

Negotiable instruments in the era of COVID 19: The Greek governmental measures towards supporting the Greek market and economy

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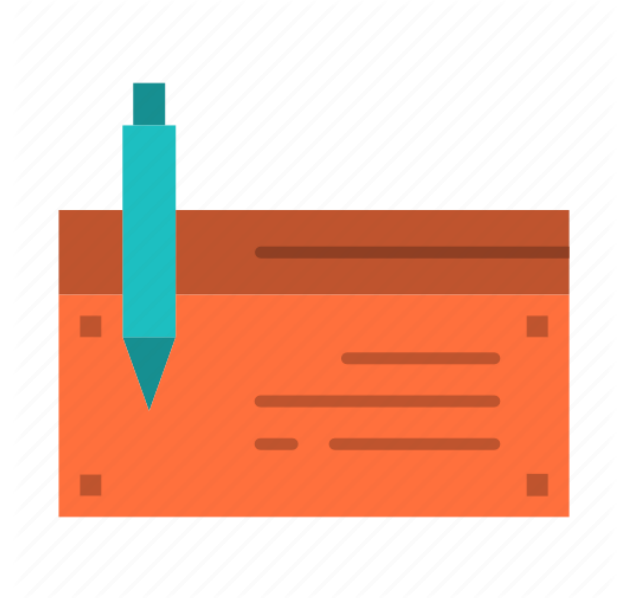
Taking into consideration the severe economic impact of the COVID-19 outbreak, the Greek government by its Legislative Act dated March 30, 2020 adopted additional business measures concerning the expiration, presentment for payment and payment of negotiable instruments.

In particular:

- **75-day suspension of payment:** From March 30, 2020 and until May 31, 2020 the expiry, presentment for payment and payment of all the negotiable instruments payable by the businesses whose activities have been suspended or which have been or will be in the future classified as drastically affected by the Covid-19 crisis, are suspended for 75 days. The 75-day period begins from the date of expiry of the instrument (i.e post-dated cheques). Of course, both the payer/drawer and payee/drawee of a negotiable instrument may freely agree otherwise, i.e. to the direct payment of the instrument on the initial expiry date.
- **Electronic transmission:** For the purposes of the 75-day suspension, any beneficiary or obligor under the negotiable instrument, such as the issuer, payee/drawee or bearer, shall transmit the negotiable instruments to the financial institutions by a specific electronic procedure, within 6 business days starting from **(a)** March 31, 2020 for already classified as affected businesses or **(b)** the day after the date of classification of a business as affected. As financial institutions are meant the financial institutions operating in Greece, including, inter alia, the branches of foreign financial institutions falling within the scope of EU Directive 2013/36, the Greek Deposits and Loans Fund, the payment institutions of EU Directive 2013/36, the electronic money institutions of EU Directive 2009/110, as well as the branches and representatives of foreign payment and electronic money institutions lawfully operating in Greece.

- **Mitigation of the negative effects upon the creditors - Optional inclusion in the category “affected businesses”:** In case the bearer of a negotiable instrument is not listed as a suspended or affected business, it may optionally qualify as affected business from April 1, 2020 onwards. Therefore, the businesses can benefit from part of the relevant socio-economic governmental measures solely as regards the suspension or discount of the tax and social security liabilities. For more details, please see the relevant sections of our [COVID-19 pandemic checklist of measures currently adopted in Greece to support affected businesses.](#)

As a prerequisite, the total value of the suspended negotiable instruments held by the bearer shall exceed the 20% of the average monthly turnover of the bearer’s business of the immediate preceding tax year (2019). Businesses that which have seen a significant increase in their turnover during the pandemic, as specified by the Minister of Finance, are excluded from this measure. A Ministerial Decision is expected for the detailed procedure to be followed for the optional qualification of a business as affected.



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 author:

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