
<td>4 bidders expressed interest for the prequalification.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>School buildings in the Municipality of Chania</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>2</td>
</tr>
<tr>
<td>Awaiting Public Body’s decisions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>School buildings in the Municipality of Rhodes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>3</td>
</tr>
<tr>
<td>Tender document is published</td>
<td>Deadline for expression of interest: January 21, 2020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> The project refers to the design, construction, financing, maintenance and operation of <strong>8 new school units in the Municipality of Chania</strong>, in the peri-urban areas of the Municipality, due to the inadequacy of the existing school units, as well as the reconstruction of the Peace and Friendship Park in the center of the city of Chania and its unification with the Municipal Garden. Total project cost is estimated at <strong>€32.7 million</strong>.</td>
</tr>
<tr>
<td><strong>Contract duration:</strong> 25 years</td>
</tr>
<tr>
<td><strong>Construction period:</strong> 2 years</td>
</tr>
</tbody>
</table>

| **2.** The project refers to the design, construction, financing, maintenance and operation of **13 new school units in the Municipality of Rhodes** in a total area of 22000 sqm. Total project cost is estimated at **€41.7 million**. |
| **Contract duration:** 25 years |
| **Construction period:** 2 years |

| **3.** The object of the university of Crete partnership concerns the construction and technical management of the **new student halls in Rethymnon and Heraklion**, as well as the completion of the existing Rethymnon university Amphitheatre. The main objective of the project is the modernization, improvement and enhancement of available infrastructure as well as the creation of new infrastructures, focusing mainly on housing and feeding the students on both cities, due to the severe housing problem. The total investment cost is **€207 million**. |
| **Contract duration:** 27 years |
| **Construction period:** 3 years |

More school buildings are expected to be approved within 2020.
5. ACCOMMODATION

**Precision Medicine Infrastructure of the Biomedical Research Foundation of the Academy of Athens**

**Status**
Preparation of tender documents

**Project description**

1. First Public Private partnership in Greece for EBRD. It is the first project in Greece whose preparation is supported by the EBRD’s Infrastructure Project Preparation Facility (IPPF). The new facilities will house high tech laboratory infrastructure of total area 20,000 m². Total project cost is estimated at **€ 58.5 million**.

**Contract duration:** 11 years
**Construction period:** 1 years

**Education and Culture Buildings of the Academy of Athens**

**Status**
Awaiting Public Body’s decisions

2. The **Education and Culture Buildings** of the Academy of Athens concerns the construction and technical management of two buildings of the Academy of Athens of total area of 8,000 square meters namely (a) Education and Culture building (b) New Museum and Library. Total project cost is estimated at **€ 23.7 million**.

**Contract duration:** 25 years
**Construction period:** 2 years
STRATEGIC INVESTMENTS
PROCEDURES
Strategic Investments - Categories

1. Strategic Investments 1
   All sectors
   - > EUR 100 000 000 OR
   - > EUR 40 000 000 & at least 75 new Annual Work Units (AWU)

2. Strategic Investments 2
   All sectors
   - > EUR 30 000 000 & at least 50 new AWU

3. Strategic Investments 2 (within Organized Manufacturing and Business Operators)
   - > EUR 25 000 000 & at least 50 new AWU

4. Emblematic Investments
   in industry/tourism
   - > EUR 200 000 000 & at least 200 new AWU

5. Fast Track Strategic Investments
   - > EUR 20 000 000 & at least 30 new AWU

6. Automatically included Strategic Investments
   - Public and Private Partnerships (PPP)
   - Projects of Common Interest (PCI)

Emblematic Investments
by distinguished internationally-renowned legal entities
All sectors
Strategic Investments - Incentives

1. Strategic Investments 1
   - All sectors
   - Spatial development incentives
   - Tax rate stabilization
   - Fast track licensing

2. Strategic Investments 2
   - All sectors
   - Fast track licensing
   - Tax incentives
   - Expenditure grants

3. Strategic Investments 2
   - within Organized Manufacturing and Business Operators
   - Spatial development incentives
   - Tax rate stabilization
   - Fast track licensing
   - Expenditure grants

4. Emblematic Investments
   - in industry/tourism
   - Tax incentives
   - Expenditure grants

5. Fast Track Strategic Investments
   - Tax rate stabilization
   - Fast track licensing

6. Automatically included Strategic Investments

Emblematic Investments by distinguished internationally-renowned legal entities
All sectors
**Strategic Investments - Incentives**

1. **Spatial development incentives**
   - Special Plans for the Spatial Development of Strategic Investments (ΕΣΧΑΣΕ) approved by Presidential Decree (on joint land and exceptionally on separate plots).
   - For Emblematic Investments in industry sector, building to plot ratio limit is set at 0.6.
   - Possibility for expropriation or establishment of rights in rem on properties (provided that the expropriated property is not larger than 3% of the total land of the investment).

