

Greece A New Investment Era

The New Investment Incentives Law

Entrepreneurship, Innovation, Green Development

Greece's new Investment Incentives Law (3908/2011) responds to the diverse needs of today's investor and, in parallel, creates a forward-looking investment environment. As Greece orients itself to the global economy, establishes outward-directed policies, and institutes a green development model, both domestic and foreign investors will find a new, open investment framework that is welcoming, attractive, and rewarding. The new Law establishes priorities and policies that mandate an investment process characterized by speed, transparency, and results.

Investors will discover productive incentives, financing tools, and streamlined procedures so their business plans proceed with the least amount of bureaucracy and the greatest amount of clarity. Greece is committed to Results, Speed, and Transparency. Greece is committed to you, the investor.

The Law

- Contains a defined annual budget, making clear the allocation of financial resources so investors may plan accordingly.
- Addresses all sectors of the economy (except those expressly provided for in Article 2: http://www.investingreece.gov.gr/files/Pdf/Investment_Incentives_Law.pdf).
- Is mindful of scarce public funds by providing incentives primarily through tax exemptions. For every Euro of subsidy provided, three Euros of tax exemptions are provided.
- Provides for binding schedules, electronic submission, investment monitoring, and new Investor Service Offices that assist investors.
- Contains specified and fixed application deadlines (April and October).
- Introduces a new evaluation process by establishing the National Register of Evaluators and Auditors.
- Focuses on sustainable investment projects that are environmentally friendly, promote innovation, regional cohesion, youth entrepreneurship, and create jobs.

Investment categories

1. General Entrepreneurship

Target Group: all enterprises irrespective of sector.

Provides: tax breaks of up to 100% of the maximum allowable amount of aid.

2. Regional Cohesion

Target Group: investors with projects that address local needs or capitalise on local competitive advantages.

Provides: all forms of aid. The subsidy rate and leasing subsidy may reach up to 70% of the maximum allowable amount of aid. For new enterprises this percentage is increased by 10 percentage points.

3. Technological Development

Target Group: enterprises that invest in innovation and want to upgrade their technology infrastructure.

Provides: all forms of aid. The rate of subsidy and leasing subsidy may reach up to 80% of the maximum allowable amount of aid.

4. Youth Entrepreneurship

Target Group: investors from 20-years to 40-years old.

Provides: aid for virtually all costs (including operational) for five years from the start of the business. Total aid may reach up to 1,000,000 €.

5. Large Investment Plans

Target Group: investments with a budget of at least 50,000,000 €.

Provides: all forms of aid, either in one form or a combination of forms. The level of aid decreases as the amount of investment increases. The percentage of the subsidy may not exceed 60% of total aid.

6. Integrated, Multi-Annual Business Plans

Target Group: companies legally formed at least five years previous to application, to implement integrated multi-annual (2-5 years) business plans with a budget of at least 2,000,000 € in total.

Promotes: technological, administrative, organisational and business modernisation. 100% of the maximum regional aid applicable shall be granted.

7. Partnerships and Networking

Target Group: partnerships and networking configurations or clusters. These clusters shall be comprised of at least ten enterprises in the Region of Attica and the Thessaloniki Prefecture and of at least five enterprises in other prefectures, operating in the form of a consortium.

Provides: for any form of aid.

Types of aid

- a.** Tax relief: tax relief comprising exemption from payment of income tax on pre-tax profits which result, according to tax law, from any and all of the enterprise's activities.
- b.** Subsidy: gratis payment by the State of a sum of money to cover part of the subsidised expenditure of the investment.
- c.** Leasing subsidy: includes payment by the State of a portion of the installments paid under a leasing agreement executed to acquire new machinery and/or other equipment.
- d.** Soft loans by ETEAN (National Fund for Entrepreneurship and Development): the amount to be covered by a bank loan may be funded by soft loans from credit institutions that cooperate with ETEAN enterprises.

