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# Investing In... 2026

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**Contributing Editor**

G. J. Ligelis Jr.  
Cravath, Swaine & Moore LLP



# Chambers

Global Practice Guides

## Investing In...

Contributing Editor

G. J. Ligelis Jr.

**Cravath, Swaine & Moore LLP**

2026

# GREECE



## Law and Practice

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**Iason Skouzos TaxLaw** was established in Athens in 1972 as a purely tax law firm. During the last decade, it has developed into a multidisciplinary commercial and tax law firm, while still retaining its status as one of the best in the field of taxation. The firm has a par-

ticular specialisation in acting for international clients, and its ability to understand both common law and continental legal systems enables it to better communicate the particularities of Greek business, tax and legal environment to such international clients.

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## 1. Legal System and Regulatory Framework

### 1.1 Legal System

Greece is a parliamentary democracy with a written Constitution. It has been a member of the European Union since 1981, and is a member of the eurozone. Greece is a civil law jurisdiction, and its court system is comprised of civil, administrative and criminal courts. Private law disputes fall under the jurisdiction of the civil courts, while taxation disputes and regulatory matters generally fall under the jurisdiction of the administrative courts and the Council of the State.

The institution of Independent Authorities has been enshrined in the Greek legal order relatively recently, with the following Independent Authorities being the administrative authorities of the State:

- the Independent Authority for Public Revenue;
- the Supreme Council for the Selection of Personnel;
- the Communications Privacy Authority;
- the Personal Data Protection Authority;
- the National Authority for Higher Education;
- the National Authority for Transparency; and
- the National Telecommunications and Post Commission (EETT).

Greece is a member of the United Nations, NATO, the OECD, the Organization for Co-operation in Europe, the Council of Europe, UN Tourism, the International Maritime Organization and UNESCO, among other organisations. The right to property is a fundamental right under protection of the State, as provided in Article 17 of the Greek Constitution.

### 1.2 Regulatory Framework for FDI

FDI does not require a review or approval from any national authority, per se. Approval procedures are required mainly in the following cases:

- the purchase by foreign investors of real estate rights over land in border areas, including several islands;
- investment in regulated sectors (pharmaceutical, mining, gaming, etc); and

- investments that are subject to special incentives, such as fast-track licensing or tax benefits.

## 2. Recent Developments and Market Trends

### 2.1 Current Economic, Political and Business Climate

Greece is viewed as a stable, reform-oriented, investment-grade eurozone economy with a clear pro-FDI stance, now complemented by a new national FDI screening regime. Following its 2010–2018 crisis, the country has grown faster than the euro area average, led by investment and tourism. The IMF notes that public debt has dropped by over 55 percentage points of GDP since 2020, aided by strong growth and fiscal discipline, and Greece has regained investment-grade ratings across agencies.

#### Credit Ratings and Market Perception

Greece has been upgraded by Moody's to Baa3 (March 2025); by DBRS to BBB; and by Fitch to BBB with a stable outlook (November 2025), all citing debt reduction and resilient growth. These upgrades support FDI through lower sovereign risk, cheaper financing and a more predictable macro environment.

#### Political and Institutional Context

The centre-right New Democracy government has held a single-party majority since 2023 and remains pro-EU and pro-business, with elections not due until 2027. Issues such as a large agricultural subsidy fraud case have caused political scrutiny but not broader instability. Overall, Greece is viewed as being politically steady, with consistent policy direction.

#### Business Climate

Strengths include:

- a strategic location linking Europe, Asia and Africa;
- steady progress in digital government, licensing and energy-market reforms; and
- relatively low labour costs, with a skilled workforce.

However, structural challenges remain, including:

- bureaucratic complexity;

- legislative fluidity;
- slow courts; and
- obstacles in spatial planning and environmental permitting.

Greece is therefore seen to be improving but is still administratively demanding for investors.

## Main FDI Sectors

The key sectors attracting FDI include:

- real estate and hospitality;
- renewable energy and grid infrastructure;
- transport, logistics and ports;
- financial services and fintech; and
- manufacturing and ICT/data centre operations.

## Incentives

Greece offers a “Fast-Track” strategic investment regime with accelerated licensing and tax benefits, blended financing linked to the Recovery and Resilience Facility (RRF) for green and digital projects, and sector-specific incentives including renewable energy systems, R&D and logistics tools, alongside the golden visa programme.

## FDI Regulation

Traditionally, Greece applied an open-door policy with national treatment for foreign investors, and restrictions only in areas such as defence, media and certain critical infrastructure. In May 2025, however, Greece adopted Law 5202/2025, its first comprehensive FDI screening system implementing EU Regulation 2019/452. The regime is new, significant and still untested in practice.

## 3. Mergers and Acquisitions

### 3.1 Transaction Structures

The most common structures for a transaction involving targets in Greece are as follows:

- the acquisition of shares in a target company;
- setting up a special purpose vehicle in a jurisdiction that has a strong corporate law culture and a double taxation treaty with Greece, which then buys the assets or the shares of the target; and

- setting up a Greek corporation (either an S.A. or an IKE company).

The key considerations in selecting a transaction are as follows:

- the duration of the investment/exit horizon;
- involvement in the management of the target;
- immigration law considerations, as there are facilitations in relation to work permits for directors of Greek entities in certain cases; and
- tax treatment.

The choice of structure does not have significant differences between the acquisition of public versus private companies, nor between the acquisition of companies compared to making minority investments.

### 3.2 Regulation of Domestic M&A Transactions

For a foreign investor looking at M&A in Greece, the main regulatory “gates” to think about are:

- merger control (competition law);
- the new Greek FDI screening regime (Law 5202/2025);
- the EU Foreign Subsidies Regulation (FSR);
- sector-specific and prudential approvals in Greece (see 8.1 Other Regimes); and
- capital markets/public M&A rules (if the target is listed).

If the target is listed on the Athens Exchange, the following applies:

- takeover bids are governed by Law 3461/2006 (implementation of the EU Takeover Directive), with mandatory bid obligations once certain control thresholds are crossed;
- transparency and major holdings notifications under Law 3556/2007 (and related rules) kick in at various voting rights thresholds; and
- the Hellenic Capital Market Commission (HCMC) is the key regulator for both.

These are no “approvals” in the strict sense, but procedural constraints and disclosure obligations that drive deal design and timetables may be imposed.

## Other Regimes Relevant to Foreign Investors

The following regimes do not usually function as central M&A clearances, but can be material.

- Real estate in border/sensitive areas – acquisitions by non-EU/EEA persons in certain border islands or frontier regions require prior approval from the Ministry of Defence/Interior, even in share deal structures where the principal asset is such real estate.
- Environmental and planning – major industrial, energy or infrastructure deals may require consent/notification where licences are personal to the holder or are expressly conditioned on regulator approval of ownership changes.

## 4. Corporate Governance and Disclosure/Reporting

### 4.1 Corporate Governance Framework

Greece's corporate governance framework for listed companies combines mandatory law with self-regulation, and is based on:

- Law 4706/2020;
- decisions of the Securities and Exchange Commission;
- selected provisions of Law 4548/2018; and
- the Corporate Governance Code, which sets out principles and best practices.

The Code is voluntary and follows a “comply or explain” model. Rather than repeating legislation, it raises governance standards by addressing areas where the law is minimal or flexible. It draws on EU and international practice and applies to companies listed on regulated markets, as well as MTF-listed companies that opt into Law 4706/2020.

The Code covers major governance areas, including:

- board responsibilities;
- composition;
- functioning;
- directors' duties;
- sustainability;
- internal controls;

- the General Assembly;
- shareholder participation;
- stakeholder engagement; and
- guidance for preparing the governance statement.

Regarding legal forms, the S.A. (*Société Anonyme*) is the main corporate vehicle for large businesses and the only type eligible for listing, offering separation between shareholders and the board with freely transferable shares. The EPE (Greek Ltd) is considered outdated, while the IKE is the modern option for smaller firms. Foreign investors may also establish branches, which have no separate legal personality and follow the corporate law of the parent company's jurisdiction.

### 4.2 Relationship Between Companies and Minority Investors

Under Law 4548/2018 on S.A. companies, even a single share grants the holder a range of core rights, including:

- voting at the General Assembly;
- participating by proxy;
- subscribing pro rata to new shares in capital increases;
- receiving information from the board when relevant to assessing the meeting's agenda;
- obtaining details on share capital and classes of shares;
- receiving annual financial statements and accompanying reports ten days before the ordinary General Meeting;
- requesting that their views be recorded in the minutes;
- obtaining copies of the minutes; and
- challenging a General Meeting held without proper notice, even if all shareholders are present.