2. **Tax incentives**
   - Possibility for tax rate stabilization.
   - Possibility for tax exemption (exemption from income tax on pre-tax profits from the total business activities of the entity, after the deduction of the corporate tax on the distributed or undertaken profits), in accordance with the provisions on Regional Investment Aid of Commission Regulation 651/2014.
   - Possibility for the acceleration of the tax depreciation of the assets, in accordance with the provisions on Regional Investment Aid of Commission Regulation 651/2014.

3. **Fast Track licensing**
   - Issuance of all licenses, approvals or opinions required for the establishment or the operation of a Strategic Investment within 45 calendar days since the submission date of the investor’s dossier.
   - Issuance of building and demolition permits by the General Directorate for Strategic Investments.

4. **Expenditure grants**
   - Aid for the recruitment of disadvantaged workers and workers with disabilities in the form of wage subsidies, that cannot exceed EUR 5 million per investment plan, in accordance with the provisions of Articles 32 and 33 of Commission Regulation 651/2014.
   - Grant for R&D projects, which, combined with any other State aid, cannot exceed per investment plan
     - EUR 20 million for projects mainly related to industrial research;
     - EUR 15 million for projects mainly related to experimental development, and
     - EUR 7.5 million for feasibility studies and research activities preparation; in accordance with the provisions of Article 25 of Commission Regulation 651/2014.
1. **Application Submission to Enterprise Greece**, for the inclusion of the investment project in one of the Strategic Investments categories, stating the requested incentives. The application dossier shall include the business plan, the timetable, the budget analysis and the impact assessment of the investment.

2. **Application Evaluation and issuance of opinion by Enterprise Greece** within 45 calendar days from the application submission.

3. **Public consultation** (by electronic means) within 15 business days (ensuring the confidentiality of the investment projects).

4. **Issuance of final opinion by Enterprise Greece** (BoD decision), investor’s update and forwarding of the opinion to the General Secretariat for Private Investments and PPPs.

5. **Issuance of opinion** by the Strategic Investment Coordination Committee (SICC)

6. **Issuance of decision by the Interministerial Committee** for Strategic Investments (ICSI) within 30 calendar days since the forwarding of Enterprise Greece’s decision to the General Secretariat for Private Investments and PPPs. (The decision, which is published in the Government Gazette, defines the inclusion of the investment project in one of the Strategic Investments categories and the granted incentives.)

7. **Issuance of Ministerial Decision** (Minister of Development and Investment) regarding the specification of tax incentives and expenditure grants, when applicable.

8. **Submission of investment dossier to the General Directorate for Strategic Investments** within 45 calendar days since the publication the ICSI’s decision in the Government Gazette.

9. **Drafting of a Cooperation Memorandum** between the Investor and the Ministry of Development and Investment within 60 calendar days after the submission of investment dossier. The Memorandum includes a detailed timetable for the licensing procedure and the implementation of the strategic investment, the reciprocal benefits, as well as both parties’ obligations regarding the licensing procedure.

10. **Issuance of all required licenses** for the implementation of the Strategic Investment within 3 years since the date of the Cooperation Memorandum’s signature.
### Strategic Investments – Key points

1. **Administrative cost**
   - **Management fee:** For the evaluation of the investor’s application and dossier, a management fee is required, amounting to 0.1% of the investment’s total cost (the fee cannot be less than EUR 50 000 nor more than EUR 250 000).
   - **Fee’s payment:** The 25% of the fee is paid upon the application’s submission, while the rest 75% is paid before the ICSI’s meeting. If the investment plan is not defined as Strategic, 75% of the management fee is refunded.

