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The Legal 500 Country Comparative Guides

Greece

ACQUISITION FINANCE

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This country-specific Q&A provides an overview of acquisition finance laws and regulations applicable in Greece.

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GREECE
ACQUISITION FINANCE

1. What are the trends impacting acquisition finance in your jurisdiction and what have been the effects of those trends? Please consider the impact of recent economic cycles, Covid-19, developments relating to sanctions, and any environmental, social, and governance ("ESG") issues.

In 2023, three credit rating agencies upgraded Greece's credit ratings to investment grade for the first time since 2010's debt crisis, whilst the volume of deposits held by Greek banks continued to increase further. At the same time, the Recovery and Resilience Facility (RRF) has been established, aiming to provide credit amounting up to €672.5 billion in loans and grants to support reforms and investments in the European Union Member States. The national recovery and resilience plan titled "Greece 2.0" submitted by the Hellenic Republic to the European Commission in the context of the RRF provides for the financing of investments structured in five pillars: (a) green transition; (b) digital transformation; (c) novelty, research & development; (d) development of economies of scale through cooperations, mergers and acquisitions; and (e) extroversion. Acquisition finance projects, depending on their features and volume, may fall within the scope of the fourth pillar of the RRF, provided that an investment plan providing for the acquisition of a non-related entity may qualify as eligible for RFF purposes, and therefore, may benefit from the competitive interest rates applying to RRF loans. In light of the above, prospects for M&A deals in Greece remain generally positive, but are to a certain extent negatively impacted by virtue of the fact that interest rates have increased (as the European Central Bank continues to adopt less accommodative monetary policies in an effort to deal with inflationary pressures), thus making acquisition financing more expensive for interested bidders compared to a landscape of very low interest rates back in 2021.

2. Please advise of any recent legal, tax, regulatory or other developments (including any reforms) that will impact foreign or domestic lenders (both bank and non-bank lenders) in the acquisition finance market in your jurisdiction.

In an effort to neutralise the effect of recent landmark decisions of the Greek Supreme Court ruling that the imposition of stamp duty on interest bearing loans was illegal, VAT law has been amended by the legislature in order to allow for the imposition of stamp duty. More specifically, pursuant to art. 172 of Law 4972/2022, interest-bearing loans, other financing arrangements and contractual interest thereon have been included in the exceptions of transactions that, although within the scope of VAT, may be subject to stamp duty. The aforementioned provision has a retroactive effect from 1.1.2021 but it allowed taxpayers to pay the relevant stamp duty until 31.12.2022 without incurring any late payment penalties. Despite this change, bond loans issued by Greek sociétés anonymes in specific continue to be exempt from stamp duty.

The above development would in principle affect non-bank lenders (given that loans and credit granted by bank lenders would be exempt from stamp duty in the first place).

New rules have also been introduced in relation to the deduction of expenses incurred to finance the acquisition of participations. Art. 10 of Law 4935/2022 provides that in case of acquisition of participations in another company, the acquiring company is allowed to deduct all expenses which are incurred for the purpose of acquiring such participations provided that the following conditions are met:

the total turnover of the company whose participation is acquired and that of the acquiring company, is equal to or greater than €450,000, according to the latest approved and published financial statements or, where applicable, the latest income tax returns, and

the total amount of expenses which are deductible, does not exceed 30% of the average turnover of the acquiring company during the last three years before the acquisition of the participation.

The above conditions for the recognition of expenses do not need to be met if the acquiring company has been established in less than 1 year or has no other activity apart from the participation.

Although the new provisions must be considered in the light of existing limitations on the deduction of interest to finance in specific acquisitions of EU subsidiaries yielding tax exempt dividends and capital gains, these are a positive development.

3. Please highlight any specific high level issues or concerns in your jurisdiction that should be considered in respect of structuring or documenting a typical acquisition financing.

Funding for acquisitions in Greece is often drawn through the issuance of bond loans taking into account among other factors that such type of financing (in the form of claims incorporated in transferrable securities called “bonds”) benefits in principle from stamp duty exemption as well as from registration fees exemptions for those of the collaterals that need to be publicly registered in Greece. However, bond loans can only be issued by borrowers qualifying as sociétés anonymes. To be noted that payments of coupon (interest) under the bonds are, in principle, subject to a withholding tax of currently 15% in Greece (please refer to the tax section below for further information).

Moreover, as analysed below under questions 14 and 15 (Credit Support for Acquisition Financings), lenders should be particularly aware of the financial assistance rules applying in Greece with respect to LBO financings, where the finance parties are seeking to get security from the target entity when assessing the security package of the deal.

