

**COVID-19 pandemic checklist of measures currently adopted in Greece to support affected businesses**

**April 3, 2020**

**In the context of COVID-19 pandemic crisis, the Greek government and other stakeholders have adopted and continue to adopt extraordinary measures, with the aim of tackling its effects on businesses and individuals.**

To this extent, the Greek government has already ordered the suspension of the operation of certain types of business activities and listed the business activities that are deemed to be substantially affected by the COVID-19 crisis.

Measures currently adopted for these businesses can be summarized as follows:

**Business lease and leasing agreements**

Any lessee whose business has been suspended by an extraordinary government act related to COVID-19 may only pay 60% of the monthly rent (and proportionately reduced stamp duty) of his business premises for the months March and April 2020, without giving rise to the lessor's right to terminate the lease agreement nor to any other civil claim. Same provisions apply also in finance leasing agreements of

either movable or immovable objects intended solely for professional use.

Lessors of any real estate falling into the above mentioned cases are expected to enjoy a suspension until August 31, 2020: (i) of their tax liabilities payable in the period from March 11, 2020 until end of April 2020, (ii) of the enforced collection of outstanding on April 1, 2020 tax debts. Same measures apply on lessors of affected businesses.

**Judicial System – Enforcement measures**

The Greek Judicial System has been suspended for the period from March 13, 2020 to April 10, 2020 and further extensions are expected.

During the suspension, deadlines do not expire and enforcement measures (seizures, auctions etc), as well as precautionary enforcement measures are restricted.

**Tax liabilities**

- The payment of the tax liabilities of businesses and natural persons affected by COVID-19 payable in the period as from March 11, 2020 until end of April 2020 and the enforced collection of outstanding on April 1, 2020 tax debts, as well as any relative precautionary

enforcement measures are extended until August 31, 2020. During the period of extension, the amounts due are not be subject to any interest or surcharge.

- Affected businesses and natural persons that do not make use of the suspension and manage to pay on time any instalments of established tax liabilities payable during the period from March 30, 2020 to April 30, 2020, will benefit a discount of 25% on the amount of the instalment. Debts of VAT and withholding taxes not arranged in instalments as well as debts originating from state aid reimbursement and debts in favour of foreign states are excluded.
- The reimbursement of amounts due by tax authorities to businesses regarding income tax and VAT returns, up to the amount of €30,000, is to be accelerated.

The measures shall lapse in case of employers who fail to maintain the same number of employees after the expiry of the measures in response to COVID-19.

- The suspension of payment of VAT liabilities of affected businesses with transactions with “Thomas Cook Group PLC” is extended until June 30, 2020.

### **Social security liabilities**

- Similar extension applies in the social security liabilities of affected businesses, freelancers and self-employed, regarding February and March 2020 (payable on March 31, 2020 and April 30, 2020 respectively), which are

suspended for 6 months (until September 30, 2020 and October 31, 2020 respectively). The payment of installments of arranged debts, payable until March 31, 2020 are suspended for 3 months.

- Affected businesses that do not make use of the suspension and manage to pay on time the social contributions of February and April 2020 will benefit a discount of 25%.

The measures shall lapse in case of employers who fail to maintain the same number of employees after the expiry of the measures in response to COVID-19.

### **Flexible employment arrangements**

- For the purpose of business continuity and health and safety in the workplace, employers are entitled to unilaterally introduce **remote work** (working from home).
- During the COVID-19 crisis, staff dismissals are either restricted or discouraged.
- Employers, whose business has been suspended by an extraordinary government act related to COVID-19, are released from the obligation to pay salaries and social security contributions to the affected employees. The affected employees will be granted a special state financial support of EUR 800, referring to a period of 45 days.
- Employers whose business has been suspended by a government act or has been substantially affected by the COVID-19 crisis

are granted (temporarily) certain employment alternatives.