2. **Residence permit and executives’ tax treatment**
   - **Visa D and a ten-year residence permit** (including family members), are permitted to be granted to a maximum of ten executives of the strategic investment.
   - **Executives, employed in the Strategic Investment who are not tax residents in Greece, are exempt from the taxation of their global income in Greece,** with respect that they are deemed to retain their tax residence abroad and are subject to Greek tax only for their income derived in Greece in a certain tax year and during the period the employment relationship lasts. (similar tax treatment applies for their spouses and dependent children, given they don’t have working activity in Greece).

3. **Deadline for the applications’ submission**
   - Applications for the inclusion into the Strategic Investments Procedure are submitted from **25 May 2019 to 31 December 2023** to Enterprise Greece.
INTRA-GROUP SERVICES ESTABLISHMENT IN GREECE
INTRAGROUP SERVICES
ESTABLISHMENT IN GREECE

Legal entities need to have a special license by the Ministry of Development and Investments, issued within 50 calendar days from the submission of the application to the Directorate of Foreign Capital. The special license (Ministerial Decision) sets the mark up to the total cost of services provided, not including income tax (cost – plus method).

Under **Law No. 3427/2005** (Ch. F), intra-group service centers can be established in Greece solely to provide **exclusively to their affiliates abroad and in Greece** the following services:

1. **Consulting services**
2. Centralization of accounting services
3. **Quality control of production**, products, procedures and service
4. **Preparation of studies**, designs and contracts
5. Advertising and **marketing services**
6. **Data processing**
7. Receipt and supply of information
8. Research and **development services**
9. **Software development**, computer programming and information system support
10. **Storage and management of files** and information
11. Supplier, customer and supply chain management excluding performance of transportation with own means,
12. Management and **training of human resources**
13. Contact center and **computer-based telephone information**

The legal entities, after they establish presence in Greece have the following obligations:
- Employment of at least 4 employees within 12 months from the issuance of the Ministerial Decision and hereafter; and
- EUR 100,000 annual operating expenses in Greece to be covered via bank remittances
INTRA-GROUP SERVICES ESTABLISHMENT IN GREECE

FINANCIAL INCENTIVES

Preconditions

The legal entities can gain financial incentives in the form of non-repayable cash grants, provided:

- they develop new activity either regarding the subject of the services provided or the companies to which the services are provided, which has not been practiced in Greece for the last 2 years preceding the date of the application submission by the same or other companies of the group.

- they create and maintain new jobs for a specific period of time, as follows:
  - a minimum of 30 new jobs for R&D centers and software development, computer programming and information system support centers,
  - a minimum of 50 new jobs for consulting services, centralized accounting services, quality control of production, products, procedures and service, preparation of studies, designs and contracts, advertising and marketing services, data processing, receipt and supply of information, storage and management of files and information, supplier, customer and supply chain management excluding performance of transportation with own means, management and training of human resources.
  - a minimum of 100 new jobs for contact centers and computer-based telephone information.

The investment incentives are provided by decision of the Minister of Development and Investments, following an application for the requested incentives submitted to the Directorate of Foreign Capital, accompanied by the supportive documents as defined by the relevant legal framework.

Approval decisions are issued in a first come, first served basis.

Cash payments are enabled upon Ministerial Decision after an administrative or on the spot audit and may not be transferred to third parties.
INTRA-GROUP SERVICES ESTABLISHMENT IN GREECE

**TYPES OF INCENTIVES**

1. **Job Creation - Wage Subsidy**
   
   In accordance with the provisions of Articles 32 and 33 of Commission Regulation 651/2014.
   
   Specifically, 50% of total wage cost for up to 100 permanent full time employees (as specified in Ministerial Decision Gov. Gazette 2633/B 28.6.2019) recruited in the first five years of operation for up to twelve 12 months following their recruitment, and up to the amount corresponding to gross salary maximum of 2,000 Euros per month.

2. **Training Programs - Subsidy**
   
   In accordance with the provisions of Article 31 of Commission Regulation 651/2014.
   
   50% of the cost for training new employees in Greece related to the new activity (programs implemented in compliance with the national obligatory vocational training standards are not included).
   
   Eligible expenses (up to a total of 500,000 Euros):
   - Trainers’ personnel costs, for the hours they participate in the training
   - Trainers’ and trainees’ travel expenses
   - Materials and supplies directly related to the training program
   - Advisory services costs related to the training program
   - Trainees’ personnel costs and general indirect costs for the hours they participate in the training program.
   
   The training programs’ aid cannot be combined with any other aid per program and cannot exceed 2 million Euros per program.