4. In your jurisdiction, due to current market conditions, are there any emerging documentary features or practices or existing documentary provisions/features which borrowers or lenders are adjusting or innovating their interpretation of, or documentary approach to?

No.

5. What are the legal and regulatory requirements for banks and non-banks to be authorised to provide financing to, and to benefit from security provided by, entities established in your jurisdiction?

The provision of loans or other forms of credit / financing, in a professional capacity, in Greece is a regulated activity, which is allowed only to duly licensed credit institutions (i.e. credit institutions established in Greece and authorised by the European Central Bank (ECB)/Bank of Greece (BoG), or licensed credit institutions established in other EU member states having obtained the EU passport to offer services in Greece). Other financial institutions licensed by the BoG or benefiting from the EU passport may also provide, under certain conditions, loans or other forms of credit.

Credit institutions benefit from specific provisions facilitating the creation and enforcement of pledge on assets.

6. Are there any laws or regulations which govern the advance of loan proceeds into, or the repayment of principal, interest or fees from, your jurisdiction in a foreign currency?

The advance of loan proceeds and/or the repayment of principal, interest or fees in a foreign currency in Greece may be validly agreed between the parties. The Greek Civil Code provides that unless otherwise agreed between the parties, the debtor is entitled to pay in EUR on the basis of the current value of the foreign currency in Greece at the time payment has to be made.

7. Are there any laws or regulations which limit the ability of foreign entities to acquire assets in your jurisdiction or for lenders to finance the acquisition of assets in your jurisdiction? Please include any restrictions on the use of proceeds.

No such limitations are in general provided in laws and regulations, except for specific restrictions applicable to real estate property located in Greek border areas. Specific requirements may be also applicable in relation to certain assets owned by regulated companies.

For relating tax considerations, please refer to the tax section below.

8. What does the security package typically consist of in acquisition financing transactions in your jurisdiction and are there any additional security assets available to lenders?

Security package typically consists of pledge over target's shares, bank accounts and intra-group shareholder loan claims. Subject to whitewash proceedings in respect of financial assistance limitations, lenders can also take security over the target's claims and assets, such as on claims arising from intragroup loans and insurance policies, or over non-consumer trade receivables, as well as on the target's real estate properties and lease receivables arising under lease agreements of the target with its lessees (if any).

9. Does the law of your jurisdiction permit (i) floating charges or any other universal security interest and (ii) security over future assets or for future obligations?

Greek law permits floating charges which can only be granted from businesses to businesses. Floating charge may be granted over movable assets and pools of claims and remains floating until default or an agreed event that leads to the crystallization of the floating charge. Security over future assets and claims is also permitted under Greek law as long as these are defined or, at least, definable at the time.

What is not conceivable under Greek law is a general deed of charge over all assets and claims of a company as a whole. Security needs to be granted on an asset/claim by asset/claim basis, either as a fixed charge or as a floating charge.

10. Do security documents have to (by law) include a cap on liabilities? If so, how is this usually calculated/agreed?

Cap on secured liabilities is not required under Greek law. It is rather a commercial discussion between the parties to agree on a cap amount on the secured liabilities.

11. What are the formalities for taking and perfecting security in your jurisdiction and the associated costs and timing? If these requirements are different for different asset classes, please outline the main points to note for each of these briefly.

Execution of an agreement in writing is required for most types of assets/claims for which security will be granted. Perfection formalities vary depending on the type of security to be granted, namely:

Accounts/contracts/intragroup loans pledge: service of the security agreement via court bailiff to the account bank/counterparty/borrowers;

Share pledge: annotation of the pledge on the share certificates and shareholders' registry and service of the security agreement via court bailiff to the company;

Intragroup loans pledge: annotation of bond certificates, update of the bondholders' registry (to the extent the intragroup loan has the form of a bond loan) and service of the security agreement via court bailiff to the borrower of the underlying claims;

Prenotation of mortgage/mortgage over real estate property: for the prenotation of mortgage issuance of a court decision and registration of the court decision with the competent land registry/cadastral office; for the mortgage by signing a notarial deed (or following a court decision or by application of law in certain limited cases) and registration of the notarial deed (or court decision) with the competent land registry/cadastral office;

Movable assets (notional) pledge/floating charge: registration of a special form with the competent public registry (namely, the pledges registry of the registered seat of the pledgor) and service of the security agreement via court bailiff to the pledgor.