Beyond these basic rights, minority shareholders gain additional protections when they hold specific shareholding thresholds (eg, 5%, 10%, 20%, one third). Greater holdings provide stronger rights, designed to prevent abuse by controlling shareholders. The company's Articles of Association may further enhance minority protections by lowering these thresholds.

Overall, these rights allow shareholders to exercise high-level oversight of the company without encroach-

ing on day-to-day management, which remains the responsibility of the board of directors elected by the majority.

### 4.3 Disclosure and Reporting Obligations

Foreign investors entering or expanding in Greece face disclosure and reporting duties arising from several legal regimes that apply pre-closing, during ownership and on exit, and that involve both the investor and the Greek target. These requirements are not excessive by European standards but require co-ordination, especially in regulated sectors or deals caught by the new FDI screening law.

If an investment falls under Greece's national security FDI screening regime, disclosure is front-loaded: non-EU/EEA investors (or EU investors controlled by third-country persons) must notify the authority when acquiring stakes in sensitive or highly sensitive sectors, with thresholds starting at 10%.

After acquisition, the Greek entity must meet corporate transparency obligations, chiefly through filings in the General Commercial Registry (GEMI), which records shareholder changes, constitutional amendments and governance updates. Acquisitions may also trigger AML beneficial ownership reporting.

Investments in regulated sectors (eg, banking, insurance, energy, telecoms, digital infrastructure) may require additional notifications or approvals from sectoral regulators.

For listed companies, EU-based major-shareholding rules apply, requiring notification to the issuer and the HCMC when voting rights pass key thresholds (5% to two-thirds), whether by acquisition, disposal, options or derivative changes.

On exit, disclosure depends on the structure: if the buyer is a third-country investor crossing relevant thresholds, a new FDI filing may be required.

## 5. Capital Markets

### 5.1 Capital Markets Overview

Most Greek companies (mainly SMEs and microcaps) continue to rely heavily on bank financing, with banks also channelling the loan component of the national recovery and resilience plan (NRRP). From 2022 to November 2024, 372 loan agreements financed investments totalling EUR13.9 billion (EUR6.1 billion RRF loans, EUR4.6 billion bank loans, EUR3.2 billion equity).

In capital markets, 2024 saw increased activity aligned with stronger growth. Large-cap issuers expanded free float, while new listings were limited but included two major IPOs, including the Athens Airport IPO, which was 12× oversubscribed. Total capital raised (including secondary sales) reached EUR3.8 billion. Greek companies issued EUR2.1 billion in new bonds, dividends exceeded EUR4.2 billion (a post-2007 high), and M&A and deal activity topped EUR10 billion, mainly in energy, technology, construction and banking.

The market remains highly concentrated, with banks representing over 40% of the index and many listed companies being family-controlled. A revised Athens Stock Exchange Regulation came into effect on 1 January 2025 and introduced stricter free float rules to deepen the market, improve liquidity and valuation, and simplified listing procedures to attract growth companies.

In late 2024, S&P Dow Jones and FTSE Russell placed the Athens Stock Exchange on their Watch List for potential upgrade from Advanced Emerging to Developed Market status.

### 5.2 Securities Regulation

Greek securities laws are fully aligned with the EU framework, through the national transposition of EU Directives and the direct application of EU Regulations. Supervision of capital markets, intermediaries and market participants is exercised by the HCMC. The rules are not consolidated in one code but are dispersed across several statutes, including:

- Law 3371/2005 on listing, trading and HCMC functions;
- Law 3461/2006 on takeover bids (EU Directive);
- Law 3556/2007 on the transparency of listed issuers;
- Law 4141/2013 on credit for securities purchases;
- Law 4443/2016 implementing the EU Market Abuse Regulation and Directive;
- Law 4514/2018 implementing MiFID II;
- Law 4569/2018 on Central Securities Depositories (aligned with CSDR);
- Law 4706/2020 on corporate governance and capital market modernisation, including SRD II and the Prospectus Regulation; and
- the Athens Stock Exchange Regulation.

Listing on the main market of the Athens Stock Exchange requires at least EUR1 million in own funds, EUR40 million capitalisation, a 25% free float (or 15% for large-caps under conditions), and lock-up rules for certain loss-making issuers.

Greek securities law does not impose extra obligations for FDI: foreign and domestic investors are treated equally. However, crossing voting rights thresholds triggers major holding disclosures and may require a mandatory takeover bid. Large foreign investments may also confer residence-permit eligibility.

A forthcoming capital markets draft law will:

- introduce incentives for angel investors and SMEs entering the Alternative Market;
- ease transfers between markets;
- allow multiple-voting shares;
- expand tax incentives;
- regulate omnibus accounts;
- update Real Estate Investment Company rules;
- strengthen supervision by the HCMC and Bank of Greece;
- improve crypto-asset investor protection (post-MiCA); and
- transpose recent EU legislation, including the Daisy Chains Directive, DORA and Regulation EU 2023/1113.

## 5.3 Investment Funds

There are no legal requirements imposing specific regulatory reviews on foreign investors structured as investment funds.

## 6. Antitrust/Competition

### 6.1 Applicable Regulator and Process Overview

Greece has a full merger control regime under Law 3959/2011 (as amended, including in 2022 and 2024/25). The competent authority is the independent Hellenic Competition Commission (HCC); in certain regulated sectors (e-communications, postal services) merger control is handled by EETT. The rules apply to “concentrations” – ie, mergers, acquisitions or joint ventures that confer lasting control, interpreted broadly in line with EU standards. The regime is mandatory and includes a standstill obligation prohibiting implementation before clearance, unless an exceptional derogation is granted.

### Notification Thresholds

Notification is required when:

- the combined worldwide turnover is at least EUR150 million; and
- at least two parties each achieve at least EUR15 million turnover in Greece.

Lower thresholds apply in informative media (a combined turnover of at least EUR50 million; Greek turnover of at least EUR5 million). The law also covers foreign-to-foreign deals if the thresholds and Greek nexus are met.

### Filing Obligations and Sanctions

A filing must be made within 30 days of a trigger event (binding agreement, public bid announcement or acquisition of control). Failure to notify or gun-jumping may result in significant fines (up to 10% of turnover) and possible criminal liability for representatives.

### Exemptions

No general exemption exists beyond the thresholds. Standstill waivers may be granted only in exceptional cases. Merger control operates independently of other

regimes (FDI screening, sectoral approvals, foreign subsidies rules).

## Key Process Stages

- Pre-notification and triggers: concentrations include mergers, acquisitions of direct/indirect control, or full-function joint ventures. Filing must occur within the statutory 30-day period.
- Standstill: transactions cannot close before clearance. Waivers are possible but rare, and premature implementation may be sanctioned as gun-jumping.
- Filing completeness: the review clock starts once the HCC receives a complete notification. Formal guidance exists for notification forms (Decisions 780/2022 and 779/2022). Incomplete filings suspend deadlines.
- The review phases are as follows.
  - (a) Phase I (1 month): clearance if there are no serious competition concerns.
  - (b) Phase II (90 days): in-depth review if concerns arise; deadline extensions are possible for incomplete information or by agreement. If the HCC fails to issue a decision in time, the concentration is deemed to be approved.
- Decisions: the HCC may approve unconditionally, approve with remedies (structural or behavioural), or prohibit (rare).
- Post-clearance: the HCC may monitor commitments. Decisions are subject to judicial review before the administrative courts (Athens Administrative Court of Appeals; Council of State).

## 6.2 Criteria for Antitrust/Competition Review

The merger control regime in Greece involves a full substantive assessment of the transaction: once a concentration (merger, acquisition, joint venture) is notified and the jurisdictional thresholds met, the HCC will assess whether the transaction is compatible with competition law based on a number of criteria. The key elements of the substantive assessment include the following.

- Definition of relevant markets: the HCC will define the relevant product and geographic markets in which the merging parties operate (or will operate post-merger).