3. **CAPEX Subsidy - Wage Subsidy**
   
   In accordance with the provisions of De Minimis Commission Regulation.
   
   50% of the equipment and software purchase cost (provided it is installed and operational) and wage cost of any new employees related to the new activity for up to 12 months following their recruitment, and up to the amount corresponding to gross salary of 2,000 Euros per month.
   
   The eligible cost cannot exceed 400,000 Euros.
   
   The aid, combined with any other state aid that is granted to a single undertaking, cannot exceed 200,000 Euros in a period of 3 fiscal years.

4. **R&D - Grants**
   
   In accordance with the provisions of Article 25 of Commission Regulation 651/2014.

   **Categories:**
   - a) industrial research (50%)
   - b) experimental research (25%)
   - c) Feasibility studies (50%)
   
   The legal entity cannot get any other aid for the same R&D project.

   **Eligible expenses:**
   - Personnel costs
   - Costs of buildings, instruments and equipment, to the extent and for the period used for the project
   - Costs of contractual research and consulting services, used solely for the project
   - Additional general cost and other operating expenses
   - Costs for feasibility studies
   
   The aid, combined with any other R&D state aid that is granted per project, cannot exceed: a) industrial research 20 mil. b) experimental research 15 mil. c) Feasibility studies 7.5 mil.
INVESTMENTS INCENTIVES LAW
L.4399/2016
1. NATURE OF INCENTIVE

The aid has the nature of an incentive, only if the beneficiary has submitted a written application for the participation in the aid scheme before the implementation of the investment plan.

2. MINIMUM INVESTMENT AMOUNT

<table>
<thead>
<tr>
<th>Type of company</th>
<th>Minimum Investment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large sized companies &gt;250 employees and turnover</td>
<td>€500,000</td>
</tr>
<tr>
<td>Medium sized companies, cooperatives and clusters &lt;250 employees and turnover</td>
<td>€250,000</td>
</tr>
<tr>
<td>Small sized companies &lt;50 employees and turnover</td>
<td>€150,000</td>
</tr>
<tr>
<td>Very Small sized companies &lt;10 employees and turnover</td>
<td>€100,000</td>
</tr>
<tr>
<td>Social Cooperative Companies (SoCC)</td>
<td>€50,000</td>
</tr>
</tbody>
</table>

3. CONTENTS OF INVESTMENT PLAN

- Development of a new plant
- Capacity extension of an existing plant
- Diversification of a plants production
- Substantial modification of the entire production procedure of an existing plant
- Acquisition of all assets of a closed plant

4. ENTITY PARTICIPATION IN THE INVESTMENT COST

The participation of the entity in the cost of the investment project can take place either through own funds or through external financing, provided that 25% of the total investment cost does not contain any state aid, support or subsidy whatsoever.
INVESTMENTS INCENTIVES LAW
L.4399/2016

BENEFICIARIES OF INCLUDED INVESTMENT PROJECTS

Enterprises established or having a branch in the Greek territory at the time of start of works of the investment project in one of the following forms

• Personal company

• Trading company Cooperative


• Companies under establishment or merging companies, with the obligation to have completed the publicity procedures before the start of works of the investment project

• Joint ventures registered with the General Commercial Registry

• Public and municipal companies and their subsidiaries not serving the public purpose, not being exclusively assigned by the State to provide services and not funded by public funds for the period of compliance with the long-term obligations
INVESTMENTS INCENTIVES LAW
L.4399/2016

AID INTENSITIES AND AMOUNTS

The maximum amount of aid for each investment plan amounts to €5,000,000, for each company to €10,000,000 and for each company group to €20,000,000

TYPE OF AID

1. Tax exemption
2. Subsidy
3. Leasing subsidy
4. Wage subsidy (for jobs created)
5. Financing instruments (capital participation, loan)
6. Fixed corporate income tax rate
7. Fast licensing procedures
INVESTMENTS INCENTIVES LAW L.4399/2016

STATE AID SCHEMES

01. MACHINERY & EQUIPMENT
02. GENERAL ENTREPRENEURSHIP
03. ENTREPRENEURSHIP VERY SMALL & SMALL COMPANIES
INVESTMENTS INCENTIVES LAW
L.4399/2016

MACHINERY & EQUIPMENT

<table>
<thead>
<tr>
<th>Type of aid</th>
<th>Deadlines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax exemption</td>
<td>28th February 2020</td>
</tr>
</tbody>
</table>

| Evaluation | Direct Evaluation |

Description/ Objective
The purpose of the aid scheme is the creation of limited aid framework with simple procedures. Appealing to companies wishing swift accession with minimum criteria, without a tendering procedure and immediate payment of the aid.