In all instances, the cost for the court bailiff service is approximately €50, whereas as regards establishment of prenotation of mortgage/mortgage and movable assets (notional) pledge or floating charge, registration fees for their registration in the competent public registry apply and are proportional to the secured amount (currently c. 0.775% of the secured amount). However, if the relevant security is provided as collateral for a bond loan financing, then a nominal flat fee of €100/registration will only apply by operation of law, instead of the proportional registration fee.

As regards the mortgage deeds, whereby a public notary needs to be involved, the notarial fees are in the range of 0.2% – 1% of the secured amount. However, if the notarial mortgage deed is provided as collateral for a bond loan financing, then a nominal flat fee of €2,500/notarial deed will only apply by operation of law.

Finally, as regards the judicially driven process of a prenotation of mortgage, the judicial costs would

amount to approximately €300.

12. Are there any limitations, restrictions or prohibitions on downstream, upstream and cross-stream guarantees in your jurisdiction? Please also provide a brief description of any potential mitigants or solutions to these limitations, restrictions or prohibitions.

Said guarantees are considered as "related party transactions" and, in order to be validly granted, a special corporate approval process is required. The Board of Directors of the company granting the guarantee must approve the transaction prior to its conclusion and proceed with publication of the approval with the commercial registry. The guarantee may be validly granted either (a) following the lapse of a 10 days period from the publication, within which shareholders holding 1/20 of the company's shares may challenge the approval, or (b) following the attainment of the written consent of all shareholders of the company, waiving their right to challenge the approval process.

13. Are there any other notable costs, consents or restrictions associated with providing security for, or guaranteeing, acquisition financing in your jurisdiction?

In cases of non-bank loans, stamp duty may be triggered at the higher of the amount of the loan and the secured amount. Please refer to the tax section below for further information.

14. Is it possible for a company to give financial assistance (by entering into a guarantee, providing security in respect of acquisition debt or providing any other form of financial assistance) to another company within the group for the purpose of acquiring shares in (i) itself, (ii) a sister company and/or (iii) a parent company? If there are restrictions on granting financial assistance, please specify the extent to which such restrictions will affect the amount that can be guaranteed and/or secured.

There are strict conditions that need to apply, for a company to validly provide financial assistance for the acquisition of shares in itself or its sister/parent companies with the same group.

Under Greek law, in order for a Greek company to validly grant guarantee and/or security on its assets to secure debt which was drawn by any party to finance the acquisition of such company's shares or the shares of such company's parent entities, as the case may be, the company shall maintain a non-distributable reserve in the liabilities' section of its balance sheet being equal to the guaranteed/secured amount. In addition, in no case shall the guaranteed/secured amount be such to turn the company's net equity to an amount lower than its paid-up share capital increased by the non-distributable reserves.

15. If there are any financial assistance issues in your jurisdiction, is there a procedure available that will have the effect of making the proposed financial assistance possible (and if so, please briefly describe the procedure and how long it will take)?

Yes, whitewash procedure can be applied with respect to financial assistance limitations, provided that the financial assistance statutory limit mentioned above is always met and also provided that, financially, the non-distributable reserve can be viably kept in the company's financial statements. In particular, the enhanced majority of the company's shareholders must approve the financial assistance in advance by virtue of a general meeting. The board of directors of the company must produce and submit to said meeting a report, explaining, among others, the overall transaction and the terms thereof and any risks for the company's solvency. The board of directors' report is published in the commercial registry. The overall timeline of the process depends on how quickly the relevant corporate formalities can be complied with, i.e. the invitation for the general meeting and the meeting of the board of directors, as well as completion of the latter's report and presentation to the general meeting of shareholders.

16. If there are financial assistance issues in your jurisdiction, is it possible to give guarantees and/or security for debt that is not pure acquisition debt (e.g. refinancing debt) and if so it is necessary or strongly desirable that the different types of debt be clearly identifiable and/or segregated

(e.g. by tranching)?

Guarantees and security may be granted for non-acquisition debt, subject to corporate approval. In case of different types of debt, these should be clearly segregated so that the guarantee/security refers to non-acquisition debt and this is usually achieved through appropriate tranching of the debt, i.e. the relevant securities/guarantees to be provided to secure those of the tranches only that are not relevant to acquisition debt.

17. Does your jurisdiction recognise the concept of a security trustee or security agent for the purposes of holding security, enforcing the rights of the lenders and applying the proceeds of enforcement? If not, is there any other way in which the lenders can claim and share security without each lender individually enforcing its rights (e.g. the concept of parallel debt)?

