

# info

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## **NEW LAW FOR STRATEGIC INVESTMENTS IN GREECE**



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Law 4608/2019 for Strategic investments was published on the 25<sup>th</sup> of April 2019. This Law inserts notable changes with respect to strategic investments because it creates favorable circumstances for investing and attracts in that way new investors while revitalizing at the same time the Greek economy. It motivates the strategic investment activity through providing a lot of privileges to investors such as tax exemption and fast track licensing.

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# NEW LAW FOR STRATEGIC INVESTMENTS IN GREECE

## A. LAW 4608/2019 “STRATEGIC INVESTMENTS”

### *General*

✓ Law 4608/2019 through providing specific incentives, aims to attract investments in strategic sectors of the Greek Economy.

### *Characteristics of the Strategic Investments (S.I.s.)*

✓ *Extroversion*

✓ *Innovation*

✓ *Competitiveness*

✓ *Universal planning*

✓ *Saving of natural resources within the perspective of the cyclical economy*

✓ *High added value especially in the sectors of financial activities regarding international traded goods and services.*

### *Categories of S.I.s:*

#### *A. S.I.I.*

**New jobs:** 120 annual job credits

**Total budget:** more than 100.000.000 euros

#### **Incentives:**

*Spatial planning*

*Fast track licensing in a period of 45 calendar days*

*Tax incentives*

### *Tax exemption*

a) For total eligible expenditures up to 30.000.000 euros a total financial assistance up to the amount of 7.500.000 euros is provided.

b) For a part of the eligible expenditures from the amount of 30.000.000 euros up to the amount of 35.000.000 euros a percentage of 80% of the financial assistance is provided.

c) For a part of the eligible expenditures from the amount of 35.000.000 euros up to the amount of 40.000.000 euros a percentage of 60% of the financial assistance is provided.

d) For a part of the eligible expenditures from the amount of 40.000.000 euros up to the amount of 45.000.000 euros, a percentage of 40% of the financial assistance is provided.

e) For a part of the eligible expenditures from the amount of 45.000.000 euros up to the amount of 50.000.000 euros, a percentage of 20% of the financial assistance is provided.

f) For a part of the eligible expenditures from the amount of 50.000.000 euros up to the amount of 100.000.000 euros, a percentage of 10% of the financial assistance is provided.

g) For a part of the eligible expenditures that cost more than 100.000.000 euros, there is no tax exemption.

***Acceleration of  
tax depreciation  
of the fixed  
assets***

***B. S.I.2.***

**New jobs:** 100 annual job credits

**Total budget:** more than 40.000.000 euros

***S.I.2. Industrial sector***

**New jobs:** 75 annual job credits

**Total budget:** more than 30.000.000 euros

***S.I.2. Organized receptors  
of handcraft and business  
activities***

**New jobs:** 50 annual job credits

**Total budget:** more than 25.000.000 euros

**Incentives:**

*Fast-track licensing in a period of 45 calendar days*

*Tax incentives*

*i. Income tax stabilization for twelve years*

*ii. Tax exemption as referred above*

*iii. Acceleration of tax depreciation of the fixed assets*

*Subsidization for the coverage of the aided expenditures*

*i. Recruitment of disadvantaged employees or employees with disabilities*

*ii. Research and development projects*

**C. Emblematic Investments**  
*By distinguished legal entities of international reputation (those which promote the green economy and the economy of low energy and environmental footprint)*

**In the industrial sector**

**New jobs:** No limit

**Total budget:** No limit

**New jobs:** 200 annual job credits

**Total budget:** more than 200.000.000 euros

**Incentives:**

*Spatial planning*

*Tax incentives*

- i. Income tax rate stabilization for 12 years*
- ii. Tax exemption as referred above*
- iii. Acceleration of tax depreciation of fixed assets*

*Fast-track licensing in a period of 45 calendar days*

*Subsidizations for the coverage of aided expenditures aiming at the recruitment of disadvantaged employees or employees with disabilities and research and development projects*

**D. Fast track licensed S.I.s.**

**New jobs:** 30 annual job credits

**Total budget:** more than 20.000.000 euros

**Incentives:**

*Tax incentives*

- i. Income tax rate stabilization for 12 years*

*Fast track licensing in a period of 45 calendar days*

**E. S.I.s. by default (Private-Public Partnerships or Projects of Common Interest)**

**New jobs:** No limit

**Total budget:** No limit

## **Incentives:**

### *Tax incentives*

- i. *Income tax rate stabilization for 12 years*

### *Fast track licensing in a period of 45 calendar days*

***Submission of the application for the characterization of an investment as strategic and documentation of the file that shall include:***

- *Business plan*
- *Purchase contracts*
- *Analysis of the budget of the investments*
- *Environmental and urban planning characteristics of the real estate that are prescribed in the land use plan and building conditions and restrictions. Analysis of the direct and indirect consequences of the investment for the Greek economy*
- *Irrevocable mandate and power of attorney to the “ Greek Investments and Foreign Trade Company S.A.”*
- *A proof of payment of the 25% of the total management fee to the Greek Investments and Foreign Trade Company S.A. which is the competent body for the control of the file and documents' completeness.*

**Time limit** for the submission for the application for the inclusion of investments in the Procedure of Strategic Investments is the 31<sup>st</sup> of December 2023.

***Issuance of a decision by the Direction of Project Conservation Control***

The Direction of Project Conservation Control issues a decision about the characterization or not of an investment proposal as strategic. This decision is published in the Government Gazette.

The criteria that an investment should have in order to be strategic, specific quantitative and qualitative indicators and other details relating to the evaluation process are specified in a Ministerial Decision.

***Rights and obligations of the S.I. entity***

The S.I. entity shall file an investment and licensing file within 45 calendar days after the publication of the decision of the Direction of Project Conservation Control in the Government Gazette and within 60 calendar days, a Cooperation Memorandum is signed between the S.I entity and the Ministry of Economy and Development

The total deadline for the issuance of all the required licenses for the implementation of a strategic investment should not exceed the 3 years beginning from the time of signing the Cooperation Memorandum.

***Sanctions and alternative ways of dispute resolution***

In case of infringement of the Cooperation Memorandum, penalties and sanctions shall be imposed.

Finally, there is the possibility to adopt alternative ways of dispute resolution through arbitration.



In case you have further questions please contact us:

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