The aid referred to above shall be aggregated for the purpose of determining the total amount of aid allocated to the investment project. In this case the benefit of the funding above is included in total aid, which may not exceed the limits delineated on the Regional State Aid Map.

Regional State Aid Map and aid rates for each Prefecture

Region	Prefecture	Zone	Percentage of aid		
			Large enterprises	Medium-size enterprises	Small and micro enterprises
South Aegean	Cyclades	C	15%	25%	35%
	Dodecanese	C	15%	25%	35%
Sterea Ellada	Fthiotida	B	15%	25%	35%
	Fokida	B	20%	30%	40%
	Evia	B	15%	25%	35%
	Viotia	A	15%	20%	25%
	Euritania	C	20%	30%	40%
Central Macedonia	Thessaloniki	B	30%	35%	40%
	Halkidiki	B	30%	35%	40%
	Kilkis	C	30%	40%	50%
	Pella	C	30%	40%	50%
	Imathia	C	30%	40%	50%
	Pieria	C	30%	40%	50%
	Serres	C	30%	40%	50%
Western Macedonia	Grevena	C	30%	40%	50%
	Kozani	B	30%	35%	40%
	Florina	C	30%	40%	50%
	Kastoria	C	30%	40%	50%
Attica	Attica	A	15%	20%	25%
Thessalia	Larissa	B	30%	35%	40%
	Magnissia	B	30%	35%	40%
	Karditsa	C	30%	40%	50%
	Trikala	C	30%	40%	50%
Ionian Islands	Corfu	C	30%	40%	50%
	Lefkada	C	30%	40%	50%
	Kefallinia	C	30%	40%	50%
	Zakynthos	C	30%	40%	50%
Crete	Heraklion	B	30%	35%	40%
	Hania	B	30%	35%	40%
	Lassithi	B	30%	35%	40%
	Rethymnon	B	30%	35%	40%
Peloponnese	Lakonia	C	30%	40%	50%
	Messinia	C	30%	40%	50%
	Korinthia	B	30%	35%	40%
	Arkadia	B	30%	35%	40%
	Argolida	B	30%	35%	40%
North Aegean	Mytilene	C	30%	40%	50%
	Chios	C	30%	40%	50%
	Samos	C	30%	40%	50%
Eastern Macedonia/Thrace	Kavala	C	40%	45%	50%
	Xanthi	C	40%	45%	50%
	Rodopi	C	40%	45%	50%
	Drama	C	40%	45%	50%
	Evros	C	40%	45%	50%
Epirus	Ioannina	C	40%	45%	50%
	Arta	C	40%	45%	50%
	Preveza	C	40%	45%	50%
	Thesprotia	C	40%	45%	50%
Western Greece	Achaia	C	40%	45%	50%
	Etoloakarnania	C	40%	45%	50%
	Ileia	C	40%	45%	50%

The entire application and evaluation process shall not exceed 6 months

Application Procedure

- a.** Online registration at the Information System for Regional State Aid through the web pages www.mindev.gov.gr; www.ependyseis.gr; www.investingreece.gov.gr. Upon registration applicants are provided with a personal code.
- b.** Electronic submission of required supporting documents, technical, and financial data. Applicants shall print and keep documents in their possession.
- c.** Submission of application form and all investment documents (including original documents) to the competent Investor Service Office (open: 09:00-15:00, Monday to Friday). All supporting documentation submitted in paper form (hard copy) must also be submitted in electronic form.

Pre-evaluation

Officials of the Investor Service Office review the application and, if complete, issue a receipt. In the event that any documents are missing, the investor must submit them within 10 days of notification.

Evaluation Process

The judicial review and assessment process shall be completed within 40 days from the date the complete file has been submitted. The investor may monitor the progress of his/her file online.

Results

Posting of provisional results in which investors may view the evaluation of their application and, if deemed necessary, lodge a complaint. The evaluation of the complaint is to be completed within 15 days from the date the complaint is formally lodged.

National Fund for Entrepreneurship and Development (ETEAN)

What is ETEAN?