With the exception of the Greek bond loan structures, whereby the concept of the bondholder agent (effectively acting as security trustee for all finance parties) is directly recognised by operation of law, the concept of trust is not recognised generally under Greek laws. Therefore, in non-Greek bond loan structures, lenders may share security on a joint and several basis under a parallel debt structure, pursuant to which the debtor undertakes to pay to the agent/trustee, as creditor in its own right, an amount equal to the aggregate amounts owed to the creditors. Such amount is automatically decreased and discharged to the extent the debt owed to the creditors is discharged.

18. Does your jurisdiction have significant restrictions on the role of a security agent (e.g. if the security agent in respect of local security or assets is a foreign entity)?

With respect to the role of the bondholders' agent in Greek bond loan structures, Greek law provides that the relevant person must be an entity licensed as a credit institution or an affiliate of such, a licensed loans servicing company, a licensed investment services firm, a central securities depository, a licensed alternative investments fund manager, a venture capital fund manager or a multilateral development bank of article 117 of the EU Regulation no. 575/2013. However, if the relevant bond loan facility is not syndicated and there is only one bondholder at any time, the latter can be the agent holding the security for itself without the need for a regulated institution to undertake such role.

As regards non-Greek bond loan structures, there is no restriction with respect to the identity of the security trustee (or parallel debt holder under a parallel debt structure).

To be noted however, that should the finance parties wish to have the benefits of the financial collateral directive governing the provision of certain eligible securities to be granted in Greece, the holder of the relevant security interests (i.e. the collateral holder security trustee) is required to be either a regulated credit or financial institution, or a multilateral development bank, or a national central bank or the European Central Bank, or, at least, any legal entity that pursuant to its constitutional documents is able to represent as trustee several bondholders or holders of security under other types of secured lending.

19. Describe the loan transfer mechanisms that exist in your jurisdiction and how the benefit of the associated security package can be transferred.

In principle, the whole contractual relationship of loans (i.e. including both the obligations to fund and the claims to the pertinent receivables) may only be transferred to regulated entities licensed to provide financing. However, the rights and claims under loans may be transferred to any third parties through either true sale securitisation transactions or direct sales. In case the rights and claims transferred have arisen from banking loans and credits, the acquirer of the claims is necessary to appoint a licensed servicer of loans and credits active in the Greek market and supervised by the Bank of Greece to perform the servicing of the relevant receivables and securities vis-à-vis the obligors.

As regards security package under Greek civil code, the collaterals are always ancillary to the main claims under the loan and credits and thus, are transferred automatically by operation of law with the transfer of the main credit claim, however, certain actions may need to be taken with respect to formalities (e.g. change of the beneficiary name in public registries for those of the securities that require registration in public registries).

20. What are the rules governing the priority of competing security interests in your jurisdiction? What methods of subordination are used in your jurisdiction

and can the priority be contractually varied? Will contractual subordination provisions survive the insolvency of a borrower incorporated in your jurisdiction?

The Greek legislative framework distinguishes between (a) claims with a general privilege (i.e. secured with a general privilege which applies by operation of law, the Preferred Creditors), (b) claims with a special privilege (i.e. secured by pledge or mortgage, the Secured Creditors) and (c) unsecured claims (the Unsecured Creditors).

In case all three classes of creditors exist, the auction proceeds are allocated to the various classes of creditors as follows: (a) up to 65% to the Secured Creditors, (b) up to 25% to the Preferred Creditors, and (c) up to 10% to the Unsecured Creditors. In case of concurrence of Preferred Creditors and Secured Creditors only, Secured Creditors are entitled to up to 2/3 and Preferred Creditors up to 1/3. In case of concurrence of Secured Creditors and Unsecured Creditors only, Secured Creditors are entitled to up to 90% and Unsecured Creditors up to 10%. In case of concurrence of Preferred Creditors and Unsecured Creditors only, Preferred Creditors are entitled to up to 70% and Unsecured Creditors up to 30%.

For new financings (following 17.01.2018) special rules apply by virtue of which employees' claims are satisfied first with a specific cap set in law whereas Secured Creditors follow, essentially preceding all other classes.

Subordination agreements can be concluded but these will not affect the Preferred Creditors, in the sense that the relevant contractual provisions will survive the insolvency of the debtor, but they can only affect the priority between secured creditors or subordination of unsecured claims to secured ones. Subordination agreements usually take the form of intercreditor agreements between secured and unsecured creditors of the borrowing entity.