Eligible expenses for state aid

Machinery equipment-Techniques (Special Installations)
- Purchase and installation of new machinery including technical installations / arrangements for their permanent installation and connection.
- Expenditure on modernization of mechanical installations (non-buildings) and special installations.

- Means of transport
Any kind of vehicles with which the enterprise carries out transfers and movements of its personnel and material goods within the premises of the unit.

- Purchase of equipment from a unit that has ceased to operate
Any expenditure on purchase and installation of machinery not older than seven years from the date of their first acquisition by a unit that has ceased to operate (for SMEs only).

- Leasing rents for new machinery
with the obligation that they will pass to the lessee at the expire of the leasing contract.

- Investment costs for energy efficient measures
INVESTMENTS INCENTIVES LAW
L.4399/2016

GENERAL
ENTREPRENEURSHIP

Type of aid
- Tax exemption
- Leasing subsidy
- Wage subsidy
- For Special categories 70% subsidy on the projected amount of aid

Deadlines
15th January 2020

Evaluation
Comparative Evaluation

Description/ Objective
Applies to all companies and constitutes the main framework through which investment expenses of existing companies will be aided.

Eligible expenses for regional state aid

Expenses for regional aid constitute the base of every investment plan.

- **Investment expenses for tangible assets**
  Buildings (up to 45% of the total, 60% for tourism, 70% for logistics, 80% for listed buildings), purchase of new contemporary machinery and other equipment, financial leases, expenses for updating specialized facilities.

- **Investment expenses for intangible assets**
  Transfer of technology through acquisition of intellectual property rights, licensing, patents, knowhow and non registered technical knowledge. Quality assurance and control systems, certifications, purchase and installation of software and business organization systems.

- **The wage cost of new jobs** created as a result of the implementation of the investment plan, calculated for a period of 2 years from the creation of each position.

- **Start up costs for** small and micro enterprises under establishment

- **Investment cost for consultancy** in favor of SMEs
INVESTMENTS INCENTIVES LAW
L.4399/2016
ENTREPRENEURSHIP VERY SMALL & SMALL COMPANIES

<table>
<thead>
<tr>
<th>Type of aid</th>
<th>Deadlines</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tax exemption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Subsidy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Leasing subsidy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• subsidy of 70% of the projected amount of aid</td>
<td>15th January 2020</td>
<td></td>
</tr>
<tr>
<td>• For Special categories</td>
<td></td>
<td>Comparative Evaluation</td>
</tr>
<tr>
<td>100% Subsidy on the projected amount of aid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Employment cost subsidy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Description/ Objective

The scheme aims to provide a complete framework of incentives with the main objective of creating business initiatives for Very Small and Small Enterprises that intend to invest in one of the eligible sectors of the respective equal provisions.

Eligible expenses for regional state aid

Expenses for regional aid constitute the base of every investment plan.

• Investment expenses for tangible assets
Buildings (up to 45% of the total, 60% for tourism, 70% for logistics, 80% for listed buildings), purchase of new contemporary machinery and other equipment, financial leases, expenses for updating specialized facilities.

• Investment expenses for intangible assets
Transfer of technology through acquisition of intellectual property rights, licensing, patents, knowhow and non registered technical knowledge. Quality assurance and control systems, certifications, purchase and installation of software and business organization systems.

• The wage cost of new jobs created as a result of the implementation of the investment plan, calculated for a period of 2 years from the creation of each position.

• Start up costs for small and micro enterprises under establishment

• Investment cost for consultancy in favor of SMEs
For the purpose of accelerating and simplifying the process of certification of investment completion and commencement of the productive operation, Law No. 4635/2019 introduces an alternate certification procedure by certified auditors – accountants or accounting firms as well as engineers of the relevant specialties. This procedure at the same time ensures transparency and the public interest given that it implements a system of sample checks, penalties and avoiding conflicts of interest between the auditors and the investors.
Disclaimer: This presentation was created for informational purposes only and does not constitute any type of legal advice. The information within this presentation does not substitute the relevant laws of the Hellenic Republic, which are binding only in the original texts.