- Assessment of market shares and structure: the HCC will assess the pre- and post-merger market shares of the merging parties, as well as the presence of other competitors, market concentration levels, and potential changes in structure (eg, removal of a competitor).
- Competitive effects – horizontal, vertical and conglomerate:
  - (a) horizontal overlaps – where the merging parties are (or will be) active in the same relevant market (or adjacent ones), the HCC will assess whether the merger raises a risk of elimination of actual competition, co-ordinated behaviour, or the ability to unilaterally raise price, reduce output, quality, innovation, etc;
  - (b) vertical relationships – if one party supplies inputs to the other or is a customer, the HCC will examine potential foreclosure risks (the upstream party may deny access to rivals, the downstream party may be foreclosed, etc); and
  - (c) conglomerate or “non-horizontal” effects – the HCC may also look at portfolio effects, such as tying/bundling, leveraging of market power into adjacent markets, leveraging data/inputs, or whether the merged entity might foreclose or disadvantage rivals across different markets.
- Entrants, barriers to entry and expansion: the HCC examines whether new entrants or existing competitors could effectively expand to counteract the effects of the merger – concerns may be mitigated if entry or expansion is easy and timely.
- Efficiencies and other countervailing factors:
  - (a) while the HCC’s substantive test is focused on anti-competitive risks, the parties may present efficiencies (cost savings, innovation, improved products/services, etc) that are merger-specific and verifiable, and that can benefit consumers; and
  - (b) the HCC may also take into account whether the merger is pro-competitive (eg, failing firm defence, or the necessity of the merger for the viability of a business).
- Effect on effective competition: concerns will arise if the merger will significantly impede effective competition in Greece (or in a part of the Greek market) or if it will strengthen or create a dominant position.
- Remedies and balancing:

- (a) if the HCC identifies concerns, it may approve the transaction subject to remedies (divestitures, behavioural commitments, structural separation); or
- (b) the HCC may prohibit the transaction (rare) if remedies are not sufficient.

The HCC will weigh pro-competitive benefits (if any) against anti-competitive risks.

### 6.3 Remedies and Commitments

The HCC may impose or accept remedies to address competition concerns, broadly aligned with EU practice. Remedies may be structural, behavioural or hybrid, with a clear preference for structural solutions.

#### Structural Remedies

These are the HCC's preferred option. They alter market structure and typically include:

- divestitures of business units, assets, brands, customer portfolios or distribution networks, usually to an approved purchaser that is independent, viable and able to maintain competition;
- the transfer or licensing of IP (eg, exclusive trade mark or technology licences); or
- the severing of competitive links, such as removing minority shareholdings or cross-directorships.

#### Behavioural Remedies

These are accepted but less preferred, and regulate conduct rather than structure, such as:

- non-discrimination obligations (eg, supplying inputs/services on FRAND terms);
- access commitments to infrastructure, networks, data, platforms or essential facilities;
- firewalls to prevent sensitive information flows;
- restrictions on tying/bundling, loyalty rebates or preferential pricing;
- targeted pricing or margin commitments (used rarely); or
- limits on contractual influence over suppliers or distributors.

#### Hybrid Remedies

These are used when structural remedies alone cannot fully resolve concerns, combining structural and behavioural commitments.

### 6.4 Antitrust/Competition Enforcement

The HCC can review, condition or prohibit any concentration under Law 3959/2011 that meets merger notification thresholds. Although it does not screen FDI separately, foreign investments that involve an acquisition of control fall fully within merger control. The HCC may block a deal, approve with remedies, or intervene post-closing if the transaction was completed unlawfully. There is no distinct FDI-specific blocking power in competition law.

Before closing, the HCC may:

- prohibit the transaction;
- approve it subject to structural or behavioural remedies; or
- enforce the standstill obligation (no closing before clearance).

After closing, if the parties failed to notify or closed early, the HCC may:

- deem the implementation unlawful (gun-jumping);
- order unwinding or divestment;
- impose daily fines until compliance; and
- open ex officio investigations.

Decisions are taken by the HCC (Plenary or Chamber) and may be appealed to the Athens Administrative Court of Appeals, then the Council of State.

The consequences of closing without merger clearance include:

- the investment being declared unlawful, incurring fines up to 10% of worldwide turnover, daily fines of up to EUR10,000, and possible divestments;
- the possible invalidity of the share purchase agreement or share transfer until approval is received; and
- rare but possible criminal liability for executives.

## 7. Foreign Investment/National Security

### 7.1 Applicable Regulator and Process Overview

Greece adopted its first comprehensive, cross-sector FDI screening regime in May 2025 via Law 5202/2025, implementing EU Regulation 2019/452. It complements existing sectoral rules (defence, media, critical infrastructure) and is mandatory and suspensory: covered transactions must be notified and cannot close until clearance is granted.

#### Competent Authority

Reviews are carried out by a specialised FDI Screening Authority within the Ministry of National Economy & Finance, in co-ordination with sectoral ministries and security services. The Minister issues the final decision.

#### Investments Subject to Review

The regime applies to:

- non-EU/EEA investors;
- EU/EEA investors controlled by third-country persons; and
- investments conferring effective control in “sensitive” or “highly sensitive” sectors.

The following sensitive sectors have a higher threshold of 25% voting rights:

- energy;
- transport/logistics;
- ports;
- airports;
- water;
- telecoms/digital infrastructure;
- health infrastructure;
- data-related ICT; and
- strategic real estate.

The following highly sensitive sectors have a 10% threshold:

- defence/dual use;
- cybersecurity;
- subsea cables;

- sensitive AI;
- critical minerals; and
- tourism in border regions.

Exclusions are available for portfolio (non-control) investments and purely intra-EU investors. There is no special exemption for sovereign wealth or state-owned entities.

#### Notification and Standstill

Filing is mandatory when thresholds are triggered. Signing is allowed, but closing is prohibited until approval.

#### Review Process and Timeline

Similar to other EU regimes, the following applies.

- Phase 1 (30–45 days): initial assessment after filing is deemed complete. Many cases clear here.
- Phase 2 (90–120+ days): launched when security/public order concerns arise. This phase includes consultations with security bodies, ministries, the competition authority and possibly the European Commission.

#### Possible Outcomes

Potential outcomes are:

- unconditional clearance;
- conditional clearance (remedies);
- prohibition; or
- orders to amend or unwind an already implemented but unapproved investment.

Complex reviews may last up to five months.

### 7.2 Criteria for National Security Review

The Greek regime follows the EU’s national security framework but is tailored to domestic priorities.

#### Core Assessment Criteria

- Security of critical infrastructure – energy, water, transport, ports, airports, telecoms, health, financial infrastructure.
- Security of supply of essential inputs – energy, raw materials.
- Protection of sensitive technologies – AI, cybersecurity, space, defence.

- Access to sensitive information or personal data.
- Influence on freedom/media pluralism (limited relevance outside media acquisitions).
- Integrity and security of critical real estate – eg, near military sites or border areas.
- Public order concerns, including crime, illicit finance or sanctions circumvention.

## Investor-Related Factors

- Whether the foreign investor is state-owned, state-controlled or otherwise linked to a third country's government.
- The investor's track record, compliance history and involvement in past security concerns.
- Whether the transaction may allow malicious access, espionage or undue influence over critical sectors.

## Different Treatment for Specific Investment Types

- Partnerships and joint ventures:
  - (a) joint ventures where a third-country investor gains control or material influence in a sensitive activity require notification;
  - (b) a joint venture can trigger review even without the acquisition of an existing Greek company if it will operate in a covered sector; and
  - (c) pure contractual collaborations without control are less likely to trigger screening.
- Acquisitions by foreign governments or state-affiliated buyers:
  - (a) subject to more stringent scrutiny;
  - (b) the authority examines the policy objectives and geopolitical ties of the investor's home jurisdiction; and
  - (c) the risk of extended Phase 2 review is substantially higher.
- Non-controlling minority investments:
  - (a) investments below the control thresholds are not automatically exempt;
  - (b) minority stakes crossing the 10% (highly sensitive) or 25% (sensitive) thresholds must be notified even without control; and
  - (c) where the minority investor obtains special rights, board seats, vetoes or access to sensitive information, the authority may treat the investment as higher risk.

## 7.3 Remedies and Commitments

The authority may impose conditions to mitigate security risks rather than prohibit a transaction outright. Typical remedies include the following.

- Governance-related measures:
  - (a) excluding certain shareholders from sensitive board committees;
  - (b) requiring Greek or EU nationals to hold certain management or security-cleared positions; and
  - (c) limiting a foreign investor's access to classified information.
- Operational and security measures:
  - (a) requirements for data localisation or the use of secure servers within Greece;
  - (b) safeguards on handling personal or sensitive operational data; and
  - (c) obligations to maintain certain levels of service, supply continuity or local operational capabilities.
- Structural remedies:
  - (a) ring-fencing sensitive assets or business units; and
  - (b) carve-outs or partial divestments of highly sensitive activities.
- Information and transparency obligations:
  - (a) regular reporting to authorities on compliance; and
  - (b) prior notification of future shareholding changes or changes in control.
- Conditions on third-country state influence:
  - (a) measures distancing the investor from its state owner – eg, restrictions on board representation or the veto powers of state entities.

These remedies align with practice in other EU FDI regimes and are typically time-limited or subject to periodic review.

## 7.4 National Security Review Enforcement Authority's Powers

The authority has broad powers to:

- block a transaction before closing;
- impose remedies as a condition for approval;
- prohibit the completion of an investment;

- order unwinding/divestiture of a completed transaction undertaken without approval or in violation of conditions; or
- impose administrative fines, which may be significant depending on the size of the transaction and the gravity of the breach.