**Specifically:**

- i. **Safe mode operation:** The employer may operate his business in safe mode. In this scheme, each employee may be engaged for a minimum of 2 weeks per month. Working-time shall be organized on a weekly basis. The measure shall include at least 50% of the business's employees. The salary payable and the social security contributions are reduced accordingly. The duration of the measure may not exceed a period until September 20, 2020. However, during this measure, the employer is required to maintain the same number of employees.
- ii. **Intragroup staff transfer:** The employer may transfer his staff on other undertakings within the same group of companies, upon an agreement with each employee. However, during this measure, the employer is required to maintain the same total number of employees as before the staff transfer.
- iii. **Employment suspension:** The employer may suspend the employment agreements of all or part of his employees, in order to adjust his operational needs to this difficult situation. The duration of the suspension may not exceed a period until April 20, 2020 (which may be prolonged by a ministerial decision). The affected employees shall be

granted a special state financial support of EUR 800. However, during this measure, staff dismissals are restricted. In addition, after the expiry of the suspension measure, the employer is required to maintain the same number of employees for a period equal to the duration of the suspension.

An employer who chooses to suspend the employment agreements of part of his employees, is entitled to introduce to the remaining employees the measures cited above, i.e. safe mode operation or intragroup staff transfer.

- iv. **Combination of the measure of employment suspension and remote work:** On an exceptional basis, upon agreement between an employer and a suspend employee, the latter may be engaged by the employer in remote work, solely to cover temporary operational needs of the employer. This employee shall still receive the special state financial support of EUR 800 and additionally the employer shall pay a proportionate salary. The measure only applies to a maximum 10% of the suspended employees of the employer.

**Other employment measures**

- Suspended or affected businesses may delay the payment of the staff's Easter bonus until June 30, 2020. For employees that have been suspended for a certain period, this bonus will be reduced proportionately. The difference shall be covered by the Greek State.

- Employers, at their discretion, may pay to the suspended employees the salary difference (after deduction of the amount of the special state support), followed by the corresponding social contributions.

### **Banking Sector**

- By virtue of a decision adopted by the Hellenic Bank Association, legal entities operating into business sectors directly affected by COVID-19 crisis, are provided with the facilitation of suspension of repayment of capital installments due as from March 18, 2020 until, at least, September 30, 2020. For the period of such suspension, the contractual interest shall be normally paid. The above mentioned creditors may apply for a later payment of debt, by extending the credit period, provided that their loans were up to date on December 31, 2019.
- Employees, freelancers, self-employed and sole proprietors who satisfy the conditions to receive the special state financial support of EUR 800 will be able to suspend loan installments for a period of three months.
- In order to facilitate the assessment of the financial institutions on the persons meeting the conditions for said suspension of instalments, a special mechanism is set. Upon request, the competent Ministries shall transfer to the financial institutions and the servicers, the data required for the identification of the persons who receive the special state financial support of EUR 800.

- Same 3-month suspension period applies to the monthly installments of affected persons submitted to the extra-judicial mechanism of debts arrangement (L. 4469/2017) or the interest subsidy programme for loans secured on a main residence property (L. 4605/2019) or the household debt mechanism (L. 3869/2010).
- In addition, the members of the Servicers of Non-Performing Loans Association announced that similarly to Greek banks they suspend any loan installments for a period of three months payable by those persons who receive the special state financial support. Furthermore, they undertake to propose tailor-made solutions to all persons and entities financial affected by the COVID-19 Crisis and they will instruct accordingly any associated law firms and debt recovery firms.

It is, however, stressed that any debtors (either individuals or businesses) who are not affected by the crisis should continue to serve their debt obligations normally.

### **Greek State funding and financial support**

- Implementation by the government of an expanded financing framework (in the total amount of one billion Euro) with a low interest rate, to be provided to affected businesses in the form of a totally or partially repayable advance with an extended repayment period. Such financing shall be granted in accordance with the Temporary Framework for State Aid measures, adopted on March 19, 2020 by the

European Commission (see below “Measures adopted on a European level”). Such financing may not be seized, shall be tax-free and cannot be set-off against any debt.

