

Law 5203/2025: New provisions of the Development Law

The recently enacted Law 5203/2025 revises the legal framework established by the Development Law (Law 4887/2022), introducing new investment aid schemes while amending or repealing certain existing provisions. Additionally, it establishes new incentives for expedited licensing procedures, enhances the evaluation and monitoring processes for investment projects, and streamlines the functioning of collective bodies.

The main provisions of the new Law can be summarized as follows:

Beneficiaries of the Aid Schemes

- Commercial companies (of all legal forms).
- Cooperatives, Social Cooperative Companies (SoCC), Producer Groups (PG)/ Organizations, Urban Cooperatives.
- Companies in establishment or merger procedures (with publicity procedures completed before the commencement).
- Public and Municipal companies (under certain conditions).
- Personal companies only for specific regimes (e.g. Agri-food, Social Entrepreneurship).
- Consortia conducting commercial activities.

Minimum Investment Amount

The minimum amount of investment plan is determined based on the size of the entity as follows:

Company category	Minimum amount of investment
Large sized companies	1,000,000
Medium sized companies	500,000
Small sized companies	250,000
Very small sized companies	100,000
Social Cooperative Companies (SoCC), Agricultural Cooperatives (AC), Urban Cooperatives (UC), Producer Groups (PG)/ Organizations, Agricultural Corporate Partnerships (ACP), very small sized companies subject to the regime of "Social Entrepreneurship and Handicrafts"	50,000

Maximum Investment Amount

The maximum amount of aid for each investment plan amounts to **€20,000,000**.

For each company, the total amount of aid including aid to cooperating or affiliated companies may not exceed €20,000,000 for a single company and €50,000,000 for the total of cooperating or affiliated companies, following the restrictions of Article 4 of the General Block Exemption Regulation (GBER – "T.A.K.").

The above restrictions apply to the total amount of aid for a period of three (3) years from the submission of the application of the inclusion.

The amount of aid considered is the one specified in the inclusion decision.

The limits are increased by 50% when the aid is granted in the form of a tax exemption.

Aid Schemes

The new Development Law **provides 12 aid schemes** covering the following sectors:

- Modern Technologies
- Green Transition – Environmental Enterprise Upgrade
- Social Entrepreneurship and Handicraft
- Special Aid Areas Scheme
- Agri-food - Primary Production and Processing of Agricultural Products – Fisheries – Aquaculture
- Manufacturing – Supply chain
- Enterprise Extroversion
- Enhancement of Tourism Investments
- Alternative Forms of Tourism
- Large-scale Investments
- European Value Chains
- Entrepreneurship 360o

Eligible Expenses

The Investment plans governed by the new Development Law may receive aid for eligible expenses that are either regional (as part of initial investments) or non-regional in line with the relevant schemes and European Regulations. Specifically, the eligible expenses are as follows:

A. Regional Aid Expenses

A.1. Tagible Fixed Assets

- Construction/expansion/innovation of facilities (maximum 45% and up to 80% for special categories, e.g., listed buildings).
- Acquisition of existing fixed assets, subject to specific conditions.
- Purchase and installation of new machinery and equipment.
- Financial leasing of modern equipment, provided there is an option to purchase.
- Innovation of existing facilities (excluding buildings).

A.2. Intangible Assets

- Acquisition of know-how, rights, software, quality systems.
- Aid limit up to thirty percent (30%) for large companies, fifty percent (50%) for SMEs.

A.3. Payroll Cost

- New jobs created as a result of the investment.
- Eligible cost: Two (2) years from the creation of each position.

B. Non-Regional Aid Expenses

- Consulting services for SMEs – support up to 50%.
- Start-up expenses for newly established small / very small companies.
- Research and Development
- SME innovation, organizational and process innovation

Implementation and Completion Deadlines

- Environmental investments, e.g. RES (Renewable Energy Sources), energy efficiency, recycling.
- District heating – district cooling, cogeneration of energy from RES.
- Vocational training.
- Participation of SMEs in exhibitions.
- Support for employees in disadvantaged positions.

The completion of the investment plan (physical & financial scope & productive operation) must be carried out within the prescribed deadline set in the inclusion decision, which cannot exceed 3 years from the date of publication.

The investment entity is required to implement at least 10% of the eligible cost within 24 months from the publication of the summary of the inclusion decision, in order to avoid revocation of the inclusion.

- **Extension of Implementation (up to 2 years, once)**

An extension of up to two (2) years may be granted, provided that:

- A relevant request is submitted electronically before the expiration of the initial deadline, and
- At least 50% or 65% of the physical and financial scope has been implemented.
- The total deadline also includes any "horizontal" extensions provided for by law.

Types of aid

The investment plans qualifying under the new Development Law may be eligible to receive one or more of the following types of aid:

- **Tax Exemption**

Exemption from income tax for the pre-tax profits of the company, excluding profits distributed or withdrawn by partners.

- **Grant**

Payment of a monetary amount to cover eligible expenses of the investment plan.

- **Leasing Subsidy**

Aid for part of the lease payments for the acquisition of new, modern equipment.

- **Subsidy for the Cost of New Jobs (standalone incentive)**

Coverage of the wage cost for new positions created as a result of the investment for two (2) years.

- **Business Risk Financing**

Provided under selected schemes (Modern Technologies, Social Entrepreneurship, and Handicrafts) and relates to:

- Interest rate subsidy for subordinated loans and/or
- Coverage of insurance costs for high-risk loans
- Fast-track licensing incentive
- For the Special Support Areas and Major Investments schemes, permits are issued within two (2) months from the complete submission of the file to the General Directorate for Private Investments.