## Ultimate Decision-Maker

Although the screening authority conducts the review, the Minister of National Economy & Finance issues the final decision, following inter-ministerial consultation (Defence, Foreign Affairs, Digital Governance, etc). Decisions are also co-ordinated with the European Commission in certain cases.

## Appeal Rights

Investors may challenge decisions before the Administrative Courts – typically, the Athens Administrative Court of Appeal and ultimately the Council of State.

Appeals do not automatically suspend prohibitions or conditions, unless the court grants injunctive relief. Judicial review focuses on legality, proportionality and procedural fairness, rather than reassessing national security merits.

## Consequences of Closing Without Approval

Closing a notifiable investment without clearance is a serious breach, with the following potential consequences.

- Legal consequences:
  - (a) the transaction may be declared void or ineffective until approval; or
  - (b) the authority may order a full or partial unwind, including divestiture or restoration of the prior ownership structure.
- Financial penalties:
  - (a) significant administrative fines may be imposed on both the investor and, in some cases, the target entity; and
  - (b) fines escalate for intentional non-compliance or repeated violations.
- Additional measures:
  - (a) the suspension of voting or economic rights acquired unlawfully;
  - (b) possible criminal exposure in rare cases involving fraud or national security breaches; and

- (c) reputational consequences with Greek and EU authorities, which may affect future transaction reviews.

## Post-Closing Challenges

Even after clearance, the authority may:

- reopen the review if the decision was based on false or incomplete information; or
- enforce commitments if breached, including imposing additional conditions or revoking approval.

## 8. Other Review/Approvals

### 8.1 Other Regimes

Depending on the target's business, sectoral approvals may also be required in parallel with merger control and FDI. Typical examples include the following.

#### Financial Services/Banking/Insurance/Investment Firms

Acquisitions of qualifying holdings in Greek credit institutions, insurers, investment firms, AIFMs and UCITS ManCos require prior approval or non-objection from the Bank of Greece and/or the HCMC, and sometimes also from the European Central Bank for significant banks.

Fit-and-proper assessments, source of funds and ownership structure analysis are standard.

#### Energy and Utilities

The Regulatory Authority for Waste, Energy & Water (RAAEW) (successor to RAE) supervises licensing in electricity, gas and renewable energy systems, and sometimes requires notification/approval of changes in control of licence holders and concessionaires.

#### Telecoms and Post

EETT is the sector regulator and, in electronic communications/post, also the competent merger authority under Law 3959/2011. It can therefore be a parallel or sole merger control forum, depending on the markets involved.

## Media

Transactions in informative media (news TV, radio, press) face special ownership caps and concentration rules under Law 3592/2007, enforced alongside the Competition Law and overseen also by the National Council for Radio and Television (ESR).

## Transport, Infrastructure, Defence and “Strategic Asset” Sectors

Depending on the asset, additional approvals may also be required in the following areas:

- aviation – approvals relating to Air Operator Certificate holders and airport concessions;
- ports and shipping – the Ministry of Shipping and sometimes concession-specific change-of-control consents; and
- defence/dual use – MoD and export-control related clearances.

These often interact with the new FDI regime, given the overlap in “highly sensitive” sectors.

## 9. Tax

### 9.1 Taxation of Business Activities

#### Corporate Income Tax (CIT)

All legal entities that are resident in Greece are taxed on their worldwide income, while non-resident legal entities are taxed only on Greek-source income. Permanent establishments (PEs) of foreign legal entities in Greece are taxed on income attributable to the Greek PE. In principle, the Greek definition of a PE follows the OECD MTC and its Commentary.

A legal entity is tax resident in Greece if it is incorporated or established under Greek law, if its registered seat in Greece, or if the place of effective management (POEM) is in Greece at any time during the tax year. The POEM is determined based on actual facts, taking into consideration factors such as:

- the place of exercise of day-to-day management and strategic decision-making;
- annual general shareholder meetings;
- book-keeping;
- board meetings;

- the residence of board members, etc

The residence of shareholders/partners may also be taken into account.

From 2021 onwards, all resident legal entities are taxed at a CIT rate of 22%, regardless of their legal form (with the exception of credit institutions subject to specific rules on deferred taxation, which are subject to a CIT rate of 29%).

All income generated by legal entities, including capital gains, is treated as business income and is subject to CIT, after the deduction of deductible business expenses, depreciation and bad debt provisions.

Business expenses are deductible if they:

- relate to real transactions at market value;
- are recorded in the books and are supported by relevant tax records; and
- are not included in the list of explicitly non-deductible expenses.

Non-deductible expenses include interest expenses on loans granted by third parties (excluding bank loans, inter-bank loans, inter-company loans and bond loans issued by SAs), to the extent they exceed the interest rate of loans on open deposit/withdrawal accounts granted to non-financial enterprises, as published in the Statistical Bulletin of the Central Bank of Greece for the period closest to the date of the loan. Moreover, thin cap rules allow the deductibility of net interest, exceeding EUR3 million, up to 30% of EBITDA (credit institutions, insurance/reinsurance companies and pension institutions are exempt).

Special deductibility restrictions apply for transactions with non-co-operative states and states with preferential tax regimes.

Tax losses are carried forward for five years, while carry-back is not allowed.

Group taxation is not applicable in Greece.

## Dividend Participation Exemption

Intra-group dividends received by Greek legal entities are income-tax exempt when the following conditions are met:

- the distributing company has a legal form listed in Annex I of the EU Parent-Subsidiary Directive;
- it is EU tax-resident and not deemed resident in a third country under a tax treaty;
- it is subject to one of the Directive-listed corporate taxes;
- the Greek recipient holds at least 10% of shares, capital or voting rights;
- this participation is maintained for 24 months (or secured by guarantee); and
- the distributed profits were not deducted by the payer company.

From tax year 2025, the exemption also applies to dividends from non-EU entities, provided the same 10%/24-month conditions are met, the distributing company is a capital company subject to CIT, and it is not located in a non-co-operative jurisdiction.

## Capital Gains Participation Exemption

Greece exempts from income tax the capital gains earned by a Greek tax-resident legal entity from transferring shares in EU (including Greek) subsidiaries, provided:

- the subsidiary is EU tax-resident and has a legal form listed in Annex I of the EU Parent-Subsidiary Directive;
- it is subject to one of the Directive-listed corporate taxes without exemption; and
- the seller has held at least 10% of share capital or voting rights for 24 months.

Related business expenses are non-deductible, and exempt gains are not taxed again upon distribution or capitalisation.

From tax year 2025, the exemption also applies to non-EU subsidiaries, provided the participation meets the same conditions and the subsidiary is not located in a non-co-operative jurisdiction.

## Other Taxes

A capital concentration tax of 0.2% applies on subsequent contributions of capital (ie, not on the initial capital contributed upon the establishment of the company).

Annual property taxes apply on property rights on real estate located in Greece, such as the Uniform Real Estate Tax (ENFIA) and the Special Real Estate Tax (SRET):

- ENFIA is imposed on property rights (full/bare ownership, usufruct rights, etc) owned on January 1st of each year on real estate property located in Greece; and
- SRET is imposed on Greek and foreign legal entities owning real estate in Greece on January 1st of each year, at a tax rate of 15% on the objective tax value of the real estate, to corporations owning Greek real estate that do not disclose their ultimate beneficial owners, and that must also have acquired a Greek tax registration number.

## Real estate

Taxes on the acquisition of real estate are as follows.

- VAT at the standard rate of 24% is imposed on the purchase of real estate that qualifies as “new” (ie, whose building permit is issued or renewed on or after 1 January 2006) and is transferred prior to its first use.
- RETT is imposed on the purchase of real estate not qualifying as new (or under the VAT suspension regime). The effective tax rate (ie, RETT plus a municipality surcharge) is 3.09%, imposed on the higher of the sale price and the objective value of the real estate.

## VAT

VAT is imposed on most supplies of goods and services. The standard VAT rate is 24%, applicable to all goods and services that are not subject to the reduced (13%) or super-reduced (6%) and (4%) VAT rates, which apply for specific goods and services explicitly enumerated in the law. All VAT rates are further reduced by 30% for certain Aegean islands under certain conditions.

## Digital Transaction Duty

The Digital Transaction Duty (DTD) was introduced on 1 December 2024 and replaced stamp duty for many non-VATable transactions. Key changes include the removal of the territoriality principle: DTD applies wherever the contract is signed or performed, provided at least one party is Greek tax-resident or has a Greek permanent establishment, and the transaction relates to that PE. The duty is imposed on the transaction, not the document. Typical DTD-subject transactions include:

- commercial leases;
- loans;
- deposits and withdrawals;
- default/statutory interest;
- assignments of receivables;
- assumptions of debt;
- transfers of businesses (if non-VATable);
- settlements;
- compensations; and
- director/manager remuneration.