21. Is there a concept of "equitable subordination" in your jurisdiction whereby loans provided by a shareholder (as a creditor) to a company incorporated in your jurisdiction are subordinated by law upon insolvency of that company in your jurisdiction?

In principle ranking of creditors depends on whether they are secured or have a statutory privilege. However, in legal theory and jurisprudence it has been supported that in certain cases, where a company is on purpose insufficiently capitalized by its shareholders leading finally to the company's insolvency, shareholders' loans should be treated as share capital instead of debt, on the basis of abusive exercise of rights, and thus should be subordinated to other creditors' claims.

22. Does your jurisdiction generally (i) recognise and enforce clauses regarding choice of a foreign law as the governing law of the contract, the submission to a foreign jurisdiction and a waiver of immunity and (ii) enforce foreign judgments?

Greek courts recognise choice of foreign law clauses in the context of Rome I Regulation ((EU) 593/2008).This is only subject to the requirement that such law should not be considered to be contrary to Greek public policy, or Greek norms of immediate application, and that, under the Greek rules on conflicts of laws, certain matters such as those relating to capacity, are excluded from the choice of law.

Submission to foreign jurisdiction is also recognised by Greek courts on the basis of Regulation (EU) 1215/2012, save for injunctive relief measures that Greek courts may impose irrespective of the law governing the relationship between the parties. Civil judgments issued in a member state of the EU (other than Denmark) are enforceable in Greece on the basis of the Regulation (EU) 1215/2012) without such judgments being required to be declared enforceable by a Greek court. Civil judgments issued in a third country may be enforced in Greece, following a decision of a Greek court which declares such judgements enforceable, on the basis of either a bilateral or multilateral convention with European Union or the Hellenic Republic, or the relevant provisions of the Greek Code of Civil Procedure.

23. What are the requirements, procedures, methods and restrictions relating to the enforcement of collateral by secured lenders in your jurisdiction?

As a general rule, a creditor must issue an enforceable title (e.g. a final and unappealable court decision or a final payment order issued by virtue of a quasi-judicial process based on documents submitted to a judge without a court hearing taking place) in order to proceed with enforcement on the collateral. Such enforcement title shall be served via court bailiff to the debtor along with an order for payment of the secured, due and

outstanding claim. Following the lapse of a 3 business days period, the creditor may proceed with seizure of the assets forming part of the collateral and the scheduling of a public auction, which is to be conducted electronically.

Said procedural requirements do not apply in respect of enforcements of financial collaterals falling within the scope of the financial collateral directive. Further, in cases where a pledge is established pursuant to legislative decree under n. 17.7/13.8.1923, which applies to creditors constituting credit institutions operating lawfully in Greece or in case of collateral securing bond loans issued under Greek law, issuance of an enforceable title is not required, whilst the creditor may proceed with the publication of a notice for the public auction immediately (i.e. 3 business days window is not applicable).

24. What are the insolvency or other rescue/reorganisation procedures in your jurisdiction?

The Greek legal framework provides for the following procedures:

Out-of-court Settlement of debt: Debt restructuring agreement is concluded between the debtor and certain creditors (financial institutions, the Greek State and social security institutions) through an electronic platform following the submission of a relevant application. No court ratification is required.

Rehabilitation Procedure: Rehabilitation agreement is concluded between the debtor and its creditors, including a business plan, which must be ratified by the court.

Bankruptcy: Liquidator with a purpose to liquidate the bankruptcy estate through a public auction is appointed by the court (and nominated by creditors). Under certain conditions, the creditors may request the debtor's asset liquidation either as a whole or in operational parts (instead of a piece-meal liquidation).

25. Does entry into any insolvency or other process in your jurisdiction prevent or delay secured lenders from accelerating their loans or enforcing their security in your jurisdiction?

In general, going concern procedures may delay enforcement, namely:

Out-of-Court Settlement of debt: Following the filing of an out-of-court settlement application, any enforcement measures against the debtor with respect to the claims for which the out of court settlement is sought, as well as the process set out in the Code of Conduct (governing the communications of the credit and financial institutions with their borrowers), are suspended. However, auctions already scheduled within 3 months from the submission of the application as well as any preparatory enforcement actions by secured creditors (including seizures) are not suspended.

The suspension is automatically lifted in case that a settlement proposal is not finally submitted and the respective decision is disclosed to the debtor or in any other case that the out of court settlement attempt is considered unsuccessful.