- **Loan incentive with the guarantee of the Hellenic Development Bank**

Support in the form of a loan guarantee provided by credit institutions.

Special Aid schemes

Increased rates are provided for investment plans implemented in:

- Mountainous areas, excluding the urban complex of Athens.
- Border areas (≤ 30 km from the borders).
- Small islands with fewer than 3,100 inhabitants.
- They concern the reopening of industrial units that have ceased their operations.

Aid Intensity and Grant Rates

The aid rates for eligible expenses, according to the new Regional Aid Map, are as follows:

- **For Small, Very Small, and Medium-Sized Enterprises**

All types of aid (except for grants) are provided at 100% of the maximum limit set by the Map, while grants are provided at 80% of the maximum limit.

In cases of special categories of aid, the grant is provided at 100% of the maximum limit.

- **For Large Enterprises**

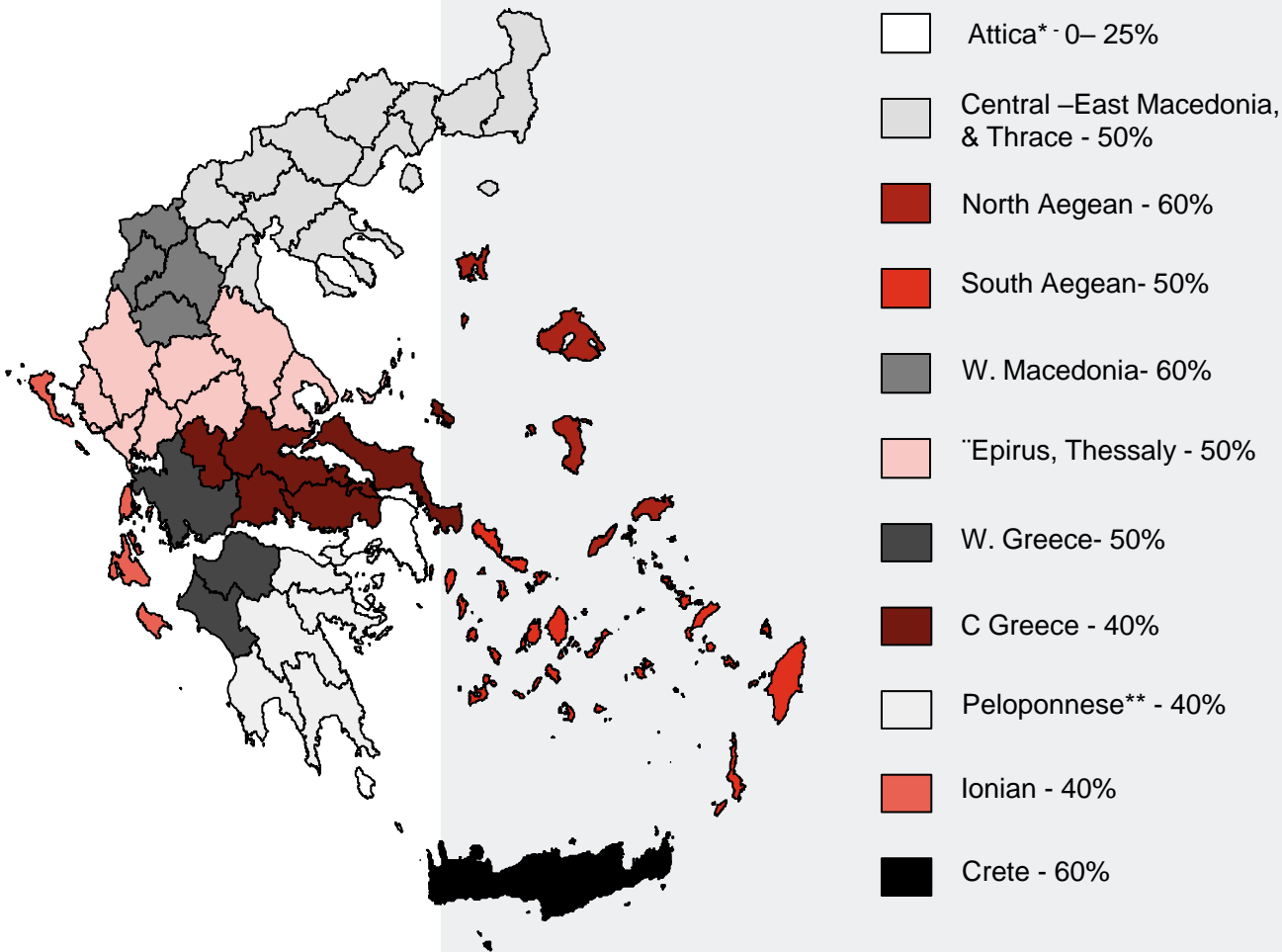
All types of aid are provided at 80% of the maximum limit.

In special categories of aid, the aid intensity reaches 100% of the maximum limit.

Regional Aid Map

The Regional Aid Map determines the maximum aid intensity based on GBER 651/2014.

Aid intensity applicable for Large Enterprise as outlined below. Medium Enterprises receive an additional 10%, Small enterprises receive an additional 20%



- * Specifically for Attica
- 0% for Central, Northern & Southern Athens
 - 15% or Western Athens
 - 25% for Piraeus, East & West Attica

- **Specifically for Peloponnese
- 50% for Megalopoli, Gortynia and Tripoli
 - 50% for Oichalias

Let's talk

For a more in-depth discussion on the above you may contact:



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