Undertakings headquartered in Greece with between 1 to 500 employees, which have been financially affected by the Covid-19 crisis (even if they are not listed as “affected” by a governmental act), may express their interest for this financial support via the electronic platform “myBusinessSupport”, followed by their financial data of the past 15 months, provided that (i) they are not in difficulty, within the meaning of the Commission Regulation (EU) 651/2014 or found themselves in difficulty after December 31, 2019, as a consequence of the Covid-19 crisis, and have not been granted any previous support incompatible with a decision of the European Commission; (ii) comply with the requirements of the Commission Regulation (EU) 1407/2013 and have not exhausted the quota for 2018-2020; (iii) are not idle as from April 2019 onwards.

The deadline for the expression of interest expires on April 10, 2020.

The eligibility check and the calculation of the alleged support will be automated.

The conditions for eligibility, the method of calculating the amount of the alleged support, the method of repayment and other procedural matters will be determined by a ministerial

decision to be issued after the expiry of the above deadline.

- According to measures adopted by the government, business support actions targeted to businesses whose operation is affected by either by the spread of the COVID-19 coronavirus or by any relevant measures adopted, may be financed by the national or co-financed part of the Public Investment Program. By virtue of a ministerial decision to be issued by the Minister of Development and Investments, any aid action, the beneficiaries of such aid, the eligible costs, the conditions and criteria for eligibility, the relevant deadlines, the services responsible for implementing them, and any other specific subject matter, shall be specialized and approved.
- Certain categories of freelancers, self-employed and sole proprietorships, shall receive a special state financial support of EUR 800.
- Scientists, lawyers, engineers, doctors shall receive a special state educational support in the form of training vouchers of a value of EUR 600.

### **Business to business transactions**

The Greek government has adopted in the near future measures regarding a suspension in the expiration, presentment and payment of the following negotiable instruments: bank cheques, bills of exchange and promissory notes. For more details, please see our newsletter regarding [\*The Greek governmental\*](#)

[measures towards supporting the Greek market and economy.](#)

### **Greek Coastal Shipping**

The Greek government has also adopted support measures for businesses of the shipping sector. For more details, please see our newsletter regarding [The Greek measures to support coastal shipping.](#)

### **Corporate matters**

- Until June 30, 2020, General Meetings of shareholders or partners and meetings of the Board of Directors of any legal entity may be conducted via teleconference available to some or all of its members, notwithstanding whether this is provided for by their articles of association. The members' signatures can be replaced by emails.
- The deadline for the publication of the annual financial reports for the tax year 2019 of companies with listed shares is extended until June 30, 2020.
- The operation of the information system "Central Registry of Beneficial Owners" is suspended from March 30, 2020 until June 30, 2020.

### **Operation of public administration sectors**

A package of measures has been adopted in order to facilitate certain administrative procedures to be carried out via internet (such as issuing necessary administrative documents online).

### **Measures adopted on a European level**

The European Commission has announced the intention to adopt several measures in order to support affected economies and businesses. Such measures include, inter alia:

- i. The establishment of a Special Investment Fund (the so-called «corona-fund») of EUR 25 billion with the aim, inter alia, of supporting small and medium-sized enterprises.
- ii. State aid flexibility provisions in order to support businesses facing financial difficulties.

To further mitigate economic shocks and save businesses, the European Commission has put the most flexible State Aid rules yet, allowing Member States to provide direct support for hard hit companies and small firms as they may risk closing down without support. The Temporary Framework for State Aid measures, adopted on March 19, 2020 provides for five types of aid:

- ✓ direct grants, repayable advances or tax advantages of up to €800,000 per company;
- ✓ subsidised State guarantees on bank loans;
- ✓ public and private loans with subsidised interest rates;
- ✓ banks' existing lending capacities, and use them as a channel for support for businesses – in particular to small and medium enterprises - such aid is clearly

direct aid to the banks' customers and not to the banks themselves;

- ✓ additional flexibility to enable short-term export credit insurance to be provided by the State where needed.