ETEAN is Greece's new national fund to support enterprises, particularly small, medium, and innovative enterprises. ETEAN operates as a Société Anonyme in order to provide leverage financing, through revolving debt, bank guarantees and counter guarantees, joint ventures and equity participation. ETEAN does not deal directly with businesses. Businesses contact partner banks, which are selected by ETEAN through an open international tender. ETEAN is designed to improve the access of finance to enterprises for their development, to help create new enterprises, to enable and enhance productivity, and to facilitate the entry of new products and services to market. ETEAN is co-funded by the Operational Programme "Competitiveness and Entrepreneurship" and other NSRF programmes, supported by the European Regional Development Fund and the European Fisheries Fund.

How does ETEAN work?

Under the ETEAN umbrella, funds are created for green development, entrepreneurship, outward-oriented business activities, fisheries, agricultural development, and social entrepreneurship. For every Euro the state guarantees, the banks shall guarantee two. The capital is available to firms in the form of friendly and soft loans, through the banks. With guarantees from ETEAN, enterprises may borrow total secured business loans with significantly less collateral than normally required by banks without the ETEAN guarantee.

Contact Details:

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Website: www.etean.com.gr / Email: info@etean.com.gr

Investor Service Offices

(Open: 09:00-15:00, Monday to Friday)

Region of Attica

- 4 Korai (6th floor), 105 64, Athens, tel.: +30 210 325 8800-04, fax: +30 210 325 8839
- 80-88 Syngrou Ave. (5th floor), 16345, Athens, tel.: +30 213 2065209, +30 213 2065212, fax: +30 210 6983475

Region of Eastern Macedonia/Thrace

- 1 G. Kakoulidou St., 69100 Komotini, tel.: +30 25313 52674, fax: +30 25313 52184

Region of North Aegean

- 12 Kavetsou St. 81100 Mytilene, Lesvos, tel.: +30 22510 27662, +30 22510 23201, fax: +30 22510 27973, +30 22510 23201

Region of Western Greece

- Dimaion St. and 1 Ipsilantou St., 26110, Patra, tel.: +30 2613 600134, +30 2613 600147, fax: +30 2610 452176

Region of Western Macedonia

- Administrative Office C11 (3rd floor, 3rd wing), ZEP Kozanis, 50100 Kozani, tel.: +30 24613 50110 (Office of Head of the Region), +30 24610 53246

Region of Epirus

- Administrative Office Pyrrou Sq. 45221, Ioannina, tel.: +30 26510 87236

Region of Thessalia

- 111 Sokratous St. 41336 Larissa, tel.: +30 2413 503607, fax: +30 2413 503669

Region of Ionian Islands

- Alikes Potamou, 49100, Corfu, tel.: +30 26610 39606, fax: +30 26610 31696

Region of Central Macedonia

- The Residency of Thessaloniki (Diikitirio) - 203 Office (2nd floor), 54123, Thessaloniki, tel.: +30 2310 379103, +30 2310 379240
- 11 Kathigiti Rosidi St. Thessaloniki, 540 08, tel.: +30 2313 309105

Region of Crete

- 2 Ikarou St. & Spanaki St., 71307, Heraklion, Crete, tel.: +30 2810 278610, +30 2810 278609

Region of South Aegean

- 35 Eptanisou St. (entrance from Papagou shorefront), 84100, Ermoupoli, Syros, tel.: +30 22813 60283-4-5, fax: +30 22810 85237 & +30 22810 85440
- 7 Megalou Alexandrou Sq. Old Town, 85100, Rhodes, tel.: +30 22410 36200, +30 22410 26182, fax: +30 22410 25852

Region of Peloponnese

- Menelaou St. and Sekeri St., 22100, Tripoli, tel.: +30 2713 601190, +30 2713 601192, fax: +30 2713 601173

Region of Sterea Ellada

- 14 Ipsilanti St., 35100 Lamia, tel.: +30 22310 25360, +30 22310 29303, fax: +30 22310 42289

Foreign Direct Investment - FDI Investors may also contact:

Invest in Greece Agency

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