



Legal Flash

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New Incentives Law aiming to boost the investment environment

Law 4635/2019 “Investing in Greece and other provisions” (FEK A’ 167/30.10.2019) (hereinafter the “Law”) introduces various provisions for the simplification, codification and acceleration of existing procedures, as well as the avoidance of doubts and elimination of investment barriers in licensing, environmental and urban planning matters. The Law aims to improve the business environment and attract investments also by introducing important initiatives in digital governance. The main points of the Law are as follows:

Attracting Strategic Investments

The Law introduces the following improvements in the existing framework for Strategic Investments:

- The entirety of the investments that have been approved by the Inter-Ministerial Committee of Public-Private Partnerships and the European Projects of Common Interest of article 8 of law 4271/2014, are being integrated in the fast track procedure automatically, without needing to be included in the European Fund of Strategic Investments (EFSI).
- The built–surface ratio for small industrial strategic investments (“Type 2 Strategic Investments”) is increased to 0.6 from a previous 0.3. At the same time, thresholds for inclusion in the Type 1 and 2 Strategic Investments framework are reduced to EUR 40,000,000 and 75 new employment positions and EUR 30,000,000 and 50 new employment positions respectively, as to facilitate the development of smaller scale strategic investments. The Law also provides that investments with a budget of more than EUR 100,000,000, will also be considered Type 1 Strategic Investments, without the creation of new employment positions being a prerequisite.
- Provisions regulating timelines and competent authorities for the granting of licenses or approvals for the implementation of projects and the establishment or operation of Strategic Investments, are being introduced, in order to speed up licensing processes, mainly environmental ones.

Audit of files and investment projects by a statutory auditor or audit firm

The completion of an investment and the commencement of production, in order for the subsidy to be paid, may be certified by a statutory auditor or audit firm at the request of the investment project’s owner. However, the competence to verify the completeness of the audit report and the compliance of certified facts with the provisions of the relevant institutional framework remains with the relevant competent authorities.

This new procedure, which resembles to the successful implementation of the “tax Certificate”, aims to speed-up the process of certifying the completion and the commencement of production of investments, which is currently significantly delayed, resulting in financial burden for investors. However, the Ministerial Decision which will regulate the implementation of this process is still pending.



Inclusion of new activities in the existing Incentives Law (4399/2016)

The new activates that are eligible to receive incentives by virtue of Law 4399/2016, include mining activities (excluding coal, lignite, oil and gas), courier services and programming and broadcasting activities.

Central Electronic Licensing System

A Central Electronic Licensing System is established and will be used for the issuance of all types of licenses (building and operating), both for public and private projects.

The starting date will be determined by a Ministerial Decision, and the transition to the new System will take place within 6 months from the starting date.

Licensing and supervision of the construction of antennas on land

In order to speed-up the procedures for licensing and installing antennas on land and to register and control existing facilities, the provisions of the new Law simplify and codify the existing legal framework. Provisions regarding environmental protection are also introduced, providing for protected areas, where the installation of antennas is restricted, and organized antenna installation in Parks. The concept of Antenna Parks is also introduced to further organize their installation.

These reforms are expected to boost investments in 5G wireless networks, which will enhance the country's digital transformation, the competitiveness of the economy and the development of the State and Greek businesses.

Development of Business Parks

The existing provisions concerning the operation of Business Parks are improved and new provisions are introduced. The most important are:

- The installation of power production activities from renewable sources is reinforced, and may cover up to 60% of a Park's activities, with a view to achieve energy autonomy, improved energy balance and promote the use of cleaner energy sources. At the same time, restrictions on the development of greenhouses and livestock farming are being lifted in all types of organized infrastructures.
- The procedures for the initial establishment of Business Parks and for the implementation of minor changes in their installation are simplified, given that no joint ministerial decision is required anymore, and a decision by the General Directors of the Ministry of Development and Investment and the Ministry of Environment will suffice.
- The cost of municipal charges of a contributory nature is rationalized and reduced in favor of the businesses. Given that organized receptors/Business Parks are located and developed in areas outside the city plan, meaning that their demand for cleaning and electricity services differs from those in residential areas and can be budgeted with relative accuracy, they will be charged only for the contributory services provided in the Park either by the Municipality or by the Park's administrator when making use of the facility.
- Businesses may be established in a Business Park either by acquiring the land and buildings located therein, or by leasing or obtaining use of the space through other contractual relationships.
- The framework for the demarcation, markings and installation of controlled access systems at the organized receptors is clarified, in order to ensure proper operation and prevent any damage to the infrastructure or improper use by non-beneficiaries.
- The incentives already provided for the establishment or relocation of enterprises into Business Parks are extended by providing exemptions from the applicable tax in case of acquisition or donation contracts.



- As an additional incentive to set up economic activities in Business Parks, owners are exempted from the obligation to obtain an operating license provided in Law 4442/2016 and will be subject to notification requirements.

Single Digital Map

The creation of a "Single Digital Map" is introduced. Said Map will depict all geospatial information relevant to the licensing of any investment or construction activity. Geospatial information shall include, in particular, information on:

- building regulation and limitations
- uses of land
- city plans
- property and building lines
- cadastral plot parcels
- forest and forest lands
- Natura 2000 areas or special habitat protection areas,
- seashore, coastal and port zones
- waters, watercourses, wetlands, banks of waterways and large lakes
- archeological or historical sites
- traditional agglomerations, traditional or protected areas
- specific plans for the location of productive areas etc.

This map shall be rendered legally binding upon its finalization, and therefore no license request for any investment or construction activity shall be rejected on the basis of geospatial information not included in the Map.

Possibility of establishing new industries in Attica

The installation and operation of medium-nuisance manufacturing activities (Category A2 of the environmental license) is now permitted in the organized receptors of Attica (BIPE, BIPA, BIOPA, Technopoles, Business Parks and other forms of Industrial Business Areas – BEPE).

It is noted that each individual case should be considered on the basis of its specific characteristics and that the above mentioned general principles may not necessarily apply in all cases. Our expert advisers are able to help you with the issues that arise in your individual case.

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This information is intended only as a general update for interested persons and should not be used as a basis for decision making. For further details please contact PwC: 268, Kifissias Avenue 15232 Halandri tel. +30 210 6874400

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