The aim of these measures is to ensure that businesses retain the means to keep operating, or to temporarily freezing activity without implicating long-term growth prospects.

The new Framework does not replace, but complements the many other possibilities already available to Member States in line with State aid rules. These are set out in the Communication on a coordinated economic response to the COVID-19 outbreak of March 13, 2020.

The Commission has proposed the extension of the State aid Temporary Framework adopted on 19<sup>th</sup> March so that European businesses can benefit from much needed liquidity. The aim is to have the amended Temporary Framework in place in the first week of April.

The extension of the Framework includes the addition of five support possibilities: for coronavirus related research and development, for the construction and upgrading of medical testing facilities, for the manufacturing of products relevant to tackling the coronavirus outbreak (vaccines, medical products, protective gear), targeted deferral of tax payments and/or suspension of employers' social security contributions, and targeted wage subsidies for employees.

iii. The EIB Group has proposed a plan to mobilise up to €40 billion of financing aiming, inter alia, at the provision of working capital and the promotion of additional investment to support businesses. This will go towards bridging loans, credit holidays and other measures designed to alleviate liquidity and working capital constraints for SMEs and mid-caps. The European Investment Bank Group, including the European Investment Fund, which specialises in support for small and medium-sized enterprises, will work through financial intermediaries in the Member States and in partnership with national promotional banks. The proposed financing package consists of:

- Dedicated guarantee schemes to banks based on existing programmes for immediate deployment, mobilising up to €20 billion of financing;
- Dedicated liquidity lines to banks to ensure additional working capital support for small and medium-sized enterprises and mid-caps of €10 billion;
- Dedicated asset-backed securities purchasing programmes to allow banks to transfer risk on portfolios of small and medium-sized enterprise loans, mobilising another €10 billion of support.



## Hellenic Capital Market Commission

- The Hellenic Capital Market Commission has confirmed that, in accordance with the ESMA Public Statement dated March 18, 2020 (ESMA 80-191-995), it will not prioritize its supervisory actions with respect to the reporting of securities financing transactions (SFTs) by credit institutions, investment firms and relevant third-country entities, which should start on April 13, 2020. SFT reporting by such entities, under both SFTR and MiFIR, has been postponed to the next phase of the reporting regime. Consequently, credit institutions, investment firms and relevant third-country entities will begin SFT reporting on July 13, 2020, together with central counterparties (CCPs) and central securities depositories (CSDs). The registration requirement for trade repositories (TRs) has been also pushed back to July 2020.
- The Hellenic Capital Markets Commission (HCMC) decided on 17 March 2020 to ban, pursuant to article 20 of Regulation 236/2012, short selling or other transactions that create or increase a net short position in shares listed on

the ATHEX, irrespective of the place of execution of the relevant orders. The ban applies also to all financial instruments that are taken into account to calculate the net short position based on articles 5 and 6 and Annex I, part 1 of Regulation (EU) no 918/2012. The ban applies as from March 18, 2020, 00.00.01 (CET), until April 24, 2020, 24.00.00 (CET).

*Your Legal Partners are actively advising clients in relation to the Covid-19 outbreak. Please do not hesitate [to get in touch with us](#) if your business has been affected*

*If you have questions or would like additional information, please contact the authors:*

*Fotini Mavrikaki, Senior Associate*

[fotini.mavrikaki@yourlegalpartners.gr](mailto:fotini.mavrikaki@yourlegalpartners.gr)

*Marina Mantzana, Senior Associate*

[marina.mantzana@yourlegalpartners.gr](mailto:marina.mantzana@yourlegalpartners.gr)

*Follow us*