Rehabilitation Procedure: Following the submission of the relevant application to the court, any enforcement and interim injunction measures against the debtor are suspended. Financial collateral takers are excluded from the suspension. Upon ratification of the rehabilitation plan, such plan is binding upon all creditors, whose claims are regulated therein, including any non-participating creditors (but is not binding on creditors whose claims have arisen after the decision ratifying the rehabilitation plan and on financial collateral takers).

Bankruptcy: Following the submission of a petition in relation to the declaration of the debtor as bankrupt, any party having a legitimate interest may request from the court to impose any measure in relation to the bankrupt debtor's property (such as suspension of enforcement measures). Secured creditors (including financial collateral takers) are in principle excluded from this suspension. Following the court decision on bankruptcy declaration, all individual enforcement measures are suspended; however, in piece-meal liquidations (i.e. liquidations of individual assets of the bankrupt borrower as opposed to liquidation of its business as a whole going concern), secured creditors may proceed with enforcement of their collaterals within 9 months from the issue of the decision declaring the borrower bankrupt. Financial collateral takers are excluded from the suspension and may proceed with enforcement of the collateral.

26. In what order are creditors paid on an insolvency in your jurisdiction and are there any creditors that will take priority to secured creditors?

The ranking rules in case of insolvency are aligned with the provisions regarding individual enforcement (for

which please refer to question no. 20). Further, senior general privileges are introduced in relation to claims arisen mainly from financing facilities within the context of the rehabilitation procedure aiming to financially support the continuation of the debtor's business (the so-called DIP Financing privilege).

27. Are there any hardening periods or transactions voidable upon insolvency in your jurisdiction?

The period between the actual commencement of the cessation of payments and the declaration of bankruptcy by the insolvency court is considered as the "hardening period". It is statutorily provided that the hardening period cannot date back longer than 2 years from the decision of the insolvency court. Transactions entered into by the bankrupt debtor within said period which are deemed to be detrimental to the debtor's creditors such as donations, payments of obligations that were not due and payable must be mandatorily revoked by the insolvency court; whilst all contracts (including provision of guarantees and collaterals) and all payments of obligations that were due and payable to third parties within the hardening period, are revocable at the insolvency court's discretion, provided however that both that the third party was aware of the debtor's cessation of payments and that such payment was detrimental to the debtor's creditors. Financial collateral agreements under Law 3301/2004 cannot be revoked solely on the grounds that they have been concluded during the hardening period.

28. Are there any other notable risks or concerns for secured lenders in enforcing their rights under a loan or collateral agreement (whether in an insolvency or restructuring context or otherwise)?

Secured lenders should take into account that debtors are generally entitled pursuant to the Greek code of civil procedure to challenge the enforcement proceedings against them and request the suspension or annulment of proceedings, to the extent they are able to prove in the courts that the claims raised against them were not valid or there were miscalculated or even that the relevant creditors pursued their claims on an abusive manner. According to the Greek Civil Code the abusive exercise of rights is forbidden and such rule has been applied by Greek courts in cases where a lender may have contractually the right to pursue its claims but the manner pursuant to which its claims are in fact pursued is considered abusive as contrary to the principles of good faith and morals.

29. Please detail any taxes, duties, charges or related considerations which are relevant for lenders making loans to (or taking security and guarantees from) entities in your jurisdiction in the context of acquisition finance, including if any withholding tax is applicable on payments (interest and fees) to lenders and at what rate.

The following types of loans are subject to Greek stamp tax, at 2.4% or 3.6% (depending on the type of the parties to the loan), applicable once on the amount of principal and interest: (i) written loan agreements having Greece as place of signature; (ii) written loan agreements having a place of signature outside Greece but performed in Greece or concerning property located in Greece; and (iii) book entries in the books of Greek entities evidencing loans (if no written agreement exists). Bond loans issued by Greek sociétés anonymes, loans granted by credit institutions and certain interest-bearing loans, in the last instance until 31.12.2020, are not subject to stamp tax.

A levy is computed annually at a rate which is in principle 0.6% in respect of loans and credit granted by credit institutions. Bonds issued by Greek sociétés anonymes are however exempt from such banking levy.

The domestic rate of withholding tax on interest is 15%. Such rate can be reduced or eliminated under applicable treaties for the avoidance of double taxation where the beneficial owner of the interest is tax resident in a relevant treaty jurisdiction. Interest withholding tax is eliminated in case of payments to EU qualifying parent companies subject to a minimum shareholding of 25% for 24 months. Interest payable to banks is not subject to withholding tax except where it is paid in respect of bonds held by them as bondholders.