Many dealings with public-sector entities are also covered. Rates are 0.3%, 1.2%, 2.4% or 3.6%, depending on the transaction; most business transactions fall under the 2.4% rate, while commercial leases are typically 3.6%. Some actions, such as licence issuance, incur a fixed duty. DTD does not apply to sales of shares, founders' titles, bonds, dividends, debt securities, or legal tender.

## Municipal taxes/environmental taxes

Greece applies certain municipal and environmental taxes.

## 9.2 Withholding Taxes on Dividends, Interest, Etc

### Dividends

Dividends paid to non-resident companies are subject to 5% withholding tax (WHT). No WHT applies to profit distributions by partnerships using single-entry books, nor to remittances from Greek branches to their head office.

### Interest

Interest paid to non-resident companies is subject to 15% WHT. The tax rate on interest income earned on

or after 11 April 2025 by Greek tax resident individuals from listed corporate bonds is reduced to 5% (from 15%).

### Royalties

Royalties paid to non-resident companies are subject to 20% WHT, unless the foreign company has a PE in Greece. No WHT applies to royalties paid to resident companies or non-residents with a PE.

### Intra-EU/Swiss Payments

Dividends, interest and royalties paid to EU or Swiss parent companies can be WHT-exempt if the parties meet the conditions of the EU Parent-Subsidiary Directive and the EU Interest-Royalties Directive.

### Non-EU Parents/DTTs

Where the parent is non-EU or does not qualify for the participation exemption, an applicable double tax treaty (DTT) may reduce or eliminate WHT, and the DTT provisions will prevail over Greek domestic law.

### Services

Consulting, management and technical service fees are subject to 20% WHT. However, service fees paid to Greek or EU/EEA companies (with or without a PE) are exempt. For non-EU/EEA companies, WHT applies only if they have a PE in Greece.

### Technical Projects Exception

Fees for technical services paid to contractors undertaking technical projects are subject to 3% WHT, applicable to resident companies and non-residents with a PE.

## 9.3 Tax Mitigation Strategies

### Share Deals

Most M&A transactions are structured as share acquisitions, due to a number of tax benefits, including:

- exemption from indirect taxes (VAT, DTD);
- exemption from real estate taxes on the transfer of companies holding real estate;
- exemption from transfer taxes (with the exception of the transfer tax on listed shares);
- exemption from capital gains tax on the sale of Greek shares by foreign non-resident corporate

sellers (provided they are not held through a Greek PE);

- capital gains participation exemption (under the requirements set by law) (extended also to non-EU qualifying subsidiaries as of 2025); and
- the possibility for a step-up of the target's assets post-acquisition (under specific conditions and requirements, such as in the context of corporate restructurings and under a specific tax incentive law framework).

## Asset Deals

These are subject to indirect taxes (VAT) and real estate transfer taxes. The buyer is entitled to deduct for CIT purposes the business expenses, including financing costs, incurred in the context of the asset acquisition and to carry out depreciations on the acquisition costs. The purchase price is allocated to the assets.

## Greek Holding Regime

Greece applies a beneficial tax regime for holding companies. Until recently, the dividends and capital gains participation exemption applied only to qualifying EU subsidiaries (under the Parent Subsidiary Directive), but this has now been extended to qualifying non-EU subsidiaries.

## New Tax Law on Corporate Restructurings

A number of tax incentive law frameworks allowing for various corporate restructurings under tax beneficial/deferral/exemption regimes have recently been replaced by a new tax law on corporate transformations, aligned with the legal framework on corporate transformations (of Law 4601/2019) and the EU Tax Merger Directive.

## 9.4 Tax on Sale or Other Dispositions of FDI

### Capital Gains – Legal Entities

For Greek-resident legal entities, capital gains are treated as business income and taxed at the 22% CIT rate, including gains from real estate transfers. Non-resident entities are taxed on capital gains only if they have a PE in Greece.

Gains arising from corporate restructurings (mergers, demergers, spin-offs, share exchanges, etc) carried out under approved tax-incentive frameworks are tax-

exempt at the time of restructuring, subject to anti-abuse rules.

### Capital Gains Participation Exemption

Gains from the transfer of shares in EU subsidiaries are exempt if:

- the subsidiary is EU-resident and has a legal form included in Annex I of the EU Parent-Subsidiary Directive;
- it is subject to a listed corporate tax without exemption;
- the seller has held 10% or more of shares or voting rights for at least 24 months; and
- expenses related to the participation are non-deductible, and exempt gains are not taxed again upon distribution.

As of 2025, the exemption now extends to non-EU subsidiaries under the same conditions, provided the subsidiary is not located in a non-co-operative jurisdiction.

### Capital Gains – Individuals

Individuals pay 15% capital gains tax on transfers of:

- non-listed shares;
- listed shares/securities if holding at least 0.5%;
- private company interests;
- government/corporate bonds; and
- derivatives.

A separate 15% tax applies to gains from real estate transfers and from shares of entities deriving up to 50% of value from real estate, but this regime is suspended until 31 December 2026.

### Exemptions

The following are exempt from capital gains taxation:

- individuals who are tax-resident in DTT partner states;
- listed share transfers where the seller holds less than 0.5%; and
- gains from Greek/EU/EEA UCITS.

## Special Cases

Stock options are taxed at 15% capital gains if the shares are sold 24 months from being granted.

Start-up shares (non-listed) are taxed at 5% if they are sold after 36 months.

Free shares under award plans are taxed at 15% capital gains, regardless of the holding period.

## 9.5 Anti-Evasion Regimes

### Intra-Group Transfer Pricing Rules

Intra-group transactions must follow the arm's length principle, based on OECD transfer pricing Guidelines. Related entities are obliged to prepare a Transfer Pricing Documentation File and submit a Summary Information Sheet for intra-group transactions.

An exemption applies if:

- the total value of intra-group transactions is below EUR100,000 annually, where the total annual turnover of the liable party does not exceed EUR5 million; or
- the total value of intra-group transactions is below EUR200,000 annually, where the total annual turnover of the liable party exceeds EUR5 million.

Advance Pricing Agreements (APAs) are regulated and can be unilateral, bilateral or multilateral.

Multinational groups whose annual, consolidated group revenues exceed EUR750 million have Country by Country (CbC) reporting and/or notification obligations, within strict deadlines.

### General Anti-Avoidance Rule

Under the General Anti-Avoidance Rule (GAAR), which adopts the relevant ATAD provisions, tax authorities may ignore any arrangement or series of arrangements which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that is contrary to the object or the purpose of the applicable tax law, are not genuine, taking into account all facts and circumstances. An arrangement or a series of arrangements shall be considered as non-genuine if it is not put in place for valid commercial reasons that reflect economic reality.

## Controlled Foreign Company (CFC) Rules – Greece

Greece's CFC regime is a Targeted Anti-Avoidance Rule (TAAR) aimed at preventing Greek taxpayers (individuals or companies) from shifting income to low-taxed foreign subsidiaries. A Greek taxpayer must include the undistributed income of a foreign entity (the CFC) in its own taxable income when all of the following apply:

- the taxpayer (alone or with associated entities) holds over 50% of the CFC's voting rights, capital or profits;
- the CFC's actual foreign tax is less than half of what would be due under Greek tax rules; and
- more than 30% of the CFC's pre-tax income consists of passive or mobile income, including:
  - (a) interest and other financial asset income;
  - (b) royalties and IP income;
  - (c) dividends and capital gains;
  - (d) financial leasing income;
  - (e) insurance, banking and other financial activities; or
  - (f) low-value-added intra-group invoicing income.

When these conditions are met, the qualifying undistributed income is taxed in Greece as business income, with foreign tax credited up to the Greek tax amount. If profits are later distributed, previously taxed amounts are excluded to avoid double taxation.

### Exceptions

CFCs in the EU/EEA are excluded if they conduct substantial economic activity supported by staff, assets and premises.

The rules also do not apply to shipping companies operating under Law 27/1975 or Law 2687/1953, nor to entities funded by shipping-related capital or shipping funds owned by associated individuals.

### Thin Capitalisation Rules

Thin capitalisation rules (ie, interest deductibility limitation rules) disallow the deduction of interest to the extent that the surplus of interest expenses over interest income exceeds 30% of EBITDA. By derogation, net interest expenses of up to EUR3 million are fully deductible. Any disallowed interest expenses can be

carried forward indefinitely for future deduction, under the same rules.

The rules do not apply to credit institutions, insurance/reinsurance companies and pension institutions. Moreover, an exemption is provided for companies that are part of a consolidated group, provided certain conditions are met.

