

G. Verveniotis & Partners
G. VERVENIOTIS & PARTNERS

Newsletter

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Making business in Greece easier

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Making business in Greece easier

The Greek Parliament recently ratified Law 4262/2014 which aims at attracting investors and making business in Greece easier by introducing provisions that simplify licensing procedures for certain activities and facilitate the development and operation of business parks. The new law also reflects the emphasis that is currently given in Greece to e-governance, as it provides that the communications between the administration and the financial operators on matters regulated by the Law 4262/2014 will be conducted electronically.

Simplification of licensing procedures

Law 4262/2014 foresees the simplification of licensing procedures in important business sectors for which investment interest has already been indicated or is anticipated by the Greek Government. These sectors include inter alia transportation and port projects, tourist and environmental infrastructure, mining activities, aquaculture etc. The said law provides that the exercise of the aforementioned activities may be subject to restrictions only if such restrictions, cumulatively, are

- a) justifiable for reasons of public interest,
- b) determined clearly and objectively,
- c) justified sufficiently by the nature of the activity and, finally d) in compliance with the principle of proportionality.

When it is necessary for the protection of a specific public interest, then, under the prerequisites mentioned above, a certain activity or a group of similar activities may be subjected to general rules set by a pertinent Ministerial Decision to be issued following the opinion of the Greek Competition Committee.

It is only when even these general rules are deemed insufficient for the protection of the public interest that an economic activity may be subjected to prior administrative approval. A Presidential Decree will determine the activities that may be subjected to administrative approvals. The number of approvals issued may be limited, if this is objectively necessary for reasons of public interest, especially if the activity involves the use of public resources. The law further determines specific time limits within which the administration is obliged to grant its approval.

Both the general rules mentioned above, as well as the special terms and conditions that are determined for an activity subject to prior approval, may include the obligation to comply with certain standards. In order to address investors' concerns regarding the repetitive amendment of the terms for the exercise of business activities in Greece, the law provides that both the general as well as the special rules mentioned above may not be amended unless a) the amendment is imposed by an irrevocable court decision or b) a pertinent decision of the competent Ministers is issued and five years have elapsed since these rules entered into force or were last amended.

Business parks

Law 4262/2014 also contains provisions facilitating the development and operation of business parks. More particularly the law provides that the operation permit that will be issued regulating the operation of the park will also be deemed to constitute permit for the exercise of any particular activity exercised in the business park. The licensing procedure for the park's operation must be completed by the administration within 100 days from the submission of a complete application file.

These business parks may be established by a societe anyonyme, a limited liability company or a private company or be developed in the frame of a PPP in accordance with the provisions of Law 3389/2005 on PPPs. A Presidential Decree will regulate further significant matters related to the implementation of the provisions on business parks. Among others it will categorize the types of business parks and set the rules for the licensing and operation thereof.

However, it is already provided for by Law 4262/2014 that, notwithstanding the provisions of EU law, the aforementioned entities may be granted a) the use of the sea shore if this be absolutely necessary for the operation of the business park and b) the right to build and operate ports or to extend existing ones. Under the limitations deriving from EU law, free zones, free warehouses, customs warehouses or temporary storage areas may be established in a business park upon a pertinent decision of the competent Ministers.

Approval of the new Greek NSRF

The EU announced on 23.5.2014 the approval of the new Greek NSRF for the programming period 2014-2020. It should be noted that Greece is the third Member State to have reached agreement with the European Commission on the new NSRF for the new programming period 2014-2020. The €26 billion program, of which €20,8 will be EU funding, will focus a.o. on employment, competitiveness, entrepreneurship and innovation, as well as rural development. The program regarding rural development includes the support of export oriented production, processing companies and young farmers and the promotion of pilot projects for the development of new products and new technologies in the food and agricultural

sector. NSRF funds will also be directed to the tourism sector, especially to actions aiming at the promotion of tourism. The NSRF finally provides the use of funds for waste management projects, as well as for major transport projects, airports and ports.

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