Interest payments on corporate bonds, admitted for trading on a trading venue, as defined in the Directive on markets in financial instruments (2014/65) (MiFID 2), within the European Union, or in a regulated market outside the European Union supervised by an authority accredited by the International Organisation of Securities Commission (IOSCO), effected as of 1 January 2020 and received by individuals or legal entities that are non-Greek tax residents and do not maintain a Greek permanent establishment to which the interest is attributable, are exempt from interest withholding tax.

30. Are there any other tax issues that

foreign lenders should be aware of when lending into your jurisdiction?

The key issues that should be considered by foreign lenders are the stamp tax and withholding tax issues addressed under question 29. On a case-by-case basis, foreign lenders may need to be aware of other tax implications that may affect the cost of financing structures, such as restrictions on the deductibility of financing expenses on the part of the borrower or the triggering of interest withholding tax obligations irrespective of actual cash payments.

31. What is the regulatory framework by which an acquisition of a public company in your jurisdiction is effected?

Takeover bids for the purchase of shares of companies listed on the Athens Exchange are regulated by Greek law 3461/2006 on takeover bids, as amended and in force (Law 3461), implementing in Greece Directive 2004/25/EC on takeover bids. A (domestic or cross-border) merger of a public company in accordance with Greek law 4601/2019 may be also relevant depending on the structure of the transaction into consideration.

32. What are the key milestones in the timetable (e.g. announcement, posting of documentation, meetings, court hearings, effective dates, provision of consideration, withdrawal conditions)?

The below table shows the key milestones and relevant timing in a take over bid:

STEP		TIMING
1.	Decision of the offeror to launch a voluntary takeover bid or Acquisition of securities which triggers the obligation to launch a mandatory takeover bid.	N/A
2.	Notification of the offeror to the Hellenic Capital Market Commission (HCMC) and the Board of Directors (BoD) of the target company, along with the draft of the tender offer information memorandum that the offeror must prepare. The information memorandum includes the information which is necessary for the addressees to form an opinion on the offer and is signed by the advisor of the offeror, that may be a credit institution or an investment firm that is authorised to provide in Greece or in the EU the investment service of underwriting of financial instruments.	-The same day with Step 1 in case of a voluntary takeover bid -20 days (or 30 days in case a valuation report is required) from the acquisition in case of a mandatory takeover bid
3.	Announcement of the takeover bid to the public.	The next business day from Step 2 before the opening of the market
4.	Approval of the information memorandum by the HCMC.	Within 10 (or 20 in case non listed securities are offered as consideration) business days from the submission of the final draft information memorandum.
5.	Publishing of the information memorandum and its submission to the target company at the same time.	Within 3 business days from its approval by the HCMC
6.	Announcement of the offeror to the public of the means of access to the information memorandum.	On the date of publishing the information memorandum
7.	Submission of the information memorandum to the employees of the offeror and the target company.	On the date of publishing the information memorandum
8.	Submission to the HCMC of the justified opinion of the target company's BoD on the offer. Such opinion is followed by a detailed report of a financial advisor.	Within 10 days from the publishing of the information memorandum
9.	Acceptance period: The acceptance period starts from the publishing of the information memorandum and may not be shorter than 4 weeks or longer than 8 weeks. The HCMC may, following a request from the offeror which must be submitted 2 weeks before the end of the acceptance period, extend by its decisions the acceptance period for up to 2 weeks.	4-8 weeks
10.	Notification of the opinion of the target company's BoD to the employees of the target company. Where the BoD receives, within time, a separate opinion from the employees' representatives as regards the consequences of the takeover bid on the employment, such opinion is attached to its justified opinion.	Same date as in Step 8 above
11.	Submission of revised bid by the offeror (if applicable). The offeror may improve the conditions of the bid and submit a revised bid. The revised bid is submitted for approval to the HCMC, is notified at the same time to the BoD of the target company and is published within the next business day. The HCMC decides on the revised bid within 2 business days from its submission.	At least 5 business days prior to the expiration of the acceptance period
12.	Announcement of the results of the bid to the public and representatives of the employees.	The offeror must publish the results of the bid to the public within 2 business days after the expiry of the acceptance period and notify them to the employees
13	Transfer of the shares tendered to the offeror. The transfer takes place through an OTC transaction between the transfer agent and the offeror.	As soon as possible following Step 12

33. What is the technical minimum acceptance condition required by the regulatory framework? Is there a squeeze out procedure for minority hold outs?

No technical minimum acceptance conditions are required by the regulatory framework.

The law provides for a squeeze-out right in favour of an offeror that, following the submission of the bid to all the shareholders for the total of the target company's shares, holds at least 90% of the voting rights in the target company. More specifically, in this case, the offeror may require all the holders of the remaining securities to transfer to the offeror those securities within 3 months as of the end of the acceptance period, provided that the right of the offeror to exercise the squeeze-out has been set out in the information memorandum.

The holders of the shares which are transferred to the offeror may challenge the amount of the offered consideration within 6 months as of the announcement of the transfer. However, the filing of such petition does not prevent or suspend the transfer of the shares.

The law provides equally for a sell-out right in the context of a takeover bid. In particular, such right is provided in favour of the minority shareholders that remain in the target company where the offeror acquires more than 90% of its voting rights and imposes an obligation to the offeror to acquire their securities if they wish to sell them for a consideration equal to that offered in the initial bid.

34. At what level of acceptance can the bidder (i) pass special resolutions, (ii) de-list the target, (iii) effect any squeeze out, and (iv) cause target to grant upstream guarantees and security in respect of the acquisition financing?

Special resolutions of shareholders' general meeting (such as change of corporate object, (ordinary) share capital increase or decrease, merger, revival, change of the method of profit distribution etc.) require by law increased quorum (i.e. ½ of the total share capital, or in case of iterative meeting 1/5 of the total share capital) and majority (i.e. 2/3 of the share capital represented thereat).

A shareholders' resolution with a majority of 95% of the total voting rights is required for resolving on the delisting of the company. Different thresholds apply in the case of delisting of companies following a corporate transformation. More specifically, a shareholders' resolution with increased quorum (i.e. ½ of the total share capital, or in case of iterative meeting 1/5 of the total share capital) and majority (i.e. 2/3 represented thereat) is required if the shareholders of the target receive through the corporate transformation shares listed on the Athens Exchange. A shareholders' resolution with a quorum and majority of 90% of the total voting rights is required if the shareholders of the target receive through the corporate transformation shares listed on a regulated market other than Greek.

As regards the squeeze-out, please see our answer in question 33 above (i.e. an offeror shall hold at least 90% of the voting rights in the target company in order to exercise the squeeze-out right).

The provision of upstream guarantees and security in favour of related parties are subject to the provisions of articles 99 et seq. of Greek law 4548/2018 in relation to related party transactions. A specific permission by a resolution of the BoD or the shareholders' general meeting of the company (GM) (if this is requested by the minority shareholders or no quorum can be achieved at the BoD level due to conflict of interest) is required for the valid conclusion of transactions of the company with a related party (including in case of granting of guarantees to third parties in favour of related parties) as mentioned in our answer in question 11 above. The relevant permission is also subject to publication formalities. In case of listed companies, the BoD must grant the aforementioned specific approval prior to the execution of the relevant agreement based on a fairness opinion of a certified public accountant (or audit firm) or other independent party assessing whether the related party transaction is fair and reasonable. Shareholders representing 1/20 of the share capital may request the convocation of the GM in order for the GM to approve the transaction. In addition, if a GM is requested by minority shareholders and the respective agreement is already concluded by the time the GM convenes, the permission by the GM has to be provided without the opposition of shareholders representing the 1/20 of the share capital represented thereat.

35. Is there a requirement for a cash confirmation and how is this provided, by who, and when?

Yes, a cash confirmation issued by a credit institution established in Greece or in other EU member state must be provided by the offeror in the process of the takeover bid. Such confirmation will certify that the offeror maintains the means to pay the consideration for the

total amount that the offeror may pay in cash. In case the offeror offers securities as consideration, a respective confirmation by a credit institution or by an investment firm established in Greece or in other EU member state must be provided.

A similar cash confirmation issued by a credit institution established in Greece or in other EU member state should be also submitted to the HCMC by the offeror when exercising the squeeze-out right.

In case the take-over bid is financed by a third party, the information memorandum must include information on such financing.

36. What conditions to completion are permitted?

The mandatory takeover bid cannot be subject to any conditions or right of withdrawal, except for the condition of obtaining any necessary regulatory approvals or of the issuance of new shares that will be offered as consideration.

On the other hand, a voluntary takeover bid may be subject to conditions, since the offeror may determine a maximum number of shares that the offeror is committed to purchase in the tender offer. In addition, a voluntary takeover bid may be subject to the condition of a minimum number of shares offered to the offeror in order for the bid to be valid.

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