## Hybrid Mismatch Rules – Greece

Greek corporate law allows preference shares with interest-like returns and profit-participation bonds, but tax authorities treat interest paid on such non-voting, non-dividend preference shares as dividends, making them non-deductible.

Greece has implemented the EU Parent-Subsidiary Directive anti-hybrid rules and the ATAD framework. As a result, dividends received from EU subsidiaries are exempt from CIT only if the underlying payment was not deductible in the subsidiary's jurisdiction. This prevents double non-taxation arising from hybrid loan structures treated differently across countries.

Greece also applies a reverse hybrid mismatch rule: if non-resident associated entities (holding at least 50% collectively) are in jurisdictions that treat a Greek hybrid entity as taxable, the Greek entity is treated as a Greek tax resident and taxed on income that would otherwise go untaxed in any jurisdiction.

## Specific Anti-Avoidance Rule

Greece has implemented the Specific Anti-Avoidance Rule (SAAR) provided by the amended Parent-Subsidiary Directive, according to which the WHT exemption of dividends paid by Greek companies to their EU parent entity and the exemption from CIT on dividends received by Greek companies from their EU subsidiaries is not applied in the context of an artificial arrangement that is not put in place for valid commercial reasons that reflect economic reality, but whose main purpose or one of the main purposes is to obtain a tax advantage preventing the object or the purpose of the provision.

## Exit Taxation Rules

Greece's exit tax rules came into effect on 1 January 2020 and implement the ATAD (Directive 2016/1164/

EU). They apply when assets, tax residence or business activities move out of Greece, causing the State to lose taxing rights. The goal is to tax the unrealised capital gain inherent in transferred assets. The rules apply to Greek tax-resident legal entities subject to CIT, and to PEs in Greece (individuals are excluded).

Exit tax is levied at the 22% CIT rate on the market value minus tax value of affected assets at the time of exit, in the following cases:

- the transfer of assets from the Greek head office to a foreign PE where Greece loses taxing rights;
- the transfer of assets from a Greek PE to a foreign head office or foreign PE;
- the transfer of tax residence abroad, except for assets still linked to a Greek PE; and
- the transfer of the business of a Greek PE to another country where Greece no longer has taxing rights.

Certain exceptions may apply where specific conditions are met.

## 10. Employment and Labour

### 10.1 Employment and Labour Framework

According to Law 1767/1988, the employees of any business that employs more than 50 people have the right to establish and be elected to works councils for their representation in the enterprise. If there is no trade union organisation within the business, the relevant threshold is 20 instead of 50 employees.

The members of works councils enjoy the same protection as the administrators of trade union organisations. Employers, persons acting on their behalf and any third parties are prohibited from proceeding to actions or omissions with a view to impeding the exercise of the employees' rights described above and, more specifically, are prohibited from:

- influencing the employees by using threats of dismissal or other means to obstruct the exercise of rights provided by this Law;
- supporting the candidature of employees with financial or other means; and

- intervening by any means in the exercise of the employees' general assemblies.

## 10.2 Employee Compensation

Greek labour law provides a comprehensive framework for employee compensation and protection, including during mergers and acquisitions. Compensation typically includes salary, equity-based benefits, pensions and statutory allowances. Salaries must meet the statutory minimum wage set by ministerial decision under Law 4172/2013, and overtime is regulated by Law 4808/2021, which sets conditions and premium rates.

Equity schemes such as stock options exist mainly in multinationals and are subject to specific legal and tax rules. Social security contributions, governed by Law 4387/2016, require employers to contribute 22.29% and employees 13.87% of gross salary, with pensions based on service years and average earnings.

Employees benefit from statutory rights, including paid annual leave (minimum 20 days), sick leave compensation and maternity/paternity leave. These protections derive from instruments such as Presidential Decree 88/1999, Law 2112/1920 and Law 4808/2021.

In corporate transformations, Law 4601/2019 ensures that all employment contracts transfer automatically to the acquiring entity without any loss of rights. Overall, Greece's labour framework aims to secure fair compensation and maintain employee protections, particularly during restructuring events.

## 10.3 Employment Protection

In the event of a corporation being transferred, the relevant impact on labour relations is regulated by Article 4 (1) of Presidential Decree No 178/2002, through which Greece has adopted Directive 98/50/EC. In parallel, Article 6 (1) of Law No 2112/1920, Article 9 (1) of Royal Decree No 16 of 18 July 1920 and Article 8 of the Presidential Decree of 8 December 1928 (regarding the protection of the rights of employees of public order, where no waiver of relevant rights is permitted) are also in force.

By combination of the above-mentioned provisions, it is provided that:

- the protection of the employee is not limited to the protection of the right of compensation according to Law 2112/1920;
- the new employer assumes all the pre-existing employer's obligations;
- the labour relationship is preserved in its entirety; and
- the employment position is secured, with the employee's demotion being forbidden.

## 11. Intellectual Property and Data Protection

### 11.1 Intellectual Property Considerations for Approval of FDI

Intellectual property (IP) is an important factor in Greece's FDI assessments under Regulation (EU) 2019/452. Although Greece is still refining its national screening framework, it fully participates in the EU co-operation mechanism, which evaluates FDI for security and public order risks, particularly where sensitive technologies, critical infrastructure or valuable IP are involved.

Investments linked to patents, trade secrets, algorithms and other proprietary technologies are reviewed with attention to the investor's background, the type of IP at stake, and any national security implications. The Ministry of Development and Investments serves as Greece's national contact point, co-ordinating notifications to the European Commission and other member states. This mechanism enables information sharing and joint scrutiny for transactions affecting strategic technologies or infrastructure.

Where sensitive IP is implicated, Greek authorities consult EU partners before deciding whether to approve, block or condition an investment to protect national or EU-wide security interests. Sectors most closely scrutinised include technology, healthcare, defence, energy, telecommunications, cybersecurity and transport, reflecting their importance to national security and economic stability.

### 11.2 Intellectual Property Protections

Greece offers a strong IP protection framework aligned with EU law and international treaties. As an EU mem-

ber, it provides robust protection for patents, trade marks, copyrights and designs, administered mainly by the Hellenic Industrial Property Organisation (OBI) and enforced through specialised courts and collective management bodies. Overall, Greece provides a stable environment for safeguarding innovation and brand assets.

Some sectors face specific challenges. In pharmaceuticals, patent use may be limited by EU Regulation 816/2006 on compulsory licensing for generic-drug export. In technology and software, unresolved issues around AI-generated works create uncertainty over authorship and protection. Occasional delays occur in patent and trade mark processing, but Greece is generally efficient compared to other jurisdictions.

IP enforcement is solid but judicial proceedings can be slow, affecting timely resolutions. Despite these issues, Greece maintains a reliable, internationally aligned IP system, making it an attractive environment for innovation-focused businesses.

## 11.3 Data Protection and Privacy Considerations

Greece's personal data protection framework is primarily governed by the GDPR (Regulation EU 2016/679), which applies extraterritorially under Article 3. This means it also covers non-EU controllers or processors when they offer goods or services to individuals in the EU or monitor their behaviour – situations that may affect foreign investors operating in Greece.

The Hellenic Data Protection Authority actively enforces the GDPR. Penalties follow Article 83, which sets two tiers of fines:

- up to EUR10 million or 2% of global annual turnover for lower-level infringements; and
- up to EUR20 million or 4% of global annual turnover for more serious violations, whichever is higher.

## Trends and Developments

### Contributed by:

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**Iason Skouzos TaxLaw** was established in Athens in 1972 as a purely tax law firm. During the last decade, it has developed into a multidisciplinary commercial and tax law firm, while still retaining its status as one of the best in the field of taxation. The firm has a par-

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## Greece in 2025 – From Crisis Story to Investment Story

Over the last decade, Greece has moved away from being the epicentre of the eurozone debt crisis to being discussed as a recovery case study. International institutions project growth of around 2% per year in the medium term – a rate that is modest in absolute terms but above that of several larger eurozone economies. At the same time, the country has regained investment-grade status with all major rating agencies, and is attracting renewed interest in sectors ranging from tourism and renewables to technology and defence.

For investors, Greece today is neither a “risk-free” safe haven nor a high-risk frontier market. It is a mid-sized, service-driven European economy with some clear strengths (political stability, EU membership, strategic location, human capital) and equally clear weaknesses (slow justice, bureaucracy in practice, and a serious demographic problem). The aim of this article is to give a non-technical overview of the Greek economy and business environment, with practical pointers about trends, advantages, challenges and opportunities that matter when deciding whether – and how – to invest.

### *Macroeconomic overview: growth, debt and stability*

Greece’s macroeconomic position is significantly stronger than it was a decade ago. The IMF’s 2025 Article IV consultation describes the near-term outlook as “favourable”, with GDP growth projected at about 2.1% in 2025 and around 2% in the following years, helped by investment and EU recovery funds. The country has exited its bailout programmes, runs primary budget surpluses and is gradually reducing its very high public debt ratio, which had briefly exceeded 200% of GDP during the pandemic.

Greece is also part of a broader “reversal of fortunes” in Europe, where several southern economies are now growing faster than some core northern economies, partly thanks to the deployment of EU recovery and resilience funds into tourism, green energy and infrastructure. However, growth remains sensitive to external conditions such as European demand, geopolitical tensions in the Eastern Mediterranean and global

interest rates. Investors should therefore see Greece as a medium-growth, reforming eurozone economy with some cyclical, rather than as a high-growth emerging market.

### *Political stability and the reform agenda*

Political stability is a major macroeconomic advantage. Since 2019, Greece has been governed by the centre-right New Democracy party under Prime Minister Kyriakos Mitsotakis, who secured a second term in 2023 and is already strategising for a potential third term to 2030, signalling continuity of policy. The government’s agenda focuses on further reducing taxes, modernising the state (especially through digital tools), improving infrastructure and tackling structural issues such as justice and demographics.

For investors, this relative stability has three practical implications.

- First, economic and tax policies tend to be reasonably predictable compared to the volatile period of 2010–2015.
- Second, reforms are often framed explicitly around attracting foreign direct investment, including simplified licensing and targeted incentives.
- Third, political stability does not eliminate social tensions – reforms in areas such as rail safety, pensions or justice can trigger protests and court challenges, so the road map for implementation may be “bumpy”.

### *Credit ratings and market perception*

All three major credit rating agencies now classify Greece as investment grade again – a symbolic and practical milestone. Fitch upgraded the country to “BBB” with a stable outlook in November 2025, noting sustained fiscal discipline and stronger growth prospects. Moody’s raised Greece to Baa3 in 2024, explicitly linking the upgrade to a more stable political environment and improved debt dynamics.

Investment-grade status reduces the sovereign’s borrowing costs and widens the pool of institutional investors that can hold Greek bonds. For companies, this tends to lower funding costs over time, improve bank balance sheets and raise valuations on the Athens Stock Exchange.

However, investors should remember that public debt remains high in absolute terms, and the country is still sensitive to global risk-off episodes; spreads may widen more than those of core eurozone issuers in periods of stress.

### *Capital markets and the Euronext–Athens Stock Exchange deal*

One of the most important recent developments for the Greek business environment is the acquisition of a majority stake in Hellenic Exchanges – Athens Stock Exchange (ATHEX) by Euronext. Euronext’s voluntary tender offer, now successful, gives it around 74% of ATHEX, integrating the 149-year-old Greek exchange into Euronext’s pan-European network alongside Paris, Amsterdam, Milan, Dublin and others.

For investors, the Euronext deal matters for several reasons, as follows.

- Market infrastructure and visibility: Greek issuers are expected to benefit from shared trading, clearing and settlement infrastructure, potentially improving liquidity and lowering transaction costs.
- Access to capital: integration into a larger market infrastructure may facilitate IPOs and secondary offerings, especially for mid-cap Greek companies that may previously have struggled to attract foreign institutional interest.
- Regulatory convergence: alignment with Euronext’s standards can raise governance and disclosure expectations, which institutional investors often see as a positive.

### *Digitalisation of the public sector and tax administration*

A defining change in the business environment is the rapid digitalisation of the Greek state. Since 2019, the Ministry of Digital Governance has pursued an ambitious strategy to move hundreds of services online, with the gov.gr portal now acting as a single entry point for citizens and businesses to access public services ranging from identity documents to declarations and licences.

These reforms are complemented by sector-specific initiatives, such as the digitalisation of public procurement and the roll-out of remote metering for energy

consumers. The tax administration has undergone its own “quiet revolution”: a hi-tech data centre outside Athens now uses big data, AI and tools like drones to monitor transactions and fight tax evasion, contributing to stronger revenue performance and enabling tax cuts worth around EUR1.6 billion.

For investors, digitalisation brings tangible benefits – fewer physical visits to public offices, faster processing of many procedures and better transparency – but it does not completely eliminate the underlying culture of formalism and paperwork. Complex projects – especially in regulated sectors such as energy or construction – still require careful planning and often local expert support to navigate overlapping regulations.

### *Tourism: a mature powerhouse facing sustainability questions*

Tourism is the backbone of the Greek economy, directly and indirectly accounting for a very large share of GDP and employment. After a sharp pandemic-era drop, arrivals reached record levels in 2024, with estimates of over 35–40 million visitors and tourism revenues above EUR21–30 billion depending on methodology. 2025 data so far points to further growth, with tourism receipts up 12% year-on-year in the first eight months.

Key investor takeaways in tourism include the following.

- Opportunities:
  - (a) upgrading existing hotels and resorts to higher-value segments (luxury, wellness, medical, eco-tourism);
  - (b) developing year-round offerings (city breaks in Athens/Thessaloniki, cultural routes, sports and conference tourism) to reduce seasonality; and
  - (c) technology-enabled services (booking platforms, experience curation, smart mobility).
- Challenges:
  - (a) infrastructure stress for popular islands and city centres, leading to new regulations on short-term rentals, including a one-year freeze on new registrations in parts of central Athens and bans on converting basements into tourist accommodation; and

- (b) growing political and social pressure for sustainability, as local communities push back against overtourism.

Overall, tourism remains a core opportunity for foreign investors, but success increasingly depends on differentiation, ESG credentials and careful compliance with evolving zoning, environmental and housing rules.

### *Energy and the green transition*

Greece is positioning itself as a regional hub for renewable energy and cross-border interconnections. Renewable energy sources (RES) – especially wind and solar – have expanded rapidly, hitting record production levels in 2023 and supported by a dense pipeline of projects, including utility-scale solar and wind farms and battery storage systems. Recent reforms introduced a detailed framework for standalone battery energy storage systems, allocating 4.7 GW of grid capacity and encouraging co-location with industrial off-takers.

Two emblematic developments illustrate the sector's direction.

- Strategic foreign investment: UAE-based Masdar completed the acquisition of Terna Energy, one of Greece's largest renewables companies, in a deal valuing the firm at EUR3.2 billion, signalling confidence in the Greek RES pipeline and its regional role.
- Interconnectors and regional role: Greece and Egypt have reaffirmed their commitment to a 3,000 MW undersea cable to bring cheap solar and wind power from North Africa to Europe, in a EUR4 billion project aligned with EU energy diversification goals.

For investors, opportunities span:

- utility-scale wind, solar and hybrid RES projects;
- battery storage and grid balancing solutions;
- green hydrogen and biomethane, following a new legal framework for renewable gases; and
- grid infrastructure and cross-border interconnectors.

The main challenges are permitting complexity (multiple authorities and environmental approvals), grid capacity constraints in some regions and community acceptance issues, particularly for large onshore wind projects.

### *Shipping and logistics: a global giant anchored in Greece*

Greek-owned shipping is a global heavyweight. Greek ship-owners control around 20% of world shipping capacity and roughly 61% of the EU fleet, with approximately 5,700 vessels, and the fleet's deadweight tonnage has grown by more than 40% since 2015. Piraeus, managed by China's COSCO, has become a strategic European port, handling significant container volumes and serving as a gateway for Asian trade into Europe.

Investment opportunities in and around the sector include:

- port infrastructure, ship repair yards and logistics parks, especially around Piraeus and Thessaloniki;
- maritime technology (fleet management software, decarbonisation solutions, alternative fuels); and
- finance, leasing and insurance services tailored to ship-owners.

Regulatory and compliance risks should not be underestimated. EU and international environmental regulations (carbon pricing, fuel standards) are tightening, and enforcement against customs and VAT fraud is intensifying, as shown by recent large-scale seizures of under-declared imports at Piraeus. Investors in logistics or trade-heavy sectors must therefore build robust compliance systems and expect close co-ordination with customs and tax authorities.

### *Construction and real estate*

The Greek construction and property sectors have been rebounding, driven by tourism, foreign investment and pent-up domestic demand. Residential property prices in urban areas rose by about 6.2% year-on-year in Q1 2025 (3.5% in real terms), continuing the strong trend seen in 2023–2024. Real estate outlook studies point to continued price growth in 2025–2026, particularly in metropolitan Athens, Thessaloniki and coastal hotspots, with rental yields in the

4.5%–8% range, depending on location and property size.

Key themes for investors are as follows.

- Location of demand:
  - (a) prime residential in central Athens and Thessaloniki;
  - (b) hospitality and serviced apartments in tourist destinations; and
  - (c) logistics warehouses and data centres.
- Policy drivers:
  - (a) the Golden Visa programme continues to support foreign demand, accounting for roughly 10% of transactions in some estimates, although rules are tightening in certain areas; and
  - (b) new regulations on short-term rentals and energy performance standards are reshaping the economics of some residential investments.

Investors should carefully assess local zoning rules, heritage protections and seismic standards, and anticipate that high-profile projects may face court challenges or local opposition, which can delay implementation even when licences are granted.

### *Agriculture and the agri-food sector*

Agriculture remains structurally important, both as a source of exports (olive oil, wine, fruits, vegetables, aquaculture) and as a backbone of rural communities. The Greek Common Agricultural Policy (CAP) Strategic Plan emphasises a shift towards more resilient, green and digital agriculture, including support for high-value crops, environmental schemes and the modernisation of farms. Around half of the country's land is classified as agricultural, and there is growing interest in organic and protected-origin products linked to Greece's strong culinary brand.

Investor opportunities include:

- consolidation and professional management of fragmented land holdings, where legal and cadastral issues can be resolved;
- export-oriented agri-food processing (olive oil, dairy, wine, speciality foods); and

- agri-technology solutions (irrigation, precision farming, climate-smart agriculture).

Risks are real, including climate change (drought, heatwaves), water management challenges, fragmented ownership and an ageing farmer population. Demographic decline is particularly acute in rural areas, which may constrain labour supply and succession plans, unless supported by immigration or policies attracting younger farmers.

### *Technology, digital services and the start-up ecosystem*

Greece's technology and start-up scene is still small by European standards, but it is growing in size and sophistication. The Greek start-up ecosystem is valued at roughly USD4.2 billion, with more than 700 active start-ups across verticals such as maritime tech, fintech, AI and life sciences, and Athens ranks among the top 100 emerging start-up ecosystems globally. Government-backed funds and the Hellenic Development Bank of Investments have played an important role in expanding venture capital availability.

Two city hubs dominate:

- Athens is the largest ecosystem, with better access to investors, corporates and international connections; and
- Thessaloniki is a rising northern star, leveraging universities, lower costs and proximity to the Balkans.

For investors, the tech sector offers:

- early-stage and growth-stage start-up investments, often at lower valuations than in Western Europe;
- near-shore IT and back-office operations, taking advantage of skilled engineers and competitive salaries; and
- partnerships with Greek corporates (banking, shipping, telecoms, energy) that are actively seeking innovation.

Challenges include scale (the domestic market is small), brain drain to other EU countries and still-developing exit routes, although recent acquisitions and listings have started to improve this picture.

## *Defence and security industries*

Greece is consistently among NATO's highest defence spenders, allocating around 3.1% of GDP in 2024, significantly above the 2% guideline and nearly double the EU average. In 2025, the government announced a 12-year defence modernisation plan of more than EUR25 billion up to 2036, including new submarines, drones, satellite systems, an "Achilles Shield" anti-aircraft and anti-drone system, and 20 F-35 fighter jets, combined with upgrades to existing F-16s and frigates.

This sustained spending creates opportunities in:

- defence manufacturing and shipbuilding, including patrol vessels and corvettes, some of which are to be built domestically;
- maintenance, repair and overhaul services for air, naval and land platforms; and
- cybersecurity, surveillance, communications and dual-use technologies that can also serve civilian infrastructure.

However, the sector is highly sensitive politically and subject to strict export controls and compliance with EU, NATO and national rules. Investors should expect intense scrutiny, complex procurement processes and a strong role for strategic considerations in contract awards.

## *Key structural challenge: slow justice system*

Perhaps the single most cited business environment challenge in Greece is the slow and often unpredictable justice system. IMF analysis and the European Commission's Rule of Law reports highlight lengthy case processing times, large backlogs and procedural complexity, which weaken contract enforcement and the effectiveness of insolvency and restructuring frameworks. Recent press coverage summarises the IMF's message bluntly: slow justice continues to hamper growth and acts as a brake on investment, despite some reforms.

For investors, this has practical consequences:

- enforcing contracts, securing collateral or litigating disputes can take years rather than months;

- even when laws are modern and EU-aligned (for example, the bankruptcy code), their impact is diluted by judicial bottlenecks; and.
- Arbitration and other forms of alternative dispute resolution (ADR) are important tools but are not used efficiently, and choice-of-law and jurisdiction clauses in contracts deserve careful attention.

The direction of travel is positive, with digital case management, specialised commercial courts and expanded ADR being introduced, but investors should still plan on the basis that the justice system is slow and conservative compared to the EU average, and the impact of reforms is very slow.

## *Key structural challenge: bureaucracy in practice*

Greece has made real progress in improving its business climate. The World Bank's legacy Doing Business data and newer analyses show that the country has climbed the rankings, and reforms since 2019 have targeted the simplification of procedures, faster licensing and lower administrative burdens, especially through digitalisation. The government recently announced 12 key reforms aimed specifically at cutting bureaucracy and boosting entrepreneurship.

However, a gap remains between the "law on the books" and the "law in action". Businesses frequently report:

- overlapping competencies between different authorities and municipalities;
- multiple permits and certificates being required for the same activity; and
- inconsistent interpretations of rules across regions or even individual officials.

The practical conclusion is not that Greece is impossibly bureaucratic (it is less so now than during the crisis years) but that investors should factor in extra time and budget for regulatory navigation, and should rely on experienced local advisers who understand both the formal rules and informal practices of key authorities.

## *Key structural challenge: demographics and human capital*

Greece faces one of Europe's most serious demographic challenges. The population has shrunk by more than 400,000 over the last 13 years as deaths have exceeded births and many young people have emigrated; fertility rates hover around 1.3–1.5 children per woman, well below replacement rate. In 2025, the government announced a EUR1.6 billion package of tax cuts and incentives to address population decline, warning that the population could fall below 8 million by 2050, with more than a third over 65, if current trends continue.

For investors, demographics are a double-edged sword.

- Risks:
  - (a) a shrinking working age population can constrain labour supply, especially in specialised sectors and remote regions; and
  - (b) pension and healthcare costs will exert long-term pressure on public finances, and may limit fiscal room for other priorities.
- Opportunities:
  - (a) demand for services in healthcare, elder care, automation and labour-saving technologies is likely to grow; and
  - (b) policies encouraging return migration of skilled Greeks and selective labour immigration could expand the talent pool in sectors like technology and agriculture.

## *Advantages, challenges and practical tips for investors*

Bringing the above strands together, investors considering Greece should keep the following high-level points in mind.

### *Key advantages*

- Political and macro stability: a reform-oriented government, investment-grade credit ratings and primary budget surpluses reduce macro risk.
- EU membership and funding: access to the single market, eurozone stability and significant inflows from the EU's Recovery and Resilience Facility support investment in infrastructure, green transition and digital projects.

- Strategic location: Greece sits at the crossroads of Europe, the Balkans, the Middle East and North Africa, which underpins opportunities in logistics, energy interconnections and regional headquarters.
- Sectoral strengths: world-class tourism and shipping, strong renewables potential, a resilient agri-food sector and a growing tech ecosystem create diverse entry points.

### *Key challenges*

- Justice system: slow courts and complex procedures make dispute resolution time-consuming. Robust contracts and ADR mechanisms are essential.
- Bureaucracy and implementation risk: despite real progress, administrative complexity and inconsistent enforcement can delay projects and increase transaction costs.
- Demographic headwinds: the ageing population and emigration create long-term growth constraints and labour market challenges.

### *Practical tips*

- Choose the right structure and partners: the optimal structure (greenfield, joint venture, acquisition) depends heavily on sector and local regulation. A strong local partner can mitigate bureaucratic and cultural hurdles.
- Invest in compliance and governance: tax, customs, environmental and planning rules are increasingly enforced, often with digital tools. Good governance is not just a legal comfort but a competitive advantage.
- Think regionally: many successful investors use Greece not only as a domestic market but also as a base for operations and exports to Southeast Europe, the Eastern Mediterranean and North Africa, particularly in energy, logistics and tech.

### *Conclusion*

For 2026, Greece promises a more balanced picture than the extremes of recent memory. It is no longer the "sick patient" of the eurozone, nor has it become a risk-free paradise for capital. Instead, it is a mid-sized, politically stable, reforming economy with a strong services base, increasingly modern state infrastructure and deep integration into European financial and regulatory frameworks.

# GREECE TRENDS AND DEVELOPMENTS

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For investors willing to understand its specifics (the importance of local implementation, the realities of the justice system and the implications of demographic change), Greece offers credible – and in some sectors compelling – opportunities. Tourism, renewables, shipping-related activities, real estate, agri-food, technology and defence all illustrate how the Greek market is evolving and where value can be created.

The key is to approach the Greek economy as a long-term, partnership-driven market: one where careful preparation, strong local relationships and patient capital can be rewarded with resilient returns in a strategically